

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Kathleen Lowman, President
DATE: July 27, 2020
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, August 4, 2020
5:30 p.m.
South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

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

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

(877) 853-5257 or (888) 475-4499
MEETING ID: 850 6738 0108
PASSWORD: 045765

PLEASE SEE THE AUTHORITY'S WEBSITE AT WWW.STWA.ORG FOR THE MEETING PACKET.

Agenda

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

3. Approval of Minutes. (Attachment 1)
4. Quarterly Report/Treasurer's Report/Payment of Bills. (Attachment 2)
5. Review of 2020 Certified Appraisal Rolls for the Authority's district in Kleberg and Nueces Counties. (Attachment 3)
6. **Resolution 20-23.** Resolution adopting the appraisal roll for the South Texas Water Authority's district in Kleberg County for tax year 2020. (Attachment 4)
7. **Resolution 20-24.** Resolution adopting the appraisal roll for the South Texas Water Authority's district in Nueces County for tax year 2020. (Attachment 4)
8. Preliminary Fiscal Year 2021 Budget. (Attachment 5)
9. Proposed Fiscal Year 2021/Tax Year 2020 tax rate and authorization to publish notice of public hearing. (Attachment 6)
10. Nueces County project for construction of Banquete Pump Station to serve the Nueces Water Control and Improvement District #5 (Banquete) and Nueces Water Supply Corporation. (Attachment 7)
11. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities. (Attachment 8)
12. Request by the City of Driscoll to Pay Past Due Invoices in Installments – Written Agreement – Authorization to Work with Legal Counsel to Develop Agreement, Presentation to the City of Driscoll for Approval and Execution if Approved by the City of Driscoll Council. (Attachment 9)
13. Chloramine Booster Station – Kingsville Pump Station for Ricardo WSC 12-inch waterline. (Attachment 10)
14. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place. (Robstown Hardware Company, 30 Acre Tract out of Section thirty-five (35), Geo. H. Paul Subdivision of the Driscoll Ranch, a subdivision in Nueces County, Texas. (Attachment 11)
15. **Resolution 20-25.** 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. (Robstown Hardware Company) (Attachment 12)
16. Aegion/Corrpro Cathodic Protection Report – STWA 42-inch pipeline. (Attachment 13)
17. Part-Time/Full-Time office clerk. (Attachment 14)

18. Carry over of employee Vacation, Personal and Compensatory hours due to COVID-19 pandemic. (Attachment 15)

19. Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2020. (Attachment 16)

20. Adjournment.

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

KL/CGS/fdl
Attachment

This meeting notice was posted on
STWA's website, www.stwa.org, and on
indoor and outdoor bulletin boards at
STWA's administrative offices,
2302 East Sage Road, Kingsville, Texas at
4:30 am/pm on July 31, 2020
Glenn De Leon
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY

Regular Board of Directors Meeting

June 23, 2020

Minutes

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

Board Members Present:

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

Board Members Absent:

None

Staff Present:

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

Guests Present:

None

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:32 p.m. A quorum was present.

2. Citizen Comments.

Ms. Lowman 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. Rodgers who was re-appointed to her current position by the Nueces County Commissioner's Court.

4. Election of officers.

Mr. Treviño nominated Mr. Galvan for STWA Board President. Mr. Graveley seconded the motion. No other nominations were made. All voted in favor.

Mr. Galvan made a motion to nominate Mr. Barrera as Vice-President. Mr. Graveley seconded and no other nominations were made. Ms. Lowman moved that Mr. Barrera be accepted by acclamation. All voted in favor.

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

Mr. Galvan assumed control over the remainder of the Board meeting.

5. Approval of Minutes.

Mr. Treviño made a motion to approve the minutes of the May 26, 2020 Public Hearing and the May 26, 2020 Regular Meeting as presented. Ms. Lowman seconded. The motion passed by unanimous vote.

6. Treasurer's Report/Payment of Bills.

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

Treasurer's Report for period ending May 31, 2020
Revenue Fund Income Statement for period ending May 31, 2020
Tax Fund Income Statement for period ending May 31, 2020
Special Services Income Statement for period ending May 31, 2020
STWA Revenue Fund Balance Sheet – May 31, 2020
STWA Revenue Fund GL Account Summary Report as of May 31, 2020
STWA Debt Service Fund Income Statement for period ending May 31, 2020
STWA Debt Service Fund Balance Sheet – May 31, 2020
STWA Debt Service Fund GL Account Summary Report as of May 31, 2020
STWA Capital Projects Fund Income Statement for period ending May 31, 2020
STWA Capital Projects Fund Balance Sheet – May 31, 2020
STWA Capital Projects Fund GL Account Summary Report as of May 31, 2020
FY 2020 Cathodic Protection Expenses Breakdown through May, 2020
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	\$ 5,124.80
• Kleberg County Appraisal District	\$ 5,340.59
• City of Corpus Christi	\$ 120,081.07
• Kevin Kieschnick-Nueces Tax Assessor	\$ 191.05

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

7. 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 11th deadline. She reviewed the following schedule with the Board:

Date	Event	Action
June 23, 2020	Board Meeting	Agree on calendar & confirm quorums
July 25, 2020	CADs deliver rolls	Staff calculates ETR
August 4, 2020	Board Meeting	Board votes on proposed rate & sets hearing date/time, approves sending proposed budget to wholesale customers
August 5, 2020	Staff prep	Proposed budget is sent to wholesale customers for 30-day written comment period
Aug 6 – Sep 7	30-day comment period	Wholesale customers review & provide written comments on proposed budget
August 27, 2020	Publish newspaper notices	Publication occurs 7 days before hearing
September 8, 2020	Public Hearing followed by Board Meeting	Board adopts tax rates, water rates and Handling Charge
September 11, 2020	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 2020 Governing Body Information form. She stated that she would contact Board members directly for their preferred contact information which will then be made available on the Assessor/Collector's website. Mr. Treviño made a motion to approve the schedule as presented. Mr. Barrera seconded. All voted in favor.

8. Preliminary Fiscal Year 2021 Budget.

Ms. Serrato reviewed the preliminary Fiscal Year 2021 Budget which was provided by email on June 22nd. The preliminary budget is based on water sales of approximately 538 million gallons, the same Handling Charge and similar tax rates, an overall 1.8% cost of living adjustment (excluding her salary) and approximately \$260,000 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. She also reviewed the capital items which include one replacement truck, replacement of six chlorine buildings, technology upgrades, portable tower lights, dual chlorine/LAS scales, the Banquete Pump Station and repair work on the employee parking lot. No changes were requested by the Board.

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

Ms. Serrato stated that the permanent easement for the Bishop Pump Station facilities is not included on the City's June 24th agenda. She said she will address the City Council under public comment about the need for the permanent easement. At Mr. Galvan's request she agreed to inform the Council that this will be the second time she addresses them on this subject in this manner. No action was taken by the Board.

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

Ms. Serrato reported that work on the project has begun and some of the foundations are being installed this week. She added that the project could be completed by September or October. She had nothing further to report.

11. Bill of Sale for existing pumps at the Banquete Pump Station from Nueces Water Supply Corporation.

Ms. Serrato stated that the Bill of Sale drafted by legal counsel Bill Flickinger for the existing pumps at the Banquete Pump Station was presented to and approved by the NWSC Board at their June 16th meeting. Mr. Flickinger advised that STWA can approve the form of the document and authorize execution upon completion of the pump station. Mr. Barrera made a motion to approve the Bill of Sale and authorize execution upon completion and operation of the new pump station in Banquete. Ms. Lowman seconded and all voted in favor.

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

Ms. Serrato stated that the NCWC&ID #5 Board met on June 10th but at the office manager's request, she did not attend the meeting because the NCWC&ID #5 Board wanted to discuss the matter amongst themselves. A follow up meeting has not been scheduled.

13. Operations and Maintenance Contract – City of Driscoll.

Ms. Serrato stated that the City of Driscoll has agreed to the amount in the proposed Operations and Maintenance Contract. She recommended approving Resolution 20-22 authorizing execution of the Contract for Operation and Maintenance of Facilities.

14. Resolution 20-22. Resolution authorizing execution of the Contract for Operation and Maintenance of Facilities.

Mr. Treviño made a motion to approve Resolution 20-22 authorizing execution of the Contract for Operation and Maintenance of Facilities. Mr. Graveley seconded. All voted in favor.

15. City of Driscoll unpaid invoices.

Ms. Serrato stated that several attempts have been made to bring the City of Driscoll current on payment of their water invoices. The outstanding invoices total approximately \$135,000 for October through May's water usage with the exception of the March water usage which has been paid. This total includes Incremental Fees of approximately \$14,000. She noted that the only bill which has been paid did not include an Incremental Fee but she does not know the reason for the City not paying the other invoices. Ms. Serrato recommended having Mr. Flickinger send a demand letter to the City. Mr. Barrera made a motion to authorize Mr. Flickinger to send a demand letter to the City of Driscoll. Ms. Lowman seconded. All voted in favor.

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

Ms. Serrato reported that Mr. Mercer is expected to return to work on the analyzer and to make sure it is working properly. She had nothing further to report.

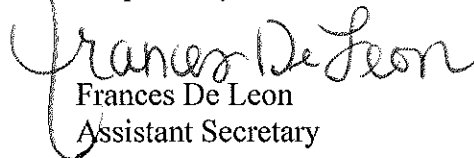
17. Official Consent and Ballot Form for Approval of Unaffiliated Directors for the ERCOT Board of Directors and Bylaw Amendments.

Ms. Serrato presented an Official Consent and Ballot Form for Election of Unaffiliated Directors and Approval of Proposed Amendments to the ERCOT Bylaws. Three persons have been placed on the ballot to fill three positions. The ballot also includes an amendment to the Bylaws associated with clarification on conducting remote meetings. She also presented the candidates' bios and a redline version of the bylaw modifications. She added that Mr. Chris Brewster with the law firm that represents TCAP recommends casting the ballot as "in favor" on all four items. Mr. Treviño made a motion to authorize staff to submit the ballot voting "for" the election of the three persons and in favor of the Bylaw amendments. Mr. Graveley seconded and all voted in favor.

18. Adjournment.

With no further business to discuss, Ms. Lowman made a motion to adjourn the meeting at 6:34 p.m. Mr. Treviño seconded. The motion passed with six voting in favor and one opposed.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

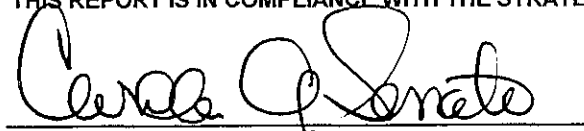
Quarterly Report/Treasurer's Report/Payment of Bills

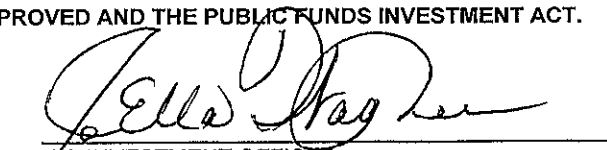
SOUTH TEXAS WATER AUTHORITY
INVESTMENT REPORT
FOR QUARTER ENDED JUNE 30, 2020

	BEGINNING BOOK VALUE 1-Apr-20	BEGINNING MARKET VALUE 1-Apr-20	TRANSFERS	REVENUES APRIL, MAY, & JUNE	EXPENSES	INTEREST	ENDING BOOK VALUE 30-Jun-20	ENDING MARKET VALUE 30-Jun-20
CASH ACCOUNTS								
GENERAL ACCT - PROSPERITY BANK	132,658.29	132,658.29	105,000.00	565,171.20	579,708.04	231.95	223,353.40	223,353.40
GENERAL ACCT TEXPOOL 1371300002	3,395,301.65	3,397,542.55	(400,000.00)	51,250.80	0.00	2,565.71	3,049,118.16	3,051,130.58
GENERAL ACCT TEXSTAR 1111-000	817,966.77	818,527.08	0.00	0.00	0.00	601.60	818,568.37	819,129.09
PAYROLL ACCT - PROSPERITY BANK	11,193.36	11,193.36	160,000.00	0.00	115,571.60	34.39	55,656.15	55,656.15
OPERATIONS ACCT - PROSPERITY BANK	8,506.40	8,506.40	135,000.00	0.00	96,079.44	24.75	47,451.71	47,451.71
DEBT SERVICE ACCT TEXPOOL 1371300008	340,802.73	341,027.66	0.00	12,664.94	0.00	270.10	353,737.77	353,971.24
TOTAL CASH ACCOUNTS	4,706,429.20	4,709,455.34	0.00	629,086.94	791,359.08	3,728.50	4,547,885.56	4,550,692.16

	AVG. MAT. 6/30/2020	APRIL RATE	APRIL EARNING	MAY RATE	MAY EARNING	JUNE RATE	JUNE EARNING	TOTALS
GENERAL ACCT - PROSPERITY BANK	immediate	0.5000%	\$37.19	0.5000%	\$89.99	0.5000%	\$104.77	\$231.95
GENERAL ACCT TEXPOOL 1371300002	31 days	0.4552%	\$1,273.30	0.2685%	\$736.67	0.2165%	\$555.74	\$2,565.71
GENERAL ACCT TEXSTAR 1111-000	33 days	0.4447%	\$298.98	0.2444%	\$169.83	0.1974%	\$132.79	\$601.60
PAYROLL ACCT - PROSPERITY BANK	immediate	0.5000%	\$8.45	0.5000%	\$13.72	0.5000%	\$12.22	\$34.39
OPERATIONS ACCT - PROSPERITY BANK	immediate	0.5000%	\$9.89	0.5000%	\$8.42	0.5000%	\$6.44	\$24.75
DEBT SERVICE ACCT TEXPOOL 1371300008	31 days	0.4552%	\$128.22	0.2685%	\$79.21	0.2165%	\$62.67	\$270.10
TOTALS			\$1,756.03		\$1,097.84		\$874.63	\$3,728.50

THIS REPORT IS IN COMPLIANCE WITH THE STRATEGIES AS APPROVED AND THE PUBLIC FUNDS INVESTMENT ACT.


CO-INVESTMENT OFFICER


CO-INVESTMENT OFFICER

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

STWA Water Sales:

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$2.514564 per 1000 g</u>	<u>Handling Charge @ \$0.426386/1000g</u>	<u>Incremental Increase @ \$0.426386/1000g</u>	<u>Out of District Surcharge and Pass-Thru Credit</u>	<u>Total Due</u>
Kingsville	12,718	\$31,980.22	\$5,422.78	\$0.00	-\$27.16	\$37,375.84
Bishop	5	\$12.57	\$2.13	\$0.00	\$0.00	\$14.70
Agua Dulce	2,069	\$5,202.41	\$882.15	\$0.00	\$0.00	\$6,084.56
RWSC	8,771	\$22,055.24	\$3,739.83	\$0.00	\$0.00	\$25,795.07
Driscoll	3,158	\$7,940.99	\$1,346.53	\$0.00	\$0.00	\$9,287.52
NCWCID #5	2,547	\$6,403.71	\$1,085.86	\$1,085.86	\$805.00	\$9,380.43
NWSC	15,419	\$38,771.74	\$6,574.39	\$0.00	\$0.00	\$45,346.13
TOTAL	44,686	\$112,366.89	\$19,053.67	\$1,085.86	\$777.84	\$133,284.25

Water Cost and Usage for Period of:

	05/31/20	to	06/30/20
City of Corpus Christi Invoice for Cost of Water Purchased:			\$104,605.87
Gallons of Water Recorded by City of Corpus Christi:			41,600,000
Gallons of Water Recorded by STWA from Customer's Master Meters:			44,686,430
Water Loss Percentage:			-7.42%

Annual Usage for FY 2020

	Annual
Gallons of Water Recorded by City of Corpus Christi:	379,350,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	394,682,840
Water Loss Percentage: (year to date)	-4.04%

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

75.00%

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
REVENUES						
Water Service Revenue	112,367	998,489	1,336,941	75%	935,306	1,366,000
Handling Charge Revenue	19,054	168,287	226,930	74%	159,285	231,255
Premium Incremental Increase	1,086	21,118	20,000	106%	24,781	38,600
Surcharge - Out of District	649	5,840	7,787	75%	5,474	7,299
Interest Income	679	24,676	34,800	71%	45,478	59,750
Other Revenue						
Operating & Maintenance Fees	885	885	0	0%	0	0
Miscellaneous Revenues	2,278	23,734	20,000	119%	17,439	21,000
TOTAL REVENUES	136,998	1,243,029	1,646,458	75%	1,187,763	1,723,904
EXPENDITURES						
Water Service Expenditures:						
Bulk Water Purchases	104,606	959,756	1,336,941	72%	866,825	1,366,000
Payroll Costs						
Salaries & Wages - Perm. Employees	32,920	272,706	338,850	80%	231,757	328,813
Salaries & Wages - Part-Time	113	831	1,429	58%	973	1,607
Overtime - NWSC	0	0	0	0%	(1)	0
Stand-by Pay - NWSC	0	0	0	0%	0	0
Overtime - RWSC	0	0	0	0%	1	0
Stand-by Pay - RWSC	0	0	0	0%	0	0
Overtime - STWA	2,211	17,236	24,000	72%	14,921	23,000
Stand-by Pay - STWA	100	950	1,300	73%	950	1,354
Employee Retirement Premiums	7,383	43,022	51,677	83%	40,763	60,249
Group Insurance Premium	(13,850)	117,028	184,666	63%	121,737	159,188
Unemployment Compensation	(15)	1,303	1,176	111%	24	105
Workers' Compensation	(494)	9,063	6,250	145%	4,186	2,840
Car Allowance	500	4,500	6,000	75%	4,500	6,000
Hospital Insurance Tax	349	3,134	3,962	79%	2,581	4,533
Supplies & Materials						
Repairs & Maintenance	12,103	81,158	100,000	81%	61,976	90,000
Meter Expense	0	7,255	7,350	99%	2,350	2,350
Tank Repairs	0	45,000	45,000	0%	0	0
Major Repairs	0	0	25,000	0%	0	25,000
Other Operating Expenditures:						
Professional Fees						
Legal	2,261	33,081	45,000	74%	10,941	20,000
Auditing	0	9,454	9,750	97%	9,503	9,750
Engineering	0	6,496	15,175	43%	2,368	2,500
Management & Consulting	0	2,500	7,500	33%	3,585	7,500
Inspection	0	1,900	3,000	63%	1,900	2,500
Leak Detection	0	0	0	0%	0	0
Banquete Overhead Tank Demolition	0	0	35,000	0%	0	0
Consum Supplies/Materials						
Postage	(196)	2,323	7,500	31%	5,743	6,000
Printing/Office Supplies	(25)	14,454	30,000	48%	14,683	22,000
Janitorial/Site Maintenance	261	3,966	6,000	66%	3,318	6,000
Fuel/Lubricants/Repairs	2,041	28,620	32,500	88%	33,499	46,000
Chemicals/Water Samples	7,382	31,197	52,500	59%	34,706	48,500
Safety Equipment	0	0	1,500	0%	1,512	2,500
Small Tools	12	841	2,000	42%	1,421	2,500

75.00%

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
Recurring Operating Costs						
Telephone/Communications	2,469	11,920	14,000	85%	16,395	24,000
Utilities	9,741	65,489	110,000	60%	60,846	94,000
D & O Liability Insurance	0	2,802	3,500	80%	1,281	3,500
Property Insurance	0	43,973	47,300	93%	47,292	47,292
General Liability	0	1,830	3,200	57%	3,196	3,200
Auto Insurance	0	2,443	2,450	100%	2,219	2,225
Travel/Training/Meetings	351	3,774	10,000	38%	4,609	7,000
Rental-Equipment/Uniforms	232	2,419	5,000	48%	2,626	5,000
Dues/Subscriptions/Publication	785	6,361	15,000	42%	12,319	20,000
Pass Through Cost	27	27	400	7%	1	50
Educational Materials	0	0	0	0%	0	0
Miscellaneous						
Miscellaneous Expenditures	501	5,676	7,500	76%	4,481	8,500
Total Administrative & Operations Exp.	171,767	1,844,486	2,599,376	71%	1,631,987	2,461,556
Capital Outlay						
Capital Acquisition	11,114	102,340	254,340	40%	202,415	278,444
Engineering	0	7,750	8,610	0%	0	17,200
TOTAL EXPENDITURES (w/o D.S. exp.)	182,881	1,954,576	2,862,326	68%	1,834,402	2,757,200
Excess (Deficiencies) of Revenue Over Expenditures	(45,883)	(711,547)	(1,215,868)	59%	(646,639)	(1,033,296)
OTHER FINANCE SOURCE (USES)						
Transfer to Other Funds						
Transfer from Tax Account	(487,692)	(1,440,367)	(1,427,329)	101%	(1,170,110)	(1,297,000)
Extra Ordinary Income						
Disposition of Assets (Surplus Sale)	0	0	(1,500)	0%	(15,238)	(15,238)
TOTAL OTHER FINANCING SOURCES (USES)	(487,692)	(1,440,367)	(1,428,829)	101%	(1,185,348)	(1,312,238)
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)						
	441,809	728,820	212,961		538,709	278,942
NET INCOME	441,809	728,820	212,961		538,709	278,942

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

75.00%

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	12,430	1,477,587	1,465,721	101%	1,283,138	1,297,100
Delinquent Tax Revenue	1,932	24,879	30,000	83%	40,091	44,000
Penalty & Interest - Tax Accounts	2,400	17,442	19,000	92%	18,074	21,850
Miscellaneous	0	8	8	100%	94	94
TOTAL TAXES & INTEREST	16,763	1,519,915	1,514,729	100%	1,341,397	1,363,044
EXPENDITURES						
Tax Collector Fees	0	60,672	62,200	98%	42,430	42,431
Appraisal Districts	0	18,876	25,200	75%	17,150	22,867
TOTAL EXPENDITURES	0	79,548	87,400	91%	59,580	65,298
 Transfer to General Fund	 487,692	 1,440,367	 1,427,329	 101%	 1,170,110	 1,297,746
 EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	 (470,929)	 0	 0		 111,707	 0

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

75.00%

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
REVENUES						
Ricardo Water Supply Corporation	28,595	222,304	308,794	72%	201,502	275,384
Nueces Water Supply Corporation	25,584	275,050	334,531	82%	204,246	258,616
TOTAL REVENUES	54,179	497,354	643,325	77%	405,748	534,000
EXPENDITURES						
Personnel	22,323	242,402	334,754	72%	227,103	312,132
Overhead	21,332	198,646	294,580	67%	215,185	282,172
TOTAL EXPENDITURES	43,655	441,049	629,334	70%	442,288	594,304
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES						
	10,524	56,305	13,991		(36,540)	(60,304)

South Texas Water Authority
Balance Sheet
June 30, 2020

ASSETS

Current Assets

STWA - General	\$	223,353.39	
STWA - Payroll		55,656.14	
STWA - Operations		47,451.71	
Petty Cash		150.00	
TexPool - STWA General		3,049,118.16	
Due From Capital Projects Fund		80,667.19	
Due from Debt Service Fund		1,903.04	
Due from D.S. -Collect Service		6,833.31	
Tax Accounts Receivable		171,762.90	
Allowance for Uncollect Taxes		(76,736.35)	
Service accts receivable		330,942.02	
Interlocal Rec-Bishop		753.21	
Interlocal Rec-Driscoll		885.19	
Interlocal Rec-Ricardo		10,898.91	
Interlocal Rec-Nueces		7,120.96	
Interlocal Rec. - Tax Assessor		3,643.20	
Inventory		19,660.50	
Prepaid Expenses		27,332.61	
Total Assets			\$ 3,961,396.09

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Trade Accounts Payable	\$	145,049.69	
Salaries & Wages Payable		22,937.76	
Hospital Ins Tax Payable		1,394.55	
Withholding Taxes Payable		4,794.44	
Unemployment Comp. Pbl.		518.53	
Miscellaneous Payables		2,693.31	
Compensated Absences		17,508.91	
Deferred tax revenue		95,026.55	
Due to Debt Service Fund		780.46	
Total Liabilities			290,704.20

Fund Equity

Unassigned Fund Balance		2,865,906.34	
Assigned Fund Bal. - Inventory		19,660.50	
Current Earning		785,125.05	
Total Fund Equity			3,670,691.89
Total Liabilities & Fund Equity			\$ 3,961,396.09

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

<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
Current Assets					
STWA - General	208,974.23	\$ 331,272.79	\$ (316,893.63)	\$ 14,379.16	\$ 223,353.39
STWA - Payroll	35,403.09	55,012.22	(34,759.17)	20,253.05	55,656.14
STWA - Operations	2,377.89	76,265.89	(31,192.07)	45,073.82	47,451.71
Petty Cash	150.00	0.00	0.00	0.00	150.00
Transfers	0.00	280,000.00	(280,000.00)	0.00	0.00
TexPool - STWA General	3,181,907.20	17,210.96	(150,000.00)	(132,789.04)	3,049,118.16
Due From Capital Projects Fund	74,930.43	5,736.76	0.00	5,736.76	80,667.19
Due from Debt Service Fund	1,890.88	12.16	0.00	12.16	1,903.04
Due from D.S. -Collect Service	6,833.31	0.00	0.00	0.00	6,833.31
Tax Accounts Receivable	171,762.90	0.00	0.00	0.00	171,762.90
Allowance for Uncollect Taxes	(76,736.35)	0.00	0.00	0.00	(76,736.35)
Service accts receivable	320,326.13	170,533.25	(159,917.36)	10,615.89	330,942.02
Interlocal Rec-Bishop	1,052.13	753.21	(1,052.13)	(298.92)	753.21
Interlocal Rec-Driscoll	0.00	885.19	0.00	885.19	885.19
Interlocal Rec-Ricardo	9,107.21	10,936.65	(9,144.95)	1,791.70	10,898.91
Interlocal Rec-Nueces	9,535.81	7,156.10	(9,570.95)	(2,414.85)	7,120.96
Interlocal Rec. - Tax Assessor	3,505.29	3,644.10	(3,506.19)	137.91	3,643.20
Prepaid Expenses	0.00	27,332.61	0.00	27,332.61	27,332.61
Inventory	19,660.50	0.00	0.00	0.00	19,660.50
Total Assets	3,970,680.65	986,751.89	(996,036.45)	(9,284.56)	3,961,396.09
Current Liabilities					
Trade Accounts Payable	(139,612.98)	218,377.68	(223,814.39)	(5,436.71)	(145,049.69)
Salaries & Wages Payable	(17,812.48)	17,812.48	(22,937.76)	(5,125.28)	(22,937.76)
Hospital Ins Tax Payable	(1,676.82)	1,677.05	(1,394.78)	282.27	(1,394.55)
Withholding Taxes Payable	(6,015.02)	5,772.11	(4,551.53)	1,220.58	(4,794.44)
Emply Retire Prem Payable	0.00	12,655.92	(12,655.92)	0.00	0.00
Unemployment Comp. Pbl.	(517.40)	0.00	(1.13)	(1.13)	(518.53)
Miscellaneous Payables	(2,597.68)	9,366.09	(9,461.72)	(95.63)	(2,693.31)
Compensated Absences	(17,508.91)	0.00	0.00	0.00	(17,508.91)
Deferred tax revenue	(95,026.55)	0.00	0.00	0.00	(95,026.55)
Due to Debt Service Fund	(624.37)	0.00	(156.09)	(156.09)	(780.46)
Total Liabilities	(281,392.21)	265,661.33	(274,973.32)	(9,311.99)	(290,704.20)
Fund Equity					
Unassigned Fund Balance	(2,865,906.34)	0.00	0.00	0.00	(2,865,906.34)
Assigned Fund Bal. - Inventory	(19,660.50)	0.00	0.00	0.00	(19,660.50)
Total Fund Equity	(2,885,566.84)	0.00	0.00	0.00	(2,885,566.84)
Totals	803,721.60	\$ 1,252,413.22	\$ (1,271,009.77)	\$ (18,596.55)	\$ 785,125.05

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

75.00%

			2020	% OF 2020		
	MONTHLY	YEAR TO DATE	ADOPTED BUDGET	ADOPTED BUDGET	YEAR TO DATE	2019 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	2,990	355,415	369,962	96%	354,930	359,300
Delinquent Tax Revenue	545	6,866	9,500	72%	12,763	14,450
Penalty & Interest - Tax Accounts	584	3,856	5,500	70%	4,618	5,950
Out-of-District Surcharge	156	1,405	1,873	75%	1,514	2,020
Interest on Temporary Investments	63	1,735	4,250	41%	3,985	5,000
Miscellaneous	<u>0</u>	<u>1</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL TAXES & INTEREST	4,337	369,277	391,085	94%	377,810	386,720
OTHER FINANCING SOURCES						
Excess Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCE SOURCES	0	0	0		0	386,720
TOTAL REVENUE AND OTHER FINANCE SOURCES	4,337	369,277	391,085	94%	377,810	386,720
EXPENDITURES						
Fiscal Agent Fees	0	100	200	50%	100	200
Bond Interest Expense	0	58,925	117,850	50%	61,175	122,350
Bond Principal Payments	0	0	230,000	0%	0	225,000
Tax Collector Fees	0	14,594	12,070	121%	11,737	11,737
Appraisal District Fees	0	4,540	6,308	72%	4,744	6,325
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	0	78,160	366,428	21%	77,756	365,612
EXCESS REVENUES OVER(Under) EXPENDITURES AND OTHER USES						
	4,337	291,118	24,657		300,054	21,108

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

ASSETS

Current Assets

Debt Service Acct. - TexPool	\$ 353,737.77
Due from General	780.45
Interlocal Rec.-Tax Assessors	908.57
Taxes Receivable	52,543.25
Allowance for Uncollectibles	(11,370.61)

Total Current Assets 396,599.43

Other Assets

Total Other Assets 0.00

Total Assets \$ 396,599.43

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Deferred Tax Revenue	\$ 41,172.64
Due to General Fund	8,736.35

Total Current Liabilities 49,908.99

Long-Term Liabilities

Total Long-Term Liabilities 0.00

Total Liabilities 49,908.99

Funds Equity

Fund Balance	55,572.56
Net Income	291,117.88

Total Funds Equity 346,690.44

Total Liabilities & Funds Equity \$ 396,599.43

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

<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
10400	Debt Service Acct. - TexPool	349,584.37	\$ 4,153.40	\$ 0.00	\$ 4,153.40	\$ 353,737.77
12200	Due from General	624.36	156.09	0.00	156.09	780.45
13001	Interlocal Rec.-Tax Assessor	868.53	908.57	(868.53)	40.04	908.57
13300	Taxes Receivable	52,543.25	0.00	0.00	0.00	52,543.25
13301	Allowance for Uncollectibles	(11,370.61)	0.00	0.00	0.00	(11,370.61)
21700	Deferred Tax Revenue	(41,172.64)	0.00	0.00	0.00	(41,172.64)
24000	Due to General Fund	(8,724.19)	0.00	(12.16)	(12.16)	(8,736.35)
39100	Fund Balance	(55,572.56)	0.00	0.00	0.00	(55,572.56)
	Totals	<u>286,780.51</u>	<u>\$ 5,218.06</u>	<u>\$ (880.69)</u>	<u>\$ 4,337.37</u>	<u>\$ 291,117.88</u>

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

75.00%

	MONTHLY	YEAR TO DATE	2020 ADOPTED BUDGET	% OF 2020 ADOPTED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
REVENUES						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	133	7,425	17,000	44%	17,400	17,500
TOTAL REVENUE AND OTHER FINANCE SOURCES	133	7,425	17,000	44%	17,400	17,500
 EXPENDITURES						
Right of Way Acquisition	0	0	0	0%	0	7,264
Engineering Fees	0	0	20,000	0%	0	245,594
Construction Costs	0	0	200,000	0%	6,441	305,977
42" Line-Cathodic Protection	5,737	121,707	516,809	24%	123,650	199,395
Pipeline Condition Assessment	0	0	0	0%	0	0
Legal & Administrative Fees	0	0	0	0%	0	181,712
Cost of Bond Issuance	0	0	0	0%	0	0
Miscellaneous Fees	<u>0</u>	<u>4,369</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	5,737	126,077	736,809	17%	130,091	939,942
 EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES						
	(5,604)	(118,652)	(719,809)		(112,691)	(922,442)

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

ASSETS

Current Assets

TexSTAR - Construction Fund	\$ 818,568.36	
Total Current Assets		818,568.36

Property and Equipment

Total Property and Equipment		0.00

Other Assets

Total Other Assets		0.00
Total Assets	\$ 818,568.36	818,568.36

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Due to General Fund	\$ 80,667.18	
Total Current Liabilities		80,667.18

Long-Term Liabilities

Total Long-Term Liabilities		0.00
Total Liabilities		80,667.18

Fund Balance

Fund Balance	856,552.85	
Net Income	(118,651.67)	
Total Fund Balance		737,901.18
Total Liabilities & Fund Balance	\$ 818,568.36	818,568.36

STWA Capital Projects Fund
 GI Account Summary Report
 As of: June 30, 2020

<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Balance</u>	<u>Debit Change</u>	<u>Credit Change</u>	<u>Net Change</u>	<u>Ending Balance</u>
11300	TexSTAR - Construction	818,435.57	\$ 132.79	\$ 0.00	\$ 132.79	\$ 818,568.36
2400	Due to General Fund	(74,930.42)	0.00	(5,736.76)	(5,736.76)	(80,667.18)
39100	Fund Balance	(856,552.85)	0.00	0.00	0.00	(856,552.85)
Totals		<u>(113,047.70)</u>	<u>\$ 132.79</u>	<u>\$ (5,736.76)</u>	<u>\$ (5,603.97)</u>	<u>\$ (118,651.67)</u>

**CATHODIC PROTECTION
FY2020**

	Payroll	Materials	Total
October 2019	\$5,959.01	\$790.25	\$6,749.26 Due from Capital Projects Fund
November 2019	\$9,935.44	\$118.30	\$10,053.74 Due from Capital Projects Fund
December 2019	\$9,657.00	\$103.20	\$9,760.20 Due from Capital Projects Fund
January 2020	\$13,424.99	\$1,052.02	\$14,477.01 Due from Capital Projects Fund
February 2020	\$9,981.41	\$492.70	\$10,474.11 Due from Capital Projects Fund
March 2020	\$10,006.21	\$960.03	\$10,966.24 Due from Capital Projects Fund
April 2020	\$10,068.94	\$35,218.75	\$45,287.69 Due from Capital Projects Fund
May 2020	\$8,077.75	\$124.65	\$8,202.40 Due from Capital Projects Fund
June 2020	\$4,561.10	\$1,175.66	\$5,736.76 Due from Capital Projects Fund
July 2020	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
August 2020	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
September 2020	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
Totals	\$81,671.84	\$40,035.56	\$121,707.40

Payroll Costs - CP Tech #1

	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	Year to Date Total
Payroll	\$1,216.00	\$3,040.00	\$2,802.50	\$4,560.00	\$3,068.50	\$3,040.00	\$3,068.00	\$2,485.08	\$1,452.75	\$0.00	\$0.00	\$0.00	\$24,732.83
Medicare	\$17.63	\$44.08	\$40.64	\$66.12	\$44.49	\$44.08	\$44.49	\$36.03	\$21.06	\$0.00	\$0.00	\$0.00	\$358.63
Retirement	\$145.92	\$364.80	\$336.30	\$547.20	\$368.22	\$364.80	\$368.16	\$298.21	\$174.33	\$0.00	\$0.00	\$0.00	\$2,967.94
Worker's Comp	\$44.84	\$112.09	\$103.33	\$168.13	\$101.81	\$100.86	\$101.79	\$82.45	\$48.20	\$0.00	\$0.00	\$0.00	\$863.49
Texas Workforce	\$1.22	\$3.04	\$2.80	\$4.56	\$3.07	\$48.64	\$49.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$112.42
Health	\$1,178.06	\$1,921.75	\$1,921.75	\$1,921.75	\$1,921.75	\$1,921.75	\$1,921.75	\$1,556.62	\$897.66	\$0.00	\$0.00	\$0.00	\$15,162.84
LTD/ADD/Life	\$0.00	\$42.84	\$42.84	\$42.84	\$42.84	\$42.84	\$42.84	\$34.70	\$17.11	\$0.00	\$0.00	\$0.00	\$308.85
Total	\$2,603.66	\$5,528.60	\$5,250.16	\$7,310.60	\$5,550.68	\$5,562.97	\$5,596.11	\$4,493.09	\$2,611.11	\$0.00	\$0.00	\$0.00	\$44,506.99

Payroll Costs - CP Tech #2

	October 2019	November 2019	December 2019	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020	Year to Date Total
Payroll	\$2,546.64	\$2,958.40	\$2,958.40	\$4,437.60	\$2,986.14	\$2,958.40	\$2,958.40	\$2,396.30	\$1,303.55	\$0.00	\$0.00	\$0.00	\$25,503.83
Medicare	\$36.93	\$42.90	\$42.90	\$64.35	\$43.30	\$42.90	\$42.90	\$34.75	\$18.90	\$0.00	\$0.00	\$0.00	\$369.81
Retirement	\$254.66	\$295.84	\$295.84	\$443.76	\$298.61	\$295.84	\$325.42	\$263.59	\$143.39	\$0.00	\$0.00	\$0.00	\$2,616.97
Worker's Comp	\$93.90	\$109.08	\$109.08	\$163.62	\$99.07	\$98.15	\$98.15	\$79.50	\$43.25	\$0.00	\$0.00	\$0.00	\$893.81
Texas Workforce	\$0.00	\$0.00	\$0.00	\$4.44	\$2.99	\$47.33	\$47.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$102.09
Health	\$410.55	\$959.15	\$959.15	\$959.15	\$959.15	\$959.15	\$959.15	\$776.92	\$433.56	\$0.00	\$0.00	\$0.00	\$7,375.93
LTD/ADD/Life	\$12.67	\$41.47	\$41.47	\$41.47	\$41.47	\$41.47	\$41.47	\$33.59	\$7.34	\$0.00	\$0.00	\$0.00	\$302.42
Total	\$3,355.35	\$4,406.84	\$4,406.84	\$6,114.38	\$4,430.73	\$4,443.24	\$4,472.83	\$3,584.65	\$1,949.99	\$0.00	\$0.00	\$0.00	\$37,164.85

**CATHODIC PROTECTION
MATERIALS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	4/1/20	Beginning Balance			
52101	Repairs & Maint-42" line	4/1/20	TRACTOR SUPPLY CREDIT PLAN - Brazing rods	16.99		
52101	Repairs & Maint-42" line	4/1/20	TRACTOR SUPPLY CREDIT PLAN - Alum Electro	19.99		
52101	Repairs & Maint-42" line	4/14/20	CITIBANK CORPORATE CARD - Stuart Steel Protection - anodes CP project	34,350.00		
52101	Repairs & Maint-42" line	4/23/20	TRACTOR SUPPLY CREDIT PLAN - BRAZING ROD-BONDING CLIPS	15.99		
52101	Repairs & Maint-42" line	4/30/20	THOMPSON PIPE GROUP-PRESSURE - Bonding clips	815.78		
52101	Repairs & Maint-42" line		Current Period Change	35,218.75		35,218.75
		4/30/20	Ending Balance			93,085.49
Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	5/1/20	Beginning Balance			
52101	Repairs & Maint-42" line	5/7/20	LOWE'S BUSINESS ACCOUNT - reflector screws	9.49		
52101	Repairs & Maint-42" line	5/14/20	TRACTOR SUPPLY CREDIT PLAN - Brazing rods	31.98		
52101	Repairs & Maint-42" line	5/20/20	CITIBANK CORPORATE CARD - Rapid set concrete	76.80		
52101	Repairs & Maint-42" line	5/26/20	TRACTOR SUPPLY CREDIT PLAN - Cut off wheel metal	6.38		
52101	Repairs & Maint-42" line		Current Period Change	124.65		124.65
		5/31/20	Ending Balance			93,210.14
Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	6/1/20	Beginning Balance			
52101	Repairs & Maint-42" line	6/1/20	THOMPSON PIPE GROUP-PRESSURE - Bonding clips	498.00		
52101	Repairs & Maint-42" line	6/2/20	CITIBANK CARD- MUELLER CO, 3"X10' REFLECTOR METAL	188.50		
52101	Repairs & Maint-42" line	6/23/20	PRAXAIR DISTRIBUTION INC - WELDING RODS	166.00		
52101	Repairs & Maint-42" line	6/26/20	CORPUS CHRISTI ELECT. CO - CATHODIC WIRE	253.50		
52101	Repairs & Maint-42" line	6/26/20	CORPUS CHRISTI ELECT. CO - FAST ACTING FUSE	69.66		
52101	Repairs & Maint-42" line		Current Period Change	1,175.66		1,175.66
		6/30/20	Ending Balance			94,385.80

**SOUTH TEXAS WATER AUTHORITY
2012 BOND ELECTION**

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

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

Proposition #1: REGIONAL WATERLINE

36.54%

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

Proposition #2: KINGSVILLE PUMP STATION

56.25%

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

Proposition #3: BISHOP FACILITY

7.21%

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

TOTAL	\$936,297.63
INTEREST EARNINGS	\$73,050.15
BALANCE	<u>\$1,009,347.78</u>
CATHODIC PROTECTION	<u>\$271,446.57</u>
REMAINING BOND FUNDS	<u>\$737,901.21</u>

INV DATE	VENDOR	INV #	DESCRIPTION	STATUS	AMOUNT
6/30/2020	Willatt & Flickinger		June Legal	pending	\$2,261.10
7/7/2020	City of Corpus Christi		June Water	paid	<u>\$104,605.87</u>
					\$106,866.97

WILLATT & FLICKINGER, PLLC
ATTORNEYS AT LAW

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

June 30, 2020

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

POSTED
7/1/2020

FOR PROFESSIONAL SERVICES RENDERED since the date of last billing:

GENERAL

BILL FLICKINGER

- 06/03/20 Receive and review email from Carola Serrato on today's City of Driscoll Council meeting. (0.2 Hours).
- 06/03/20 Receive and review email from Carola Serrato to Reba George on City of Corpus Christi rate model for fiscal year 2021. (0.2 Hours).
- 06/05/20 Receive and review emails between Reba George and Carola Serrato on status of Corpus Christi fiscal year 2021 budget and rate model. (0.2 Hours). Receive and review email from Carola Serrato to Mayor of Bishop on status of permanent easement negotiations. (0.2 Hours). Receive and review email to Board from Carola Serrato on Driscoll and Banquete contracts. (0.2 Hours).
- 06/12/20 Continue revising Bill of Sale from NWSC to STWA. (0.3 Hours). Telephone conference with Carola Serrato on same. (0.2 Hours).
- 06/16/20 Emails on execution of Bill of Sale from NWSC. (0.2 Hours). Telephone conference with Carola Serrato on various questions. (0.2 Hours).
- 06/17/20 Review email from Carola Serrato to NCWCID #5 regarding outstanding invoices. (0.2 Hours). Receive and review email from Kevin Norton of City of Corpus Christi on status of design of new meter. (0.2 Hours).
- 06/18/20 Telephone conference with Carola Serrato on various questions on swearing in director and employee issues. (0.2 Hours).

June 30, 2020

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06/24/20 Telephone conference with Carola Serrato on recent Board meeting and balance due from City of Driscoll. (0.2 Hours).

Attorney BF: 2.7 Hours

MATTHEW MCPHAIL

06/19/20 Review requirements of SB 2 relating to disclosures and upcoming disaster declarations relating to rollback rate. (1.5 Hours).

Attorney MM: 1.5 Hours

ALLISON NIX

06/02/20 Begin drafting Bill of Sale for Nueces WSC's Banquete facilities to the Authority. (0.5 Hours).

06/12/20 Continue drafting Bill of Sale for Nueces WSC's Banquete facilities to the Authority. (0.3 Hours).

06/18/20 Continue preparation of Notice to Purchaser. Review creation legislation and annexations in connection with same. (3.2 Hours).

06/19/20 Continue preparation of Amended Information Form and Notice to Purchaser. Review annexations in connection with same. (2.5 Hours).

Legal Assistant AN: 6.5 Hours

JENIFFER CONCIENNE

06/29/20 Review documentation sent by Carola Serrato on past due invoices from the City of Driscoll. Draft demand letter in connection with same. (1.0 Hours).

Legal Assistant JC: 1.0 Hours

Attorney BF: 2.7 Hours @ \$325.00 per hour	\$877.50
Attorney MM: 1.5 Hours @ \$325.00 per hour	\$487.50
Legal Assistant AN: 6.5 Hours @ \$115.00 per hour	\$747.50
Legal Assistant JC: 1.0 Hours @ \$115.00 per hour	\$115.00

June 30, 2020

Page 3

CLIENT EXPENSES

53 Photocopies @ \$0.20 each \$10.60

46 Color Photocopies @ \$0.50 each \$23.00

Total Client Expenses \$33.60

TOTAL AMOUNT DUE \$2,261.10



**CITY OF
CORPUS
CHRISTI**

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

Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Statement Date: 7/7/2020
Due Date: 7/28/2020
Page: Page 1 of 2

SERVICE INFORMATION

Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Service Address: 0 END DR WTR5 RAW
Account Type: PA
Invoice Number: 3722294

QUESTIONS ABOUT YOUR BILL?

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

IMPORTANT MESSAGES

UBO is serving you remotely
UBO is temporarily serving customers by phone and email only

- CALL 826-CITY (2489)
- Email uboresolutions@cctexas.com

Get answers about your bill:

- Payment plans
- Payment extensions
- New services
- Transfers
- Disconnects

To report a GAS LEAK CALL 826-CITY(2489) immediately.

ACCOUNT SUMMARY

PREVIOUS BALANCE	\$120,081.07
TOTAL PAID SINCE LAST BILL	-\$120,081.07
NEW CHARGES	
*WATER	\$61,674.67
RWCA \$1.032/TGAL	\$42,931.20
TOTAL WATER	\$104,605.87
NEW CHARGES DUE BY 7/28/2020:	\$104,605.87
AMOUNT DUE	\$104,605.87

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

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

POSTED

APPROVED FOR PAYMENT
APPROVAL _____
DATE PAID 7/20/2020
METER NO. 5548
AMOUNT \$ 104,605.87

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



**CITY OF
CORPUS
CHRISTI**

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



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

Account Number	Due Date	Amount Due
20004093	7/28/2020	\$104,605.87

AMOUNT ENCLOSED \$

MAKE CHECKS PAYABLE TO: CITY OF CORPUS CHRISTI

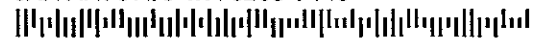
Working to Serve YOU Better.



SOUTH TX WATER AUTH
2302 ROSS AVE
LUBBOCK TX 79424



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



200040930104605874



**CITY OF
CORPUS
CHRISTI**

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

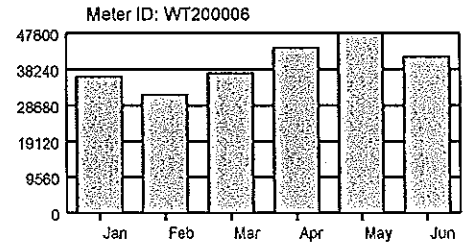
Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Statement Date: 7/7/2020
Due Date: 7/28/2020
Page: Page 2 of 2

METER INFORMATION

SERVICE PERIOD: 5/31/2020 - 6/30/2020 31 days

Meter ID	Service Type	Current Read	Previous Read	Consumption 6/30/2020
WT200006	WA	5351000	5309400	41600

CONSUMPTION HISTORY



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

PLEASE HELP US TO SERVE YOU BETTER

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

OPTIONS AVAILABLE TO PAY YOUR BILL

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

AUTHORIZED PAY STATIONS

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

INTER-OFFICE MEMO

TO: Carola G. Serrato, Executive Director
FROM: Armando Yruegas, O&M Supervisor
DATE: July 29, 2020
RE: Maintenance & Technical Report

During the week of June 15, 2020, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting.
- Bac-T sample collected.
- Unit 3 inspected.
- Cleaned and disinfected pump stations.
- Worked on Driscoll's SCADA and replaced Ethernet hub at Kingsville SCADA panel.
- Changed out chlorine cylinder at Ricardo Pump Station #2.
- Installed hydrant on CR 16 ARV.

During the week of June 22, 2020, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting.
- Mowed pump stations.
- Checked Ricardo Pump Station #3 chlorinator.
- Replaced Driscoll's SCADA power pack.
- Flushed Bishop West side meter run.
- Installed chlorine scales at Ricardo pump station # 2 & # 3.

During the week of June 29, 2020, the following work was completed.

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

- Mowed pump stations.
- Removed # 2 pump at Driscoll and replaced 4" valve. Original pump was leaking water.

During the week of July 6, 2020, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting.
- Collected Bac-T samples.
- Replaced ballast at office and cleaned behind Ricardo PS # 1 storage shed.
- Finish mowing grass and trimmed edges at pump stations.
- Fixed LAS and chlorine building doors and door knobs.
- Built pipe rack at Ricardo Pump Station #1.
- Pumped water out at Central Pump Station on FM 2826 and CR 79.

During the week of July 13, 2020. The following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting.
- Collected Bac-T samples.
- Unit 10 (haul truck) AC repaired.
- Finished replacing LAS and chlorine buildings door knobs.

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

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting.
- Collected Bac-T samples.
- DR 900 calibrations were done.
- Replaced leaking 4" check valve at Central PS #1 pump.
- Mowed pump stations and trimmed grass.
- Installed a repair kit on Central PS CL 17 analyzer.
- Central PS Master Meter not working-impellar broke. Ordered new one. New one installed.

To: Carola G. Serrato, Executive Director

From: Oscar Ortegon, CP Technician

Date: July 29, 2020

Re: CP Update

As of July 29, 2020, 340 anodes on 2289 joints on the 42" water line have been installed as compared to June's report with 319 anodes on 2269 joints. We have replaced 18 old test stations with new ones as compared to 17 replacements last month. Last month's footage was 13,003 LF. We have completed 13,399 feet out of 51,511 feet in Contract 2.

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

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

Due to Covid-19 and the wet weather it was a slow month production wise and the crew has not been able to install anodes since fields are inaccessible. The CP crew has been cleaning around ARV's and location signs. Also been trimming trees along the 42" line right-a-way.

On June 23, 2020 CorrPro began the other tests they recommended on Contract 1. The revised report after Armando Yruegas' and your review is expected soon.

ANTICIPATED (BUDGETED) vs. ACTUAL WATER RATE CHARGED

	ANTICIPATED (BUDGETED) CHARGES			ACTUAL CHARGES			Difference: Actual vs. Budgeted
	Handling Charge	CC Cost	Total	Handling Charge	CC Cost	Total	
Oct-19	\$0.426386	\$2.5121	\$2.9384	\$0.426386	\$2.555317	\$2.981703	\$0.0433
Nov-19	\$0.426386	\$2.5138	\$2.9402	\$0.426386	\$2.554158	\$2.980544	\$0.0404
Dec-19	\$0.426386	\$2.5138	\$2.9402	\$0.426386	\$2.556238	\$2.982624	\$0.0425
Jan-20	\$0.426386	\$2.5129	\$2.9393	\$0.426386	\$2.517187	\$2.943573	\$0.0043
Feb-20	\$0.426386	\$2.5150	\$2.9414	\$0.426386	\$2.520362	\$2.946748	\$0.0054
Mar-20	\$0.426386	\$2.5136	\$2.9400	\$0.426386	\$2.516457	\$2.942843	\$0.0028
Apr-20	\$0.426386	\$2.5125	\$2.9389	\$0.426386	\$2.513452	\$2.939838	\$0.0010
May-20	\$0.426386	\$2.5112	\$2.9376	\$0.426386	\$2.512156	\$2.938542	\$0.0010
Jun-20	\$0.426386	\$2.5114	\$2.9378	\$0.426386	\$2.514564	\$2.940950	\$0.0031
Jul-20	\$0.426386	\$2.5093	\$2.9357	\$0.426386		\$0.426386	-\$2.5093
Aug-20	\$0.426386	\$2.5090	\$2.9354	\$0.426386		\$0.426386	-\$2.5090
Sep-20	\$0.426386	\$2.5119	\$2.9383	\$0.426386		\$0.426386	-\$2.5119
Avg Cost	\$0.426386	\$2.5122	\$2.9386	\$0.426386	\$2.528877	\$2.955263	\$0.0167

ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE

All Customers				NWSC			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-19	44,241,872	54,839,100	10,597,228	Oct-19	13,220,800	17,207,800	3,987,000
Nov-19	40,165,086	43,777,290	3,612,204	Nov-19	11,455,292	15,253,930	3,798,638
Dec-19	40,212,944	44,494,550	4,281,606	Dec-19	11,299,836	14,642,440	3,342,604
Jan-20	42,192,793	35,720,968	-6,471,825	Jan-20	12,402,376	15,532,210	3,129,834
Feb-20	37,798,943	35,107,392	-2,691,551	Feb-20	10,849,410	13,797,560	2,948,150
Mar-20	40,508,306	42,226,120	1,717,814	Mar-20	11,286,497	16,525,720	5,239,223
Apr-20	43,190,410	46,395,570	3,205,160	Apr-20	12,003,275	16,834,130	4,830,855
May-20	46,585,418	47,440,420	855,002	May-20	13,296,415	17,409,320	4,112,905
Jun-20	45,968,404	44,686,430	-1,281,974	Jun-20	13,519,859	15,418,870	1,899,011
Jul-20	52,906,104	0		Jul-20	15,632,031	0	
Aug-20	53,749,789	0		Aug-20	15,461,993	0	
Sep-20	44,697,161	0		Sep-20	13,174,630	0	
TOTAL	532,217,229	394,687,840	13,823,665	TOTAL	153,602,414	142,621,980	33,288,220

Kingsville				RWSC			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-19	10,776,817	13,835,000	3,058,183	Oct-19	8,551,800	11,362,000	2,810,200
Nov-19	10,776,817	7,495,000	-3,281,817	Nov-19	7,482,800	8,725,000	1,242,200
Dec-19	10,776,817	6,224,000	-4,552,817	Dec-19	7,281,800	10,899,000	3,617,200
Jan-20	10,776,817	4,672,000	-6,104,817	Jan-20	7,296,200	7,504,000	207,800
Feb-20	10,776,817	7,374,000	-3,402,817	Feb-20	6,255,400	7,668,000	1,412,600
Mar-20	10,776,817	8,330,000	-2,446,817	Mar-20	7,209,400	9,996,000	2,786,600
Apr-20	10,776,817	10,463,000	-313,817	Apr-20	8,252,600	10,318,000	2,065,400
May-20	10,776,817	10,779,000	2,183	May-20	9,251,800	9,961,000	709,200
Jun-20	10,776,817	12,718,000	1,941,183	Jun-20	8,843,400	8,771,000	-72,400
Jul-20	10,776,817	0		Jul-20	10,368,600	0	
Aug-20	10,776,817	0		Aug-20	10,938,400	0	
Sep-20	10,776,817	0		Sep-20	8,315,400	0	
TOTAL	129,321,803	81,890,000	-15,101,352	TOTAL	100,047,600	85,204,000	14,778,800

Bishop	Budgeted	Actual	Difference
Oct-19	4,416,600	0	-4,416,600
Nov-19	3,662,800	9,000	-3,653,800
Dec-19	4,149,200	0	-4,149,200
Jan-20	4,625,600	5,000	-4,620,600
Feb-20	3,455,800	3,000	-3,452,800
Mar-20	4,296,467	0	-4,296,467
Apr-20	4,551,022	1,122,000	-3,429,022
May-20	5,093,200	1,324,000	-3,769,200
Jun-20	4,722,400	5,000	-4,717,400
Jul-20	6,904,600	0	
Aug-20	7,831,400	0	
Sep-20	4,834,000	0	
TOTAL	58,543,089	2,468,000	-36,505,089

Banquete	Budgeted	Actual	Difference
Oct-19	2,121,510	2,031,690	-89,820
Nov-19	1,995,956	1,869,870	-126,086
Dec-19	1,989,710	1,717,560	-272,150
Jan-20	2,048,162	1,607,490	-440,672
Feb-20	1,926,684	1,490,560	-436,124
Mar-20	1,962,482	1,618,160	-344,322
Apr-20	2,069,200	1,619,360	-449,840
May-20	2,212,568	1,864,900	-347,668
Jun-20	2,124,968	2,546,650	421,682
Jul-20	2,479,966	0	
Aug-20	2,450,114	0	
Sep-20	2,079,898	0	
TOTAL	25,461,218	16,366,240	-2,085,000

Driscoll	Budgeted	Actual	Difference
Oct-19	2,919,411	8,094,200	5,174,789
Nov-19	2,869,385	8,378,700	5,509,315
Dec-19	2,769,269	9,094,300	6,325,031
Jan-20	3,074,800	4,578,018	1,503,218
Feb-20	2,760,460	2,998,882	238,422
Mar-20	3,023,180	3,716,000	692,820
Apr-20	3,200,040	3,964,000	763,960
May-20	3,487,060	3,644,000	156,940
Jun-20	3,405,680	3,158,000	-247,680
Jul-20	4,054,280	0	
Aug-20	3,746,993	0	
Sep-20	3,327,520	0	
TOTAL	38,638,079	47,626,100	20,116,815

Agua Dulce	Budgeted	Actual	Difference
Oct-19	2,234,934	2,308,410	73,476
Nov-19	1,922,036	2,045,790	123,754
Dec-19	1,946,312	1,917,250	-29,062
Jan-20	1,968,838	1,822,250	-146,588
Feb-20	1,774,372	1,775,390	1,018
Mar-20	1,953,463	2,040,240	86,777
Apr-20	2,337,456	2,075,080	-262,376
May-20	2,467,558	2,458,200	-9,358
Jun-20	2,575,280	2,068,910	-506,370
Jul-20	2,689,810	0	
Aug-20	2,544,072	0	
Sep-20	2,188,896	0	
TOTAL	26,603,027	18,511,520	-668,729

Kingsville Bell Chart Values

	Target Volume	Actual Volume	Difference
Oct-19	12,523,440	13,835,000	1,311,560
Nov-19	7,389,359	7,495,000	105,641
Dec-19	5,905,073	6,224,000	318,927
Jan-20	4,650,000	4,672,000	22,000
Feb-20	6,784,078	7,374,000	589,922
Mar-20	8,352,855	8,330,000	-22,855
Apr-20	10,965,223	10,463,000	-502,223
May-20	12,570,213	10,779,000	-1,791,213
Jun-20	14,329,855	12,718,000	-1,611,855
Jul-20	15,813,135	0	
Aug-20	16,015,817	0	
Sep-20	13,952,654	0	
TOTAL	129,251,702	81,890,000	-1,580,096

Net Revenue per Thousand (1,000) Gallons

Kingsville	Actual	Net Rev	Per 1000g	NWSC	Actual	Net Rev	Per 1000g
Oct-19	13,835,000	\$4,601.27	\$0.3326	Oct-19	17,207,800	\$5,489.66	\$0.3190
Nov-19	7,495,000	\$1,837.51	\$0.2452	Nov-19	15,253,930	\$5,493.63	\$0.3601
Dec-19	6,224,000	\$1,486.29	\$0.2388	Dec-19	14,642,440	\$4,511.27	\$0.3081
Jan-20	4,672,000	\$892.83	\$0.1911	Jan-20	15,532,210	\$4,715.66	\$0.3036
Feb-20	7,374,000	\$2,085.99	\$0.2829	Feb-20	13,797,560	\$4,039.74	\$0.2928
Mar-20	8,330,000	\$2,405.76	\$0.2888	Mar-20	16,525,720	\$5,108.56	\$0.3091
Apr-20	10,463,000	\$3,197.62	\$0.3056	Apr-20	16,834,130	\$5,144.13	\$0.3056
May-20	10,779,000	\$3,399.62	\$0.3154	May-20	17,409,320	\$5,389.05	\$0.3095
Jun-20	12,718,000	\$4,255.71	\$0.3346	Jun-20	15,418,870	\$4,648.63	\$0.3015
Jul-20	0	\$0.00	#DIV/0!	Jul-20	0	\$0.00	#DIV/0!
Aug-20	0	\$0.00	#DIV/0!	Aug-20	0	\$0.00	#DIV/0!
Sep-20	0	\$0.00	#DIV/0!	Sep-20	0	\$0.00	#DIV/0!
TOTAL	81,890,000	\$24,162.60	\$0.2951	TOTAL	142,621,980	\$44,540.33	\$0.3123

Bishop	Actual	Net Rev	Per 1000g	RWSC	Actual	Net Rev	Per 1000g
Oct-19	0	-\$982.02	#DIV/0!	Oct-19	11,362,000	\$3,147.60	\$0.2770
Nov-19	9,000	-\$943.15	-\$104.7944	Nov-19	8,725,000	\$1,998.17	\$0.2290
Dec-19	0	-\$1,073.97	#DIV/0!	Dec-19	10,899,000	\$2,909.89	\$0.2670
Jan-20	5,000	-\$1,016.28	-\$203.2560	Jan-20	7,504,000	\$1,575.32	\$0.2099
Feb-20	3,000	-\$1,075.42	-\$358.4733	Feb-20	7,668,000	\$1,880.47	\$0.2452
Mar-20	0	-\$1,008.39	#DIV/0!	Mar-20	9,996,000	\$2,753.59	\$0.2755
Apr-20	1,122,000	-\$817.89	-\$0.7290	Apr-20	10,318,000	\$2,680.18	\$0.2598
May-20	1,324,000	-\$979.34	-\$0.7397	May-20	9,961,000	\$2,459.83	\$0.2469
Jun-20	5,000	-\$820.57	-\$164.1140	Jun-20	8,771,000	\$2,164.39	\$0.2468
Jul-20	0	\$0.00	#DIV/0!	Jul-20	0	\$0.00	#DIV/0!
Aug-20	0	\$0.00	#DIV/0!	Aug-20	0	\$0.00	#DIV/0!
Sep-20	0	\$0.00	#DIV/0!	Sep-20	0	\$0.00	#DIV/0!
TOTAL	2,468,000	-\$8,717.03	-\$3.5320	TOTAL	85,204,000	\$21,569.44	\$0.2532

Driscoll	Actual	Net Rev	Per 1000g	Banquete	Actual	Net Rev	Per 1000g
Oct-19	8,094,200	\$2,570.91	\$0.3176	Oct-19	2,031,690	\$503.43	\$0.2478
Nov-19	8,378,700	\$2,616.82	\$0.3123	Nov-19	1,869,870	\$537.63	\$0.2875
Dec-19	9,094,300	\$2,842.74	\$0.3126	Dec-19	1,717,560	\$375.54	\$0.2186
Jan-20	4,578,018	\$1,298.24	\$0.2836	Jan-20	1,607,490	\$355.93	\$0.2214
Feb-20	2,998,882	\$717.42	\$0.2392	Feb-20	1,490,560	\$307.23	\$0.2061
Mar-20	3,716,000	\$1,028.75	\$0.2768	Mar-20	1,618,160	\$382.86	\$0.2366
Apr-20	3,964,000	\$1,048.75	\$0.2646	Apr-20	1,619,360	\$358.27	\$0.2212
May-20	3,644,000	\$996.58	\$0.2735	May-20	1,864,900	\$412.64	\$0.2213
Jun-20	3,158,000	\$864.51	\$0.2738	Jun-20	2,546,650	\$560.52	\$0.2201
Jul-20	0	\$0.00	#DIV/0!	Jul-20	0	\$0.00	#DIV/0!
Aug-20	0	\$0.00	#DIV/0!	Aug-20	0	\$0.00	#DIV/0!
Sep-20	0	\$0.00	#DIV/0!	Sep-20	0	\$0.00	#DIV/0!
TOTAL	47,626,100	\$13,984.72	\$0.2936	TOTAL	16,366,240	\$3,794.05	\$0.2318

Agua Dulce	Actual	Net Rev	Per 1000g	All Customers	Actual	Net Rev	Per 1000g
Oct-19	2,308,410	\$572.10	\$0.2478	Oct-19	54,839,100	\$15,902.95	\$0.2900
Nov-19	2,045,790	\$576.49	\$0.2818	Nov-19	43,777,290	\$12,117.10	\$0.2768
Dec-19	1,917,250	\$400.79	\$0.2090	Dec-19	44,494,550	\$11,452.55	\$0.2574
Jan-20	1,822,250	\$413.58	\$0.2270	Jan-20	35,720,968	\$8,235.28	\$0.2305
Feb-20	1,775,390	\$366.65	\$0.2065	Feb-20	35,107,392	\$8,322.08	\$0.2370
Mar-20	2,040,240	\$474.00	\$0.2323	Mar-20	42,226,120	\$11,145.13	\$0.2639
Apr-20	2,075,080	\$479.14	\$0.2309	Apr-20	46,395,570	\$12,090.20	\$0.2606
May-20	2,458,200	\$625.68	\$0.2545	May-20	47,440,420	\$12,304.06	\$0.2594
Jun-20	2,068,910	\$491.61	\$0.2376	Jun-20	44,686,430	\$12,164.80	\$0.2722
Jul-20	0	\$0.00	#DIV/0!	Jul-20	0	\$0.00	#DIV/0!
Aug-20	0	\$0.00	#DIV/0!	Aug-20	0	\$0.00	#DIV/0!
Sep-20	0	\$0.00	#DIV/0!	Sep-20	0	\$0.00	#DIV/0!
TOTAL	18,511,520	\$4,400.04	\$0.2377	TOTAL	394,687,840	\$103,734.15	\$0.2628

ATTACHMENT 3
Certified Appraisal Rolls

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 31, 2020
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 overall values. The information also shows an *estimated value* of \$6,570,248 in properties under protest. There are seventy-three (73) properties under protest. The total number of properties on this roll are 46,533 as compared to last year's number of 45,852 which is an additional 681 properties.

The information from the Kleberg County Appraisal District (KCAD) shows that overall values have also increased. This roll also shows an *estimated value* of \$61,891,594 in properties under protest. There are 93 properties under protest. The total number of properties on this roll are 16,787 as compared to last year's number of 16,668.

Analysis:

This year, there is about a \$112M increase from last year's certified rolls to this year. Below are the three main categories, Real Property, Personal Property and Minerals comparing last year's values to this year.

	Tax Year 2020 Final Certified
Nueces	\$ 1,071,305,287
Kleberg	\$ 1,620,282,325
Total	\$ 2,691,587,612

	Tax Year 19	Tax Year 20	\$ Difference	% Change
Real	\$ 1,706,995,123	\$ 2,010,425,044	\$ 303,429,921	17.8%
Personal	\$ 640,834,741	\$ 472,613,166	\$(168,221,575)	-26.3%
Mineral	\$ 231,699,232	\$ 208,549,402	\$(23,149,830)	-10.0%
Total	\$ 2,579,529,096	\$ 2,691,587,612	\$ 112,058,516	4.3%

Staff Recommendation:

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

Board Action:

Determine whether to adopt Resolutions 20-23 and 20-24.

Summarization:

This is a required step in the tax collection process.

ATTACHMENT 4

Resolutions 20-23 and 20-24

SOUTH TEXAS WATER AUTHORITY

Resolution 20-23

RESOLUTION ADOPTING THE APPRAISAL ROLL FOR THE SOUTH TEXAS
WATER AUTHORITY'S DISTRICT IN KLEBERG COUNTY FOR TAX YEAR 2020.

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 2020 appraisal roll compiled by the Kleberg County Appraisal District on behalf of the Authority.

Duly adopted this 4th day of August, 2020.

RUDY GALVAN, JR., PRESIDENT

ATTEST:

FILIBERTO TREVINO III, SECRETARY/TREASURER

SOUTH TEXAS WATER AUTHORITY

Resolution 20-24

RESOLUTION ADOPTING THE APPRAISAL ROLL FOR THE SOUTH TEXAS WATER AUTHORITY'S DISTRICT IN NUECES COUNTY FOR TAX YEAR 2019.

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 2019 appraisal roll compiled by the Nueces County Appraisal District on behalf of the Authority.

Duly adopted this 30th day of July, 2019.

RUDY GALVAN, JR., PRESIDENT

ATTEST:

FILIBERTO TREVINO III, SECRETARY/TREASURER

ATTACHMENT 5

Preliminary FY 2021 Budget

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 31, 2020
Re: Second Draft Budgets (General Fund, Tax Fund, Debt Service Fund, and Special Services Fund) for Fiscal Year 2021

Background:

Enclosed please find the Second Draft Budgets for Fiscal Year 2021. There remain a number of items not yet available. Although the City of Corpus Christi's model update may be available in the next month, the final pass through rates may not be set until November. The City has been contacted regarding a timeline. According to the most recent correspondence, an updated model should be available in the next 2 weeks.

1. **The Cost of Raw and Treated Water from the City of Corpus Christi** – STWA continues to pass through the cost of Corpus Christi water to Wholesale Customers. Although the cost is passed through, it affects Kingsville's purchased volume thereby Handling Charge revenue.
2. **Certain Budgeted Costs** – Nueces County's per parcel tax collection fees and insurance costs, particularly medical insurance, are not yet available. Kevin Kieschnick, Nueces County Tax Assessor-Collector, has been contacted regarding per parcel fees paid on ~13,000 oil/gas accounts that do not generate a tax bill since the values are below \$500. The appraisal districts' exact fees will not be known until all taxing entities set their tax rates. Other expenses are based on historical and anticipated costs.

Analysis:

These Second Draft Budgets continue to be based on a Handling Charge rate of \$0.426386/1000g. The estimated sales volume of about 538 million gallons has not changed from the Preliminary Budgets. These Second Draft Budgets are now based on the **certified appraisal district values** with adjustment for the values *under ARB review* and allowing a 3.5% increase in the tax rate per recent legislation.

The **General Fund Budget** still includes a 1.8 % cost of living adjustment with the exception of my salary and approximately \$243,000 in capital acquisition (see page 3). In addition, that budget now includes \$45,000 for tank repairs at the Central PS and \$26,000 for repair of the employee parking lot. The number of disinfection buildings to be replaced has been decreased in order to budget for a new accounting system.

The **Interest and Sinking Fund Budget** is also based on the certified values and anticipated expenses including the costs paid to the tax offices and appraisal districts. 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 Budget and provide feedback to staff.

Board Action:

Determine what revenues and expenditures need further review or adjustment.

Summarization:

This General Fund Budget has an ending balance nearly identical to the preliminary budget, which would add almost \$288,000 to Reserves.

**SOUTH TEXAS WATER AUTHORITY
GENERAL FUND
PRELIMINARY FY 2021**

**O & M TAX RATE:
I & S TAX RATE:
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.512020**

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PRELIMINARY BUDGET
REVENUES			
Water Service Revenue	\$1,336,941	\$1,336,941	\$1,352,679
Handling Charge Revenue	\$226,930	\$226,930	\$229,620
Premium Incremental Increase	\$20,000	\$20,000	\$6,500
Surcharge - Out of District	\$0	\$7,787	\$7,890
Interest Income	\$60,000	\$34,800	\$22,000
Other Revenue			
Operating & Maintenance Fees	\$0	\$0	\$0
Miscellaneous Revenues	\$12,000	\$20,000	\$12,000
TOTAL REVENUES	\$1,655,871	\$1,646,458	\$1,630,689
EXPENDITURES			
Water Service Expenditures:			
Bulk Water Purchases	\$1,336,941	\$1,336,941	\$1,352,679
Water Loss	\$0	\$0	\$0
TOTAL WATER SERVICE	\$1,336,941	\$1,336,941	\$1,352,679
Payroll Costs			
Salaries & Wages -			
Permanent Employees	\$338,292	\$338,850	\$342,837
Part-Time Employee	\$1,729	\$1,429	\$1,736
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	\$12,500	\$15,500	\$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	\$46,677	\$51,677	\$52,030
Group Insurance Premium	\$177,763	\$184,666	\$175,923
Unemployment Compensation	\$875	\$1,176	\$933
Workers' Compensation	\$6,250	\$6,250	\$6,673
Car Allowance	\$6,000	\$6,000	\$6,000
Hospital Insurance Tax	\$3,962	\$3,962	\$4,121
TOTAL PERSONNEL	\$603,848	\$619,310	\$615,053
Supplies & Materials			
Repairs & Maintenance	\$80,000	\$100,000	\$126,000
Meter Expense	\$5,000	\$7,350	\$5,000
Tank Repairs	\$50,000	\$45,000	\$45,000
Major Repairs	\$25,000	\$25,000	\$25,000
TOTAL SUPPLIES & MATERIALS	\$160,000	\$177,350	\$201,000

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PRELIMINARY BUDGET
Other Operating Expenditures:			
Professional Fees			
Legal	\$30,000	\$45,000	\$30,000
Auditing	\$9,750	\$9,750	\$9,475
Engineering	\$12,500	\$15,175	\$12,500
Management & Consulting	\$7,500	\$7,500	\$7,500
Inspections	\$6,000	\$3,000	\$6,000
Banquete Overhead Tank Demolition	\$35,000	\$35,000	\$35,000
TOTAL PROFESSIONAL FEES	\$100,750	\$115,425	\$100,475
Consum Supplies/Materials			
Postage	\$7,500	\$7,500	\$7,500
Printing/Office Supplies	\$30,000	\$30,000	\$30,000
Janitorial/Site Maintenance	\$6,000	\$6,000	\$6,000
Fuel/Lubricants/Repairs	\$30,000	\$32,500	\$30,000
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	\$129,500	\$132,000	\$129,500
Recurring Operating Costs			
Telephone/Communications	\$14,000	\$14,000	\$14,000
Utilities	\$110,000	\$110,000	\$110,000
D & O Liability Insurance	\$3,500	\$3,500	\$3,500
Property Insurance	\$47,300	\$47,300	\$47,300
General Liability	\$3,200	\$3,200	\$3,200
Auto Insurance	\$2,225	\$2,450	\$2,450
Travel/Training/Meetings	\$10,000	\$10,000	\$10,000
Rental-Equipment/Uniforms	\$5,000	\$5,000	\$5,000
Dues/Subscriptions/Publication	\$15,000	\$15,000	\$15,000
Pass Through Cost	\$400	\$400	\$400
TOTAL RECURRING OPER. COSTS	\$210,625	\$210,850	\$210,850
Miscellaneous			
Miscellaneous Expenditures	\$7,500	\$7,500	\$7,500
TOTAL MISCELLANEOUS	\$7,500	\$7,500	\$7,500
Total Administrative & Operations Exp.	\$2,549,164	\$2,599,376	\$2,617,057
Capital Outlay			
Capital Acquisition	\$225,350	\$254,340	\$242,763
Engineering	\$0	\$8,610	\$0
TOTAL CAPITAL OUTLAY	\$225,350	\$262,950	\$242,763
TOTAL EXPENDITURES (w/o D.S. exp.)	\$2,774,514	\$2,862,326	\$2,859,820
Excess (Deficiencies) of			
Revenue Over Expenditures	-\$1,118,643	-\$1,215,868	-\$1,229,131

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PRELIMINARY BUDGET
OTHER FINANCE SOURCE (USES)			
Transfer to Other Funds			
Disposition of Assets (Surplus Sale)	\$1,500	\$1,500	\$1,500
Transfer from Tax Accounts	\$1,438,319	\$1,427,329	\$1,515,372
TOTAL OTHER FINANCING SOURCES (USES)	\$1,439,819	\$1,428,829	\$1,516,872
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)	\$321,176	\$212,961	\$287,741
NET INCOME	\$321,176	\$212,961	\$287,741

Capital Acquisition

FY 2020

FY 2021

FY 2021

a. New truck	\$32,500	\$32,500	New Truck (replace 2012)
b. RWSC Booster	\$15,000	\$45,000	Replace 3 Chlorine Bldgs
c. Technology Upgrades	\$5,000	\$5,000	Technology Upgrades
d. Large Air Compressor	\$25,000	\$8,000	Portable Tower Lights
e. Truck Utility Bed	\$11,000	\$29,263	Black Mountain Acct. Software
f. New Chlorine & LAS Scales	\$16,850	\$120,000	Banquete Pump Station
g. Banquete PS Including Hydro Tank	<u>\$120,000</u>	<u>\$3,000</u>	Dual Chlorine/LAS Scales
	\$225,350	\$242,763	

Repairs

Tank Repairs
Repair & Maint

\$45,000 Central G/S Tank Painting
\$26,000 Repair Employee Parking Lot

Engineering

\$0

\$0 Engineering

**SOUTH TEXAS WATER AUTHORITY
GENERAL FUND - TAX ACCOUNTS
PRELIMINARY FY 2021**

**O & M TAX RATE:
I & S TAX RATE:
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.512020**

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PRELIMINARY BUDGET
REVENUES			
Ad Valorem - Current (M & O)	\$1,465,721	\$1,465,721	\$1,557,223
Delinquent Taxes	\$30,000	\$30,000	\$30,000
Penalty & Interest - Tax Accounts (M & O)	\$19,000	\$19,000	\$19,000
Miscellaneous	\$0	\$8	\$0
TOTAL M&O TAX REVENUES	\$1,514,721	\$1,514,729	\$1,606,223
EXPENDITURES			
Tax Collector Fees	\$50,177	\$62,200	\$63,779
Appraisal Districts	\$26,225	\$25,200	\$27,071
Refunds	\$0	\$0	\$0
TOTAL EXPENDITURES	\$76,402	\$87,400	\$90,851
REVENUES OVER EXPENDITURES	\$1,438,319	\$1,427,329	\$1,515,372
OTHER USES			
Transfer to Revenue Fund (Tax)	\$1,438,319	\$1,427,329	\$1,515,372
TOTAL EXPEND. & OTHER USES	\$1,514,721	\$1,514,729	\$1,606,223
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0	\$0	\$0

SOUTH TEXAS WATER AUTHORITY
TAX FUND - LINE ITEM EXPLANATIONS

1. Appraisal District Fees - Increase needed based on the proposed Appraisal Districts' budgets.
2. Tax Collector Fees - No increase anticipated in Kleberg County. Nueces County sets fee in September.
3. Transfer to General - Tax revenue less tax fund expenses.

	parcels	2020	
Nueces tax office	46533	1.1372	\$52,917.33
Kleberg tax office	16787	1.5000	<u>\$25,180.50</u>
			\$78,097.83
FY2020 M&O	\$0.070989	0.8167	\$63,779.38
FY2020 I&S	<u>\$0.015937</u>	0.1833	<u>\$14,318.44</u>
	\$0.086926		\$78,097.83
	estimated contribution		
Nueces Appraisal District	\$10,352.00		
Kleberg Appraisal District	<u>\$22,796.65</u>		
	\$33,148.65	annual payment	
FY2020 M&O	\$33,148.65	0.8167	\$27,071.18
FY2020 I&S	\$33,148.65	0.1833	<u>\$6,077.47</u>
			\$33,148.65

**SOUTH TEXAS WATER AUTHORITY
GENERAL FUND - SPECIAL SERVICES
PRELIMINARY FY 2021 BUDGET**

**O & M TAX RATE: \$0.070059
I & S TAX RATE: \$0.016852
HANDLING CHARGE: \$0.426386
WATER RATE: \$2.512020**

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PRELIMINARY BUDGET
REVENUES			
Ricardo Water Supply Corporation 1014 customers	\$308,794	\$308,794	\$317,244
Nueces Water Supply Corporation 1000 customers	\$304,531	\$334,531	\$312,053
TOTAL SPECIAL SERVICES REVENUE	\$613,325	\$643,325	\$629,297
EXPENDITURES			
Personnel	\$328,454	\$334,754	\$333,180
Overhead	\$284,871	\$294,580	\$296,118
TOTAL SPECIAL SERVICES EXPENDITURES	\$613,325	\$629,334	\$629,297
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	35.00%
2.5 Man Field Crew	100.00%
Executive Director	15.00%

Payroll	\$289,960.09
Overtime, Part-time, and Stand-by Pay	<u>\$43,219.50</u>
	\$333,179.59

Overhead allocations include:

Medical Insurances	\$197,206
Retirement	\$44,722
Unemployment Compensation	\$1,083
Worker's Compensation	\$7,398
Medicare	\$4,709
Fuel, Vehicles, Equipment, Telephone Line	<u>\$41,000</u>
	\$296,118

**SOUTH TEXAS WATER AUTHORITY
DEBT SERVICE FUND
PRELIMINARY FY2021 BUDGET**

0.070989 81.5844%
0.016024 18.4156%
0.087013 100.00%

Tax Base Value:
Collection Rate:

	2020 ADOPTED BUDGET	2021 PRELIMINARY BUDGET
REVENUES		
Ad Valorem - Current	\$369,962	\$368,845
Ad Valorem - Delinquent	\$9,500	\$9,500
Penalty & Interest - Tax Accounts	\$5,500	\$5,500
Out-of-District Surcharge	\$1,873	\$1,781
Interest on Temporary Investments	\$4,250	\$4,250
Miscellaneous	<u>\$0</u>	<u>\$0</u>
TOTAL TAXES & INTEREST	\$391,085	\$389,876
OTHER FINANCING SOURCES		
	<u>\$0</u>	<u>\$0</u>
TOTAL OTHER FINANCE SOURCES	\$0	\$0
Total Revenue and Other Financing Sources	\$391,085	\$389,876
EXPENDITURES		
Fiscal Agent Fees	\$200	\$200
Bond Interest Expense	\$117,850	\$113,250
Bond Principal Payments	\$230,000	\$235,000
Tax Collector Fees	\$12,070	\$14,318
Appraisal District Fees	\$6,308	\$6,077
Miscellaneous Fees	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURES	\$366,429	\$368,846
OTHER USES		
TOTAL EXPEND. & OTHER USES	\$366,429	\$368,846
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$24,657	\$21,031

ATTACHMENT 6

Proposed FY 2021/Tax Year 2020 Tax Rate

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 31, 2020
Re: Proposed Tax Rate Publication for FY 2021 – Tax Year 2020

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 has been modified as a result of legislative changes. You will note that the worksheet no longer refers to a rollback rate. In addition, the allowed percentage increase is no longer 8%; it is now 3.5%.

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 2019 (\$88,405) to Tax Year 2020 (\$91,473). 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 \$0.070059/\$100 and the I&S Tax Rate of \$0.016852/\$100. The FY 21 debt service requirements including the prorated cost of appraisals and collections payment is \$368,847. Since the overall tax base increased, the I&S tax component has once again decreased from the previous year.

The proposed tax rate *for the purposes of publication* is \$0.086926/\$100 valuation. This proposed rate is comprised of two (2) components – the M&O Tax Rate of \$0.070902/\$100 and the I&S Tax Rate of \$0.016024/\$100. This proposed tax rate is slightly higher (\$0.000015) than the current Total Tax Rate. Please note that the proposed rate is actually only 3.49% higher. An adjustment to reduce the proposed rate by 0.00001 cents was included in the formula to avoid any problems with the state mandated limit of 3.5%.

Analysis:

The calculation begins by multiplying the current M&O tax rate against the *adjusted* Tax Year 2019 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 **Unused Incremental Rates** for 2019, 2018, and 2017, which are zero for STWA. The Worksheet now has Steps 18 – 23. Last year's total rate is multiplied against last year's *adjusted* average home value to calculate a Tax Bill of \$76.83. Then, that number is multiplied times 1.035 resulting in \$79.52, which is divided by this year's *adjusted* average home value (\$91,473) and multiplied times \$100. This results in a tax rate of \$0.086936 per \$100 valuation. This figure was used in the Notice less the \$0.00001 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.

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 2020 on September 8, 2020 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: *Members will be listed*
AGAINST the proposal: *Members will be listed.*
PRESENT and not voting: *Members will be listed.*
ABSENT: *Members will be listed.*

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	\$0.086926 /\$100 Proposed
Difference in rates per \$100 of value		\$0.000015 /\$100
Percentage increase/decrease in rates(+/-)		0.02%
Average appraised residence homestead value	\$93,405	\$96,473
General exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$5,000	\$5,000
Average residence homestead taxable value	\$88,405	\$91,473
Tax on average residence homestead	\$76.83	\$79.51
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)	+ \$2.68	
and percentage of increase (+/-)	+ 3.49%	

If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate the South Texas Water Authority proposes to use the tax increase for the purpose of system improvements.

2020 SOUTH TEXAS WATER AUTHORITY TAX RATE ROLLBACK WORKSHEET
 BASED ON 62.5% OF VALUES UNDER PROTEST PLUS CERTIFIED PER B. FLICKINGER

	Nueces	Kleberg	Total
2019 Total Market Value of Residences	\$289,264,822	\$463,860,776	\$753,125,598
2019 Total Parcels	3,367	4,696	8,063
1 2019 average appraised value of residence homestead			\$93,405
2 2019 general exemptions available for the average homestead (excluding age 65 or older or disabled person's exemptions)			\$5,000
3 2019 average taxable value of residence homestead (line 1 minus line 2)			\$88,405
4 2019 adopted M&O tax rate (per \$100 of value)			\$0.070059
5 2019 M&O tax on average residence homestead (multiply line 3 by line 4, divide by \$100)			\$61.94
6 Highest M&O tax on average residence homestead with increase (multiply line 5 by 1.035.)			\$64.1035
2020 Total Market Value of Residences	\$295,053,138	\$483,773,000	\$778,826,138
2020 Total Parcels	3,395	4,678	8,073
7 2020 average appraised value of residence homestead			\$96,472.95
8 2020 general exemptions available for the average homestead (excluding age 65 or older or disabled persons exemptions)			\$5,000
9 2020 average taxable value of residence homestead (line 7 minus line 8)			\$91,472.95
10 Highest 2020 M&O Tax Rate (line 6 divided by line 9, multiply by \$100)			\$0.070079 /\$100
11 2020 Debt Tax Rate			\$0.016024 /\$100
12 2020 Contract Tax Rate			\$0.000000 /\$100
13			
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
14			
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
15			
2017 Unused Incremental Rate - subtract the 2017 actual tax rate and the 2017 unused increment rate from the 2017 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 2020 Total Unused Incremental Rate - add lines 13, 14, and 15			\$0.000000 /\$100
17 2020 Voter Approved Tax Rate - add lines 10, 11, 12 and 16.			\$0.086104 /\$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 2019 Average Taxable Value of Residence Homesteads - Enter the amount from Line 3.	\$88,405
19 2019 Adopted Total Tax Rate.	\$0.086911 /\$100
20 2019 Total Tax on Average Residence Homestead. Multiply Line 18 by Line 19	\$76.83
21 2020 Mandatory Election Amount of taxes per average residence homestead. Multiply line 20 by 1.035.	\$79.52
22 2020 Mandatory Election Tax Rate before unused increment. Divide Line 21 by 9 and multiply by \$100.	\$0.086936
23 2020 Mandatory Tax Election Rate. Add Line 16 and Line 22.	\$0.086936

Water District Notice of Public Hearing on Tax Rate

The _____ (name of the district) will hold a public hearing on a proposed tax rate for the tax year _____ (year of tax levy) on _____ (date and time) at _____ (meeting place). 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: _____ (names of all members of the governing body and how each voted on the proposed tax rate)
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)	_____/ \$100 Adopted	_____/ \$100 Proposed
Difference in rates per \$100 of value	\$ _____	/ \$100
Percentage increase/decrease in rates(+/-)	_____ %	
Average appraised residence homestead value	\$ _____	\$ _____
General homestead exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$ _____	\$ _____
Average residence homestead taxable value	\$ _____	\$ _____
Tax on average residence homestead	\$ _____	\$ _____
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-) and percentage of increase (+/-)	\$ _____ _____ %	

If the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate the _____ (governing body of the water district) proposes to use the tax increase for the purpose of _____ (description of purpose of increase).

If the district is a district described by Section 49.23601:

NOTICE OF 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 eight percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23601, Water Code.

If the district is a district described by Section 49.23602:

NOTICE OF 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 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code.

If the district is a district described in by Section 49.23603

NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE 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 eight percent, the qualified voters of the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the voter-approval tax rate under Section 49.23603, Water Code.

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

Notice of Public Hearings on Tax Increases

(All taxing units OTHER than school districts, small taxing units and water districts)

Notice in Newspaper or Mail



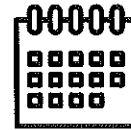
- Notice of public hearing required by Tax Code Section 26.05 – may not be held before the 5th day (not ISDs) after the chief appraiser of each CAD in which the taxing unit participates has delivered the notice by Section 26.04 (e-2) and complied with Section 26.17(f).

Public Hearing



- Governing body holds public hearing.
- Announces the date, time and place of vote (7th day deadline).

Meeting to Adopt Tax Rate



- Governing body holds meeting to adopt tax rate
- Must not be held later than the 7th day after the public hearing.

Tax Increases for School Districts, Small Taxing Units and Water Districts

School Districts

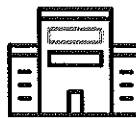
Education Code Section 44.004



- Publishes one notice the *Notice of Public Meeting to Discuss Budget and Proposed Tax Rate*.
- In local newspaper no later than 10 days or earlier than 30 days before the date of the public meeting

Small Taxing Units

Tax Code Section 26.052



- Small taxing unit tax rate of .50 cents or less raising \$500,000 or less.
- Small notice in newspaper but also post on website homepage.

Water Districts

Water Code Section 49.107



- Publishes *Notice of Public Hearing on Tax Rate and Notice of Vote on Tax Rate*.
- Publish in newspaper or by mail.

Formula (Cities and Counties)

	Automatic Ratification	No Election
Proposed Tax Rate > No-New-Revenue Rate > Voter-Approval Rate	✓	
Proposed Tax Rate ≤ No-New-Revenue Rate > Voter-Approval Rate	✓	
Proposed Tax Rate > No-New-Revenue Rate ≤ Voter-Approval Rate		X
Proposed Tax Rate < No-New-Revenue Rate < Voter-Approval Rate		X
Note	> Means greater than < Means less than ≤ Means less than or equal to	

Taxing Units	Newspaper	Internet	Hearing	Meeting
Cities and Counties	Any Section	✓	✓	✓
School Districts	Any Section	Not Required Under Tax Code Section 26.06(g)	✓	✓
Small Taxing Districts	Newspaper or Mail	✓	✓	✓
Water Districts	Any Section	Not Required Under Water Code Section 49.107	✓	✓

Nueces CAD Values

2019 AVERAGE HOME VALUE RAW DATA

CATE.	TOTAL TAXABLE	TOTAL MKT VALUE	
A		11,151	2
A1		247,418,556	2680
A2		10,445,716	438
E1		31,052,316	237
		337,083	10
TOTAL	0	289,264,822	3367 # OF PARCELS
AHV	0	85,912	

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
E1M		393,358	11
TOTAL	0	295,053,138	3395 # OF PARCELS
AHV	0	86,908	
Increase or (Decrease) in Avg Home Value		996	

NCAD 19				NCAD 20				KCAD 19				KCAD 20				NCAD & KCAD 19				NCAD & KCAD 20			
Real	\$ 416,642,581	\$ 665,184,753	\$ 248,542,172	59.7%	Real	\$1,290,352,542	\$1,345,240,291	\$54,887,749	4.3%	Real	\$ 1,706,995,123	\$ 2,010,425,044	\$ 303,429,921	17.8%									
Pers.	\$ 548,906,551	\$ 376,204,876	\$ (172,701,675)	-31.5%	Pers.	\$ 91,928,190	\$ 96,408,290	\$ 4,480,100	4.9%	Pers.	\$ 640,834,741	\$ 472,613,166	\$ (168,221,575)	-26.3%									
Min.	\$ 51,770,501	\$ 29,915,658	\$ (21,854,843)	-42.2%	Min.	\$ 179,928,731	\$ 178,633,744	\$ (1,294,987)	-0.7%	Min.	\$ 231,699,232	\$ 208,549,402	\$ (23,149,830)	-10.0%									
	\$1,017,319,633	\$1,071,305,287	\$ 53,985,654	5.3%		\$1,562,209,463	\$1,620,282,325	\$58,072,862	3.7%		\$ 2,579,529,096	\$ 2,691,587,612	\$ 112,058,516	4.3%									

2020 Developed Water District Voter-Approval

Form 50-860

Tax Rate Worksheet

Water District Name _____

Phone (area code and number) _____

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

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 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) 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.	2019 average appraised value of residence homestead. ¹	\$ _____
2.	2019 general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions. ²	\$ _____
3.	2019 average taxable value of residence homestead. Line 1 minus Line 2.	\$ _____
4.	2019 adopted M&O tax rate.	\$ _____ /\$100
5.	2019 M&O tax on average residence homestead. Multiply Line 3 by Line 4, divide by \$100.	\$ _____
6.	Highest M&O tax on average residence homestead with increase. Multiply Line 5 by 1.035. ³	\$ _____
7.	2020 average appraised value of residence homestead.	\$ _____
8.	2020 general exemptions available for the average homestead. Excluding age 65 or older or disabled persons exemptions. ⁴	\$ _____
9.	2020 average taxable value of residence homestead. Line 7 minus Line 8.	\$ _____
10.	Highest 2020 M&O tax rate. Line 6 divided by Line 9, multiply by \$100. ⁵	\$ _____ /\$100
11.	2020 debt tax rate.	\$ _____ /\$100
12.	2020 contract tax rate.	\$ _____ /\$100
13.	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.	\$ _____ /\$100
14.	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.	\$ _____ /\$100

¹ Tex. Water Code § 49.236(a)(2)(C)

² Tex. Water Code § 49.236(a)(2)(D)

³ Tex. Water Code § 49.23602(a)(2)(A)

⁴ Tex. Water Code § 49.236(a)(2)(E)

⁵ Tex. Water Code § 49.236(a)(2)(F)

Line	Worksheet	Amount/Rate
15.	2017 unused increment rate. Subtract the 2017 actual tax rate and the 2017 unused increment rate from the 2017 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$ _____ /\$100
16.	2020 total unused increment rate. ⁶ Add Lines 13, 14 and 15.	\$ _____ /\$100
17.	2020 voter-approval tax rate. Add lines 10, 11, 12 and 16.	\$ _____ /\$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.	2019 average taxable value of residence homestead. Enter the amount from Line 3.	\$ _____
19.	2019 adopted total tax rate.	\$ _____ /\$100
20.	2019 total tax on average residence homestead. Multiply Line 18 by Line 19.	\$ _____
21.	2020 mandatory election amount of taxes per average residence homestead. Multiply Line 20 by 1.035.	\$ _____
22.	2020 mandatory election tax rate, before unused increment. Divide Line 21 by Line 9 and multiply by \$100.	\$ _____ /\$100
23.	2020 mandatory tax election rate. Add Line 16 and Line 22.	\$ _____ /\$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

print here ➔

Printed Name of Water District Representative

sign here ➔

Water District Representative

Date

⁶ Tex. Tax Code § 26.013
⁷ Tex. Water Code § 49.23602(a)(2)
⁸ Tex. Water Code § 49.23602

ATTACHMENT 7

Banquete Pump Station Project

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 29, 2020
Re: Update on Banquete Pump Station (PS) to Serve the Nueces Water Supply Corporation (NWSC)

Background:

In the last memo, staff reported that the foundations should be installed for the chlorine and LAS buildings this week. Those have been poured. In addition, foundations have been installed for the hydro-pneumatic tanks, the generator, and the ground storage tank (GST). According to Joe Trejo, LNV, the materials for the GST have been delivered and the tank may be erected next week. The piping for the pumps and tank is in the process of being installed. The two (2) hydro tanks and emergency generator have also been delivered.

Analysis:

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

Staff Recommendation:

Keep the Board updated on this project.

Board Action:

Provide feedback to staff.

Summarization:

This may sound like a broken record; but, this project is essential to finalizing the NWSC and the NCWC&ID #5 wholesale water supply contracts.

From: Joe Trejo <jtrejo@lvinc.com>
Sent: Thursday, July 30, 2020 4:21 PM
To: mcgserrato@stwa.org
Cc: Robert Viera; Hector Castaneda; John Miller; Joe Trejo
Subject: Construction Progress Report, June/July 2020 - RE: Banquete Booster Pump Station Project Update
Attachments: Banquete BPS Proj Status.pdf

Carola –

Attached is the construction progress report update from John Miller our field representative –

I have also requested JS Haren Const to provide a detailed work plan for the 2 water tie-ins we discussed yesterday. I will forward when received.

Please advise if you need any further information =

Thanks,



Joe F. Trejo PE, RPLS
Senior Project Engineer
JTrejo@LNVINC.com
O: (361) 883-1984
801 Navigation Blvd., Suite 300
Corpus Christi, TX 78408
www.ardurra.com
www.lvinc.com
  

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Wednesday, July 29, 2020 11:39 AM
To: Joe Trejo <jtrejo@lvinc.com>
Cc: Robert Viera <rviera@lvinc.com>
Subject: Banquete PS Construction Update

Joe,

I just left a detailed voice mail on your LNV extension. I am wondering about the status of the Banquete PS construction. As I mentioned in the voice mail, Mando was out almost all of last week due to his mother in law passing away. When he returned, his son had tested positive for COVID 19 and he did as well. He will be working from home until Aug 10. Unfortunately, we have another tech that suffered a very bad sprain and we are short-handed.

Mando's last report was that foundations for GST, Hydros, disinfection bldgs., and generator had been poured. He also thought the pump platforms had been installed. He thought yard piping was going to be installed next.

The NWSC and STWA Boards are meeting next week and I want to provide an update.

Thanks,
Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

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



an Ardurra Company

July 30, 2020

Banquete Booster Pump Station Cyndie Park II, IFB No. 3113-19, TWDB# 62622

Subject: Project Update-June/July, 2020

This update will include activities ongoing or completed onsite for the months of June and July. I will first start with the items completed in June:

- Installed the base for the Ground Water Storage Tank.
- Form for FRP Building Pad.
- Poured the Hydro Pneumatic Tank Pad and Generator Pad.
- Ordered Hydro tanks to be delivered mid-July.
- Pumps were delivered.
- Valves, Fittings and Pipe was delivered.

The items that were completed or started in the month of July are as follows:

- Pump Pads poured, 2nd Hydro Tank Pad poured, Concrete pad for FRP Building was poured, and the Metering Station Pad was poured.
- Pumps were set and anchored.
- Hydro Tanks were delivered and set July 14.
- Started Header assembly for pumps.
- Pumps inlets were piped thru the wall to the location of the header.
- Pipe assembly start for the Meter Station.
- Ground Storage Tank was delivered.
- Generator was delivered.
- Contractor continues to assembly piping.
- AEP Engineer visited the site looking at the electrical

The erection crew to assemble the Ground Storage Tank are to be onsite today and start assembling the bottom of the tank. this project is continuing to move forward despite the bad weather.

Very truly you

John Miller

Field Representative





06 25 2020



KOHLER

KOHLER

80

KOHLERPower.com











06 23 2020



06 23 2020





ATTACHMENT 8

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

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 30, 2020
Re: Nueces County Water Control and Improvement District #5 (NCWC&ID #5) Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities

Background:

Enclosed please find the most recent email exchange regarding STWA's wholesale service to NCWC&ID#5 (Banquete Water District). As reported previously in updates, the District has not held any board meetings. However, it appears that there may be some questions forthcoming regarding the offered contracts. As of today (Thursday) our office has not received any additional information.

Analysis:

The analysis is identical to last month's memo. The contract offered to the Banquete District contains the same major provisions as STWA's other six (6) wholesale contracts with two (2) exceptions. Since the district is outside of STWA's boundaries, the contract includes a fee in lieu of taxes which was added at the request of the District quite some time ago. Previously, the District paid an out of district rate. In addition, the contract includes provisions related to the separation of service between the District and NWSC as a result of the new Banquete pump station. At this point, without any feedback, staff is uncertain whether any special considerations requested by the District could be accommodated since STWA has strived to keep its contracts with its wholesale customers as standardized as possible.

Staff Recommendation:

Keep the Board updated on negotiations. However, in the event the NCWCID #5 Board takes action or submits a request on either contract, the agenda item allows for action by the STWA Board.

Board Action:

Provide feedback to staff.

Summarization:

My summarization is identical to the summary in the last memo. By signing the wholesale water supply contract, the NCWCID #5 Board will benefit from the elimination of the premium fee.

ATTACHMENT 9

City of Driscoll Invoices

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 28, 2020
Re: Request by the City of Driscoll to Pay Past Due Invoices in Installments – Written Agreement – Authorization to Work with Legal Counsel to Develop Agreement, Presentation to the City of Driscoll for Approval and Execution if Approved by the City of Driscoll Council

Background:

Enclosed are the most recent emails between the City of Driscoll and STWA regarding the City's past due invoices. As reported previously, the City has experienced staff and elected official turn-over. Their office has also been impacted by the COVID-19 pandemic. I have communicated with legal counsel Bill Flickinger regarding the City's delinquent account and their request for a payment plan. He recommends the Board consider offering a written agreement to formalize such a plan. The City has requested what equates to a one-year reimbursement schedule on the balance while paying their current bills.

Analysis:

Bill Flickinger, Willatt and Flickinger, and I agree that formalizing a payment plan is the prudent course of action. He recommends authorizing me to work with him to draft an agreement for presentation to the City. Upon approval by the City Council, the agreement would be executed by an authorized STWA representative. Items requiring STWA Board guidance are as follows:

1. The number of months for repayment – does the Board agree to 12 months?
2. Interest to be charged – does the Board believe that interest should be charged? If so, does the Board agree to a rate recommended by legal counsel?
3. Payment deadlines – does the Board agree that the monthly installment plus the current invoice should be paid by month's end, within 30 days, or another time frame to avoid a default of the agreement?
4. Default – will a default trigger payment of the **entire** past due balance? Legal counsel suggests such.
5. Agreement deadline – should the offer for the pay plan be available for a set time only? For example, if the agreement is sent by August 10th, the Council will need to *approve and return* the executed agreement within 2 weeks or by the end of August – some other time frame?

Staff Recommendation:

Authorize legal counsel to work with staff to develop a payment plan agreement and, if authorized, determine the details of items 1-5 above as well as the authorized STWA representative to sign the agreement.

Board Action:

Determine what action is appropriate.

Summarization:

The City's past due balance for five months: November 2019, December 2019, January 2020, February 2020, and May 2020 is \$114,215.20. A twelve-month plan would require payment of \$9,517.93 in addition to the current bills – wholesale water and M&O fees. Payment of an additional \$10,000 per month would pay off the balance in 12 months with the last payment in the amount of \$4,215.20 provided the Board opts not to charge any interest.

From: Roland Ramos <rramos@cityofdriscoll.com>
Sent: Thursday, July 2, 2020 9:47 AM
To: mcserrato@stwa.org
Cc: Frances Rosales; Jo Ella Wagner; Bill Flickinger
Subject: Re: STWA Invoices

Carola,

I'm glad y'all are doing well. I will keep your co-worker's spouse in my prayers and hope she receives negative test results.

Thank you for your response and consideration. I will forward the information to the City of Driscoll.

Have a great day!

Thanks,
Roland

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Wednesday, July 1, 2020 2:32 PM
To: Roland Ramos <rramos@cityofdriscoll.com>
Cc: Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>; Bill Flickinger <bflickinger@wfaustin.com>
Subject: RE: STWA Invoices

Roland,

Thus far we are doing well with the exception of waiting on results of a co-worker's spouse's COVID-19 test results. I hope things are going well for you also.

You are correct that the City's request will need to be considered by the STWA Board. However, the next Board meeting is scheduled for August 4th which is a week later than normal due to the July 25th certified rolls arriving only two days before the regular meeting date of July 28th.

I will be happy to present your email to the Board. The meeting will be held via Zoom. The agenda packet which is posted on STWA's website should have that link as well as the call in number by the afternoon of Friday, July 31st. I have asked Frances DeLeon, Business Manager, to add Mayor Gonzalez' and your email addresses to her notification list.

In the meanwhile, I believe payment of the current bill (as indicated in your email) between now and the meeting date would be looked upon favorably by the Board. I feel compelled to note that between now and the next meeting that the June usage – July invoice will be generated.

Sincerely,
Carola

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

From: Roland Ramos <rramos@cityofdriscoll.com>
Sent: Wednesday, July 1, 2020 12:33 PM
To: mcgserrato@stwa.org
Subject: Fw: STWA Invoices

Hi Carola,

I hope you're doing well and staying safe. I've been granted the authority by the Mayor to reach out to you and attempt to come up with a resolution for the outstanding invoices. As you know, the Covid-19 pandemic has caused many financial hardships for several communities throughout the State and Nation. The City of Driscoll is no exception, a large part of their operating revenues are from Impounds. During the pandemic, local PD's were not performing routine traffic stops unless it posed a public safety concern. The City of Driscoll took a big hit due to the loss of revenue and the Federal or State government is not providing any assistance at this time.

With that said, please review and confirm the outstanding invoices from Dina below. If possible, the City would like to continue paying \$10k per month for the \$124,923.25 that's in arrears, in addition to the current bill. I realize you may have to consult with others for approval.

We respectfully request your kind consideration to this matter and look forward to your response.

Thanks,
Roland

From: Dina Garcia <dgarcia@cityofdriscoll.com>
Sent: Wednesday, July 1, 2020 8:53 AM
To: Roland Ramos <rramos@cityofdriscoll.com>
Subject: STWA Invoices

Mr. Ramos,
STWA Outstanding Invoices:

October 2019	27585.75
Nov 2019	28545.54
Dec 2019	31002.56
Jan 2020	15427.73
Feb	Paid
March	Paid
April 2020	11653.52
May 2020	10708.05
<hr/>	
Total	\$ 124, 923.25

Dina Garcia
City Secretary
citysecretary@cityofdriscoll.com

ATTACHMENT 10

Chloramine Booster Station – Kingsville/Ricardo

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 29, 2020
Re: Kingsville – Ricardo Water Supply Corporation – Transfer of Chloramine injection points

Background:

Enclosed please find the most recent correspondence regarding this project. Unfortunately, COVID-19 has affected field staffing and therefore inspection of the equipment installation with an anticipated return to on site work of the O&M Supervisor on August 10th.

Analysis:

This project is very near completion. A final invoice could be presented by the September 8th Board meeting. In the last two (2) months, the residuals on RWSC's 12" waterline and lines delivering water to the three (3) RWSC stations have been above the required 0.50 mg/l of total chlorine as shown below. The Board may recall that field personnel tapped RWSC lines in several locations south of FM 772 in order to install sample sites. Initially, there were some locations exhibiting loss of residual with upstream and downstream taps in compliance. Those locations were flushed and a marked improvement can be seen.

Week	PS#3 Prior	CR 1030	CR 2160	PS#1 Prior	CR 2170	PS#2 Prior
Of:	Total	Total	Total	Total	Total	Total
05/01/20	2.34	2.03	1.88	1.55	1.44	1.51
05/08/20	1.96	1.62	1.50	1.02	1.22	1.12
05/15/20	1.77	1.86	1.66	0.20	1.01	0.69
05/22/20	1.86	1.91	1.87	1.41	1.45	0.86
05/29/20	1.61	1.66	1.21	0.36	1.01	0.87
06/12/20	2.04	1.98	1.92	1.31	1.49	1.46
06/29/20	1.88	1.74	1.66	1.30	1.26	0.90
07/06/20	1.24	1.60	1.51	1.29	1.42	1.61
07/16/20	1.23	1.70	1.72	1.23	1.66	1.11

Staff Recommendation:

This is an update only.

Board Action:

Provide feedback to staff.

Summarization:

It appears this project should be complete prior to the end of Fiscal Year 2020.

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 24, 2020
Re: Annexation Petition – Set Time and Date for Public Hearing:
Resolution 20-25 – Robstown Hardware Company – 30 Acre Tract out of Section 35, GH Paul
Subdivision of the Driscoll Ranch, Nueces County

Background:

As previously discussed, properties that are not within South Texas Water Authority's district boundaries but requesting retail water service from the NWSC are required to be annexed into STWA's district. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically a retail water bill to NWSC and property taxes to STWA.

Analysis:

Enclosed is Resolution 20-25 to begin the annexation process for a property owner located very close to the northeast corner of the intersection of US 77/I-69 and FM 2826 (also called Perry Foundation Road). In this vicinity, FM 2826 is STWA's boundary. The property is located on the other side (north side) of the road. This resolution will set the time and date for a public hearing on the annexation. The public hearing will be scheduled for immediately preceding the September 8th Board meeting.

Staff Recommendation:

Adopt Resolution 20-25.

Board Action:

Determine whether to adopt Resolutions 20-25.

Summarization:

The landowner approached our office about service for their new facility. On behalf of the NWSC, staff performs an analysis using the NWSC's distribution model and the information is reviewed by Aaron Archer, Walker Partners. The property owner pays for the analysis and the cost of service including any upgrades/extensions. These procedures are under the purview of the NWSC Board.

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 21st day of July, 2020.

Robstown Hardware Company

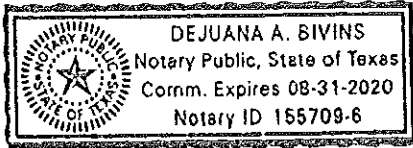
By: *Robert J. Underbrink*
Robert J. Underbrink
President

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Harris

Subscribed and sworn to before me DeJuana A. Bivins on this the
21st day of July, 2020.



DeJuana A. Bivins
Notary Public

My Commission Expires: 8/31/20

NOTARY SEAL

Exhibit "A"

To

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

Property Description:

30.000 ACRE TRACT OUT OF SECTION THIRTY-FIVE (35), GEO. H. PAUL SUBDIVISION OF THE DRISCOLL RANCH, a Subdivision in Nueces County, Texas, as shown on a map recorded in Volume A, Page 82, Map Records of Nueces County, Texas, to which reference is here made for all pertinent purposes.

Field notes of a 30.000 acre tract being out of an 88.53 acre tract described as Tract 4 in a deed recorded in Document No. 2008002437, Official Records of Nueces County, Texas. Said 30.000 acre tract also being out of Section 35 of the George H. Paul Subdivision of the Driscoll Ranch, as shown on a map recorded in Volume A, Page 82, Map Records of Nueces County, Texas. Said 30.000 acre tract being more particularly described as follows:

BEGINNING at a 5/8" re-bar set in the intersection of the north right of way of Farm to Market Road 2826 (FM 2826) and the extended east right of way of U.S. Highway 77 (US 77), in the south line of said 88.53 acre tract, for the southeast corner of The State of Texas 12.50 acre tract, as described in a deed recorded in Document No. 2014019040, Official Public Records of Nueces County, Texas, and for the southwest corner of this survey.

THENCE with the common line of the east right of way of US 77, the east line of said 12.50 acre tract, and this survey, North 27° 31' 38" West, a distance of 45.50 feet to a TxDOT Monument found in the east right of way of US 77, for an inside corner of said 12.50 acre tract, and for an outside corner of this survey.

THENCE with the common line of the east right of way of US 77, the east line of said 12.50 acre tract, and this survey, North 35° 24' 31" East, a distance of 907.47 feet to a 5/8" re-bar set in the common line of the east right of way of US 77, the east line of said 12.50 acre tract, and for the northwest corner of this survey, from WHENCE a TxDOT Monument found in the east right of way of US 77 bears North 35° 24' 31" East, a distance of 608.56 feet.

THENCE with the north line of this survey, North 89° 32' 17" East, a distance of 1405.26 feet to a 5/8" re-bar set in the west bank of a drainage ditch and for the northeast corner of this survey.

THENCE with the east line of this survey and the west bank of a drainage ditch, South 00° 26' 13" East, a distance of 775.88 feet to a 5/8" re-bar set in the common line of the north right of way of FM 2826 and of said 88.53 acre tract, in the west bank of a drainage ditch, and for the southeast corner of this survey, from WHENCE the southeast corner of said 88.53 acre tract bears, North 89° 32' 17" East, a distance of 464.69 feet.

THENCE with the common line of the north right of way of FM 2826, said 88.53 acre tract, and this survey, South 89° 32' 17" West, distance of 1915.95 feet to the POINT OF BEGINNING, and containing 30.000 acres of land, more or less.

ATTACHMENT 12

Resolution 20-25

SOUTH TEXAS WATER AUTHORITY

Resolution 20-25

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

WHEREAS, Robert J. Underbrink on behalf of Robstown hardware Company (Petitioner), has filed the attached petition (the Petition) with the South Texas Water Authority requesting annexation of his property into the South Texas Water Authority in order to allow water service to their property to be provided by Nueces Water Supply Corporation, and

WHEREAS, the South Texas Water Authority Board of Directors has reviewed the Petition and finds that it meets all of the requirements for annexation into the South Texas Water Authority's District, and

WHEREAS, the Board of Directors hereby sets a public hearing to hear evidence for or against the proposed annexation of this property to be held on September 8, 2020 at 5:40 p.m. at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority hereby authorizes the publication of the attached Notice of Public Hearing on Annexation for a public hearing to be held on September 8, 2020 at 5:40 p.m. at South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas. At such hearing all interested persons may appear and offer evidence for or against the proposed annexation of the property described in Exhibit A of the Petition.

Duly adopted this 4th day of August, 2020.

RUDY GALVAN, JR., PRESIDENT

ATTEST:

FILIBERTO TREVINO III, SECRETARY/TREASURER

NOTICE OF PUBLIC HEARING ON ANNEXATION

THE STATE OF TEXAS
SOUTH TEXAS WATER AUTHORITY

Pursuant to a Resolution adopted by the Board of Directors of South Texas Water Authority, a hearing shall be held at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas, on September 8, 2020 at 5:40 p.m. with respect to the Petition filed by John Hernandez for annexation of the territory described below, on the question of whether the territory sought to be annexed will be benefited by the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the Authority or by the other functions of the Authority. All interested persons may appear at such hearing and offer evidence for or against the proposed annexation.

Signed this the 4th day of August, 2020.

Rudy Galvan, Jr., President
Board of Directors
South Texas Water Authority

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

30.000 ACRE TRACT OUT OF SECTION THIRTY-FIVE (35), GEO. H. PAUL SUBDIVISION OF THE DRISCOLL RANCH, a Subdivision in Nueces County, Texas, as shown on a map recorded in Volume A. Page 82, Map Records of Nueces County, Texas, to which reference is here made for all pertinent purposes

ATTACHMENT 13
Cathodic Protection Report

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 30, 2020
Re: Cathodic Protection Services – Corrpro Services – CP Survey for Contract 1

Background:

As authorized by the Board, Corrpro Services/Aegion returned to perform additional tests in the latter part of June. Armando Yruegas, O&M Supervisor, and I reviewed the information and spoke with Steve Padden, Engineering Manager II, regarding questions and concerns. Attached is my marked-up version sent to Mr. Padden following our telephone conversation. In addition, enclosed is an email exchange with Yuxi Duan, Corrosion Engineer I, who wrote the report. Mr. Duan and I did speak as indicated in the email. I have followed up with Mr. Duan since the revised report has yet to be received. He indicated he is waiting on authorization from Mr. Padden to release the updated version.

Analysis:

As you can see from the report, there were some minor issues with proper labeling and names. Those will be corrected. In addition, there was a question about whether or not there needed to be a chart (found on page 8) with a “reconciliation” between the theoretical and actual line segments. It appeared to staff to create unnecessary confusion.

There was also a question about access to Rectifier 2 and whether the analysis was correct if the testing both north and south resulted in adequate readings.

In addition, I requested a more detailed description of the procedures/method whereby a tested segment would locate a discontinuous bond and the recommendation to correct the bond should include examining the bond beyond the broken bond since the test could only be performed up to locating a discontinuity.

Mr. Duan and I discussed the sections of pipe immediately north of the office. He had some opinions about the improvements recorded despite not reaching the -850mA standard. I cannot say whether the revised report will address that issue.

Finally, there is an entire section of pipe that is now found to be adequately protected as shown in Appendix A.

Staff Recommendations:

Utilize the report to continue making improvements to the CP system.

Board Action:

Provide feedback to staff.

Summarization:

The draft report, in addition to recommending revisiting sites with possible broken bonds, also recommends performing a CIS Survey every five (5) years.

mcserrato@stwa.org

From: mcserrato@stwa.org
Sent: Tuesday, July 21, 2020 12:18 PM
To: 'Yuxi Duan'
Cc: Armando Yruegas
Subject: RE: Corrpro inspection report comments

I will call around 3 p.m. I have a conference call at 2 pm today and I am still working on some items for that call.

Carola

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

From: Yuxi Duan <YDuan@aegion.com>
Sent: Tuesday, July 21, 2020 12:09 PM
To: mcserrato@stwa.org
Subject: Corrpro inspection report comments

Good afternoon Carola,

Thank you for your questions and comments about Corrpro's inspection report. I'm the engineer who wrote the report and did the field work. I've sat down with Steve and discussed your comments and made some revisions, but there are a couple of larger items that you included that I thought merited a phone call to explain. I didn't want to bother you during lunch, but could you please call me when you have a few moments to discuss the report? Or if there's a suitable time for me to call? Thank you,

Yuxi Duan | Engineer I | Corrpro Companies, Inc.
7000A Hollister St. | Houston, TX 77040
Ph: 713.460.6059 | Cell: 832.544.3154 | Fax: 713.460.6060 | www.Corrpro.com
yduan@aegion.com



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[Aegion](#)

From: mcserrato@stwa.org
Sent: Monday, July 20, 2020 2:41 PM
To: Steve Padden (spadden@aegion.com)
Cc: Armando Yruegas
Subject: Corrpro Draft Report July 17, 2020
Attachments: Corrpro Report First Draft July 17 2020.pdf

Steve,

Per our conversation this afternoon, attached is Corrpro's report delivered via email on July 17th. I have added my questions, comments and corrections. I hope you can read my writing. There is a question noted on page 12 that we did not discuss.

Please let me know if I need to clarify any of the items.

Thanks,
Carola

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

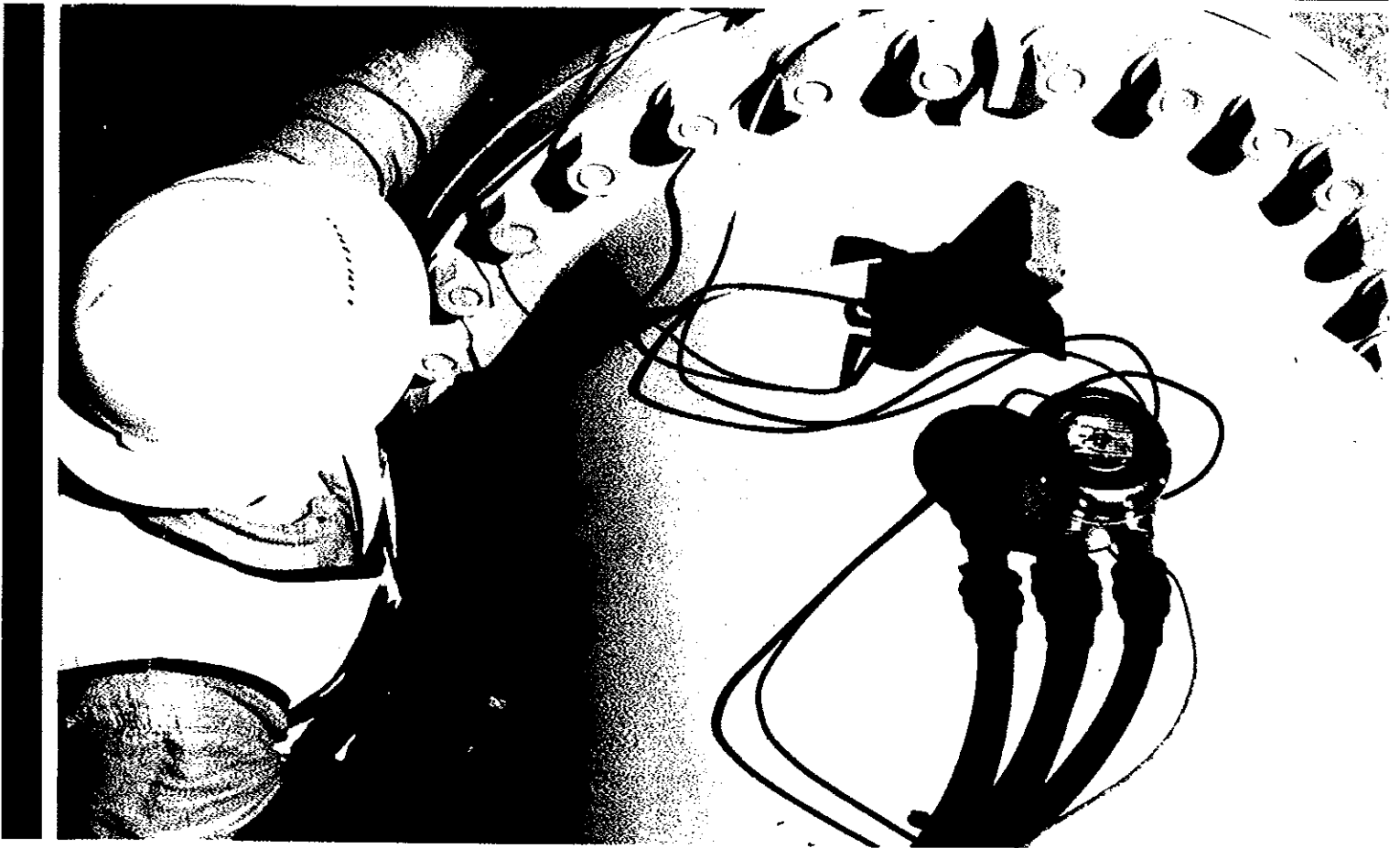


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**South Texas Water Authority (STWA)
42-inch pipeline – Kingsville, Texas
Cathodic Protection Inspection Report**



Prepared for:
South Texas Water Authority
Kingsville, Texas
Corrpro Project No.: 340304522
July 17, 2020

QUALITY ASSURANCE FORM

Project Identifier 340304522			
Project Name	STWA 42-inch pipeline	Type of Document	Inspection Report
Project Scope of Work			
<ul style="list-style-type: none"> • Use Corrpro's 2020 CIS report findings to troubleshoot pipeline segments with a high likelihood of being discontinuous. Test methods include but are not limited to PCM and CIS. • Resurvey pipeline segments if repairs have been completed. • Document findings and generate recommendations. 			
Referenced International Standards for Compliance			
<ul style="list-style-type: none"> • NACE International Standard Practice SP0169-2013 • NACE International Standard Practice SP0286-2007 • NACE International Standard Test Method TM0497-2018 			
Compliance/Criteria Achieved?	N/A	Test procedures documented?	Yes
Recommendations included?	Yes	Data Tables and/or Charts Included?	Yes
Compliant with Scope of Work?	Yes		
Assumptions included in analysis			
Galvanic anodes directly connected to a pipeline segment have minimal impact for IR considerations.			
Corrpro Project Team			
Project Manager – Leslie Warszawski	lwarszawski@aegion.com	832-844-9290	
Engineering Manager II – Steve Padden	spadden@aegion.com	773-350-3218	
Corrosion Engineer I – Yuxi Duan	yduan@aegion.com	832-544-3154	
Corrosion Technician I – Justin Vanderwater	jvanderwater@aegion.com	346-287-0566	
Summary of conclusions			
Corrpro surveyed nine (9) at-risk locations where the 42" STWA pipeline may be discontinuous. Corrpro performed a close interval survey (CIS) between test stations (TS) 281+90 and 293+88 because South Texas Water Authority repaired the damaged test station identified during the 2020 annual CP survey. Corrpro also identified nine (9) pipe joints with high-resistance or damaged bonds to adjacent pipe segments.			
Review completed by:	Name	Steve Padden	
	Job Title	Engineering Manager II	
	Qualifications	NACE Cathodic Protection Specialist #27179	
	Date	July 16, 2020	

REVISION HISTORY

Revision:	Date:	Status:	Approved by:
0	07/15/2020	Generate Inspection Report	Yuxi Duan
0	07/16/2020	Approved for Release	Steve Padden

EXECUTIVE SUMMARY

Corrpro was retained by South Texas Water Authority (STWA) to identify discontinuous pipeline segments for its 42" TWA pipeline located in Bishop, Texas. Corrpro utilized the close interval survey (CIS) data from its TWA 42" report dated February 21, 2020 and identified nine (9) pipeline segments that have a high likelihood of containing high-resistance or discontinuous bonding straps between pipe joints. STWA

Testing was conducted between June 22, 2020 and July 2, 2020 by Corrpro engineer Technician Yuxi Duan. Corrpro technician Jason Williams, Corrpro technician Justin Vanderwater, and Corrpro engineering manager Steven Padden assisted in testing the 42" STWA pipeline.

Below are findings from Corrpro's inspection report:

- Test station (TS) 281+90 was properly repaired. The CIS data that Corrpro collected on July 1, 2020 shows that the CP system between 281+90 and 293+88 meets NACE criteria.
- ~~Corrpro did locate any~~ discontinuities inside the King's Ranch portion for the 42" TWA pipeline. ?
- Corrpro identified a high-resistance bond between station 304+82 and 305+46. The high-resistance bond is most likely at the pipe segment underneath an active roadway. ← ?
- The first pipe segment downstream from 473+76 and upstream from 475+36 are discontinuous.
- There is a high-resistance or discontinuous bond two pipeline segments downstream from 475+36. ←
- The first pipe downstream from 134+00 and upstream from 141+60 are discontinuous. ←
- The pipe segments immediately upstream and downstream from 193+00 are discontinuous. ←
- Corrpro identified one (1) possible discontinuity between station IDs 71+76 and 93+60.

Pipe segment discontinuities were identified using a Pipeline Current Mapper (PCM) unless otherwise specified. Corrpro provided recommendations to maintain cathodic protection (CP) efficacy for the 42" TWA pipeline in this report. ?

Did not
Corrpro
located?

Segment:

IF the sentence should read: N/A
Corrpro located discontinuities inside the King Ranch... pipeline.
Then are those separate from the following bullets?

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APPENDIX A CLOSE INTERVAL SURVEY (CIS) DATA

APPENDIX B TESTING PROCEDURES

1. INTRODUCTION

Corrpro was retained by South Texas Water Authority (STWA) to conduct the annual cathodic protection survey on its 42" bar-wrapped water pipeline located from Kingsville, TX to Bishop, TX. STWA adopted Recommendations from the annual survey which include investigating areas with depressed pipe-to-soil potentials. Corrpro identified nine (9) areas of interest and resurveyed these locations between June 22, 2020 and July 2, 2020. This report outlines the methodology Corrpro utilized to identify these test sites, the inspection results, and additional recommendations to improve the CP efficacy for the STWA 42" pipeline.

2. REFERENCED STANDARDS, DEFINITIONS AND ACRONYMS

Standards:

- NACE SP0169-2013 – "Control of External Corrosion on Underground or Submerged Metallic Piping Systems"
- NACE SPO286-2007 – "Electrical Isolation of Cathodically Protected Pipelines"
- NACE Test Method TM0497-2018 – "Measurement Techniques Related to Criteria for Cathodic Protection on Underground or Submerged Metallic Piping Systems"

Definitions:

- On Potential – Pipe-to-soil or structure-to-soil potential recorded while the cathodic protection (CP) current is being applied
- Instant-Off Potential – Pipe-to-soil or structure-to-soil potential recorded immediately after the cathodic protection current is turned off (polarized potential)
- Static Potential – Pipe-to-soil potential when no CP current is affecting a pipeline

Acronyms:

- CIS – Close Interval Survey
- CP – Cathodic Protection
- CSE – Copper/Copper Sulfate
- ICCP – Impressed Current Cathodic Protection
- mV – Millivolt
- NACE – National Association of Corrosion Engineers
- PCM – Pipeline Current Mapper
- P/S – Pipe to Soil Potential
- STA – Station Number
- STWA – South Texas Water Authority
- TS – Test Station

3. CRITERIA OF PROTECTION

The following criteria are the basis for the following cathodic protection survey.

A negative voltage of at least minus 850 millivolts as measured between the underground component and a saturated copper-copper sulfate reference electrode connecting the earth (electrolyte) directly over the underground component. Determination of this voltage shall be made with the cathodic protection system in operation. Voltage drops shall be considered for valid interpretation of this voltage measurement. A minimum of minus 850 millivolts "instant off" potential between the underground component being tested and the reference cell shall be measured. An adequate number of measurements shall be obtained over the entire structure, pipe, tank, or other metallic component to verify and record achievement of minus 850 millivolts "instant off."

A minimum polarization voltage shift of 100 millivolts as measured between the underground component and a saturated copper-copper sulfate reference electrode contacting the earth directly over the underground component. This polarization voltage shift shall be determined by interrupting the protective current and measuring the polarization decay. When the protective current is interrupted, an immediate voltage shift will occur. The voltage reading, after the immediate shift, shall be used as the base reading from which to measure polarization decay. Measurements achieving 100 millivolts decay shall be made.

4. DESCRIPTION OF STRUCTURES

The South Texas Water Authority (STWA) authorized the construction of its concrete pressure pipe project in 1983. Design drawings, including joint details and coating specifications, were provided in the design package provided by Gifford-Hill American, Inc. The pipeline segment that Corpro surveyed is Contract 1, which is a forty-two-inch (42") diameter P-303 pipe class 197 that spans approximately 52,300 linear feet.

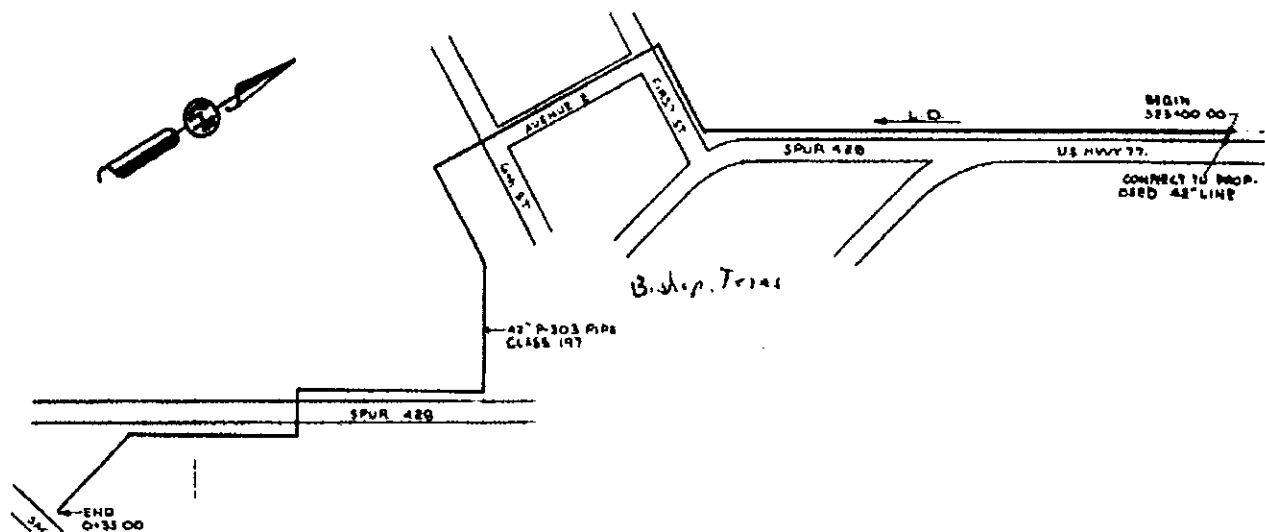


Figure 1: Contract 1 Pipeline Route

The pipeline route is shown in Figure 1. The pipeline consists of thirty-two-feet (32') long pipeline segments mechanically bonded to successive pipeline segments, unless otherwise specified. The beginning section of the 42" STWA pipeline is inside King's Ranch property, with restricted access unless supervised by a STWA employee.

5. DESCRIPTION OF CATHODIC PROTECTION SYSTEMS

The cathodic protection system for the 42" STWA pipeline consists of two ICCP rectifiers and galvanic anodes directly connected to the pipeline. Monitoring is provided from Big Fink test stations (TS) interspersed along the 42" STWA route. STWA provided alignment sheets which identifies the location for its anodes, test stations, rectifiers, air-release valves (ARVs), and where bonds were repaired.

The rectifiers are located downstream from Sta 159+00 and at Sta 263+10 and provide CP current to the areas immediately upstream and downstream from the ICCP systems. The rest of the pipeline is protected with zinc anodes connected directly to pipeline segments. The original design incorporated zinc anodes at every third pipeline joint, but the STWA has increased the CP by adding zinc anodes to each pipeline segment that it excavates and inspects. These improvements are documented in the STWA's alignment sheets.

Corrpro's annual survey and this inspection report were performed without disconnecting any galvanic anodes from the 42" pipeline. As such, static measurements could not be collected and Corrpro utilized historical data and engineering considerations to determine which pipeline segments were inspected during this survey.

6. DATA AND FINDINGS

6.1. METHODOLOGY

Corrpro used its 2020 CIS data for the STWA 42" pipeline and plotted the pipeline route. The x-axis is the mile post and the y-axis is the metallic IR per 1,000 feet. The chart is below:

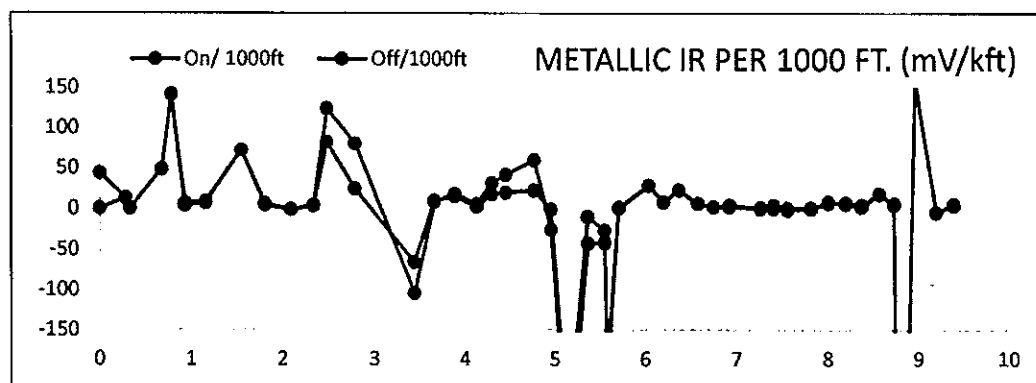


Chart 1: Mile Post vs. Metallic IR per 1,000 Feet

This criterion was utilized because it is normalized by distance so short pipeline segments that may show a relatively low metallic IR would still be identified. Corrpro converted the mile markers into station numbers (STA) and identified nine (9) locations to survey where the metallic IR per 1,000 feet was greater than 50 mV

per 1,000 feet. The theoretical STA was then amended to reflect where STWA-installed test stations are located to allow for instrument-to-pipeline connections. Both the theoretical STA and actual STA tested are shown below:

Are the theoretical test stations given to the 2 (stickynote) Begins sooner

Segment	Theoretical		vs.	Actual		Test Method
	Begin	End		Begin	End	
1	17+28	35+28		17+28	35+28	PCM
2	35+28	51+92		71+76	93+60	PCM
3	71+76	93+60		134+00	141+60	PCM
4	134+00	141+60		159+00	193+00	PCM
5	159+00	193+00		263+10	272+70	PCM
6	263+10	281+90		281+90	293+88	CIS
7	293+88	305+46		304+82	305+46	Other
8	471+76	473+76		473+36	475+36	PCM
9	473+76	486+56		475+36	486+56	PCM

suppose to be beginning

NO 312+84 to 384+32

shorter instead of all the way to 293+88

Table 1: Theoretical vs. Actual STA

Skipped 141+60 to 159+00

Supposed to go to 204+84

Variations between the theoretical and actual test locations was due to TS availability and accessibility. Test stations are the only locations where Corrpro can connect its equipment to the pipeline. PCM was performed on June 22, 2020 between STA 454+88 and 462+88 to validate that the equipment was working properly. No discontinuities were located, which was expected because of STWA's alignment sheets.

6.2. PCM ANALYSIS

Corrpro used a Pipeline Current Mapper (PCM) to check for electrical discontinuities. The PCM is attached to the 42" STWA pipeline and generates a current onto the pipeline which is then located. Consideration is given to current degradation over distance but any abrupt decreases in signal strength are indicative of a metallic discontinuity or high-resistance bond(s).

Start @ 263+10 instead of 272+70

The determination whether to use a temporary groundbed—one test lead from the PCM is connected to the pipeline while the second test lead is connected to a temporary anode groundbed—versus both test leads connected to the pipeline was based upon the distance between test stations. Unless specified, after Corrpro installed the PCM equipment each segment was surveyed in both directions (from the lower STA going downstream and from the higher STA going upstream). If a high-resistance bond or discontinuity was identified, it was identified in Table 2. The PCM is only able to locate the first discontinuity past a TS and not successive discontinuities based on its design.

Steve, trying to reconcile the theoretical to the Actual & Mando's list on page 9. First pg 8

per 1,000 feet. The theoretical STA was then amended to reflect where STWA-installed test stations are located to allow for instrument-to-pipeline connections. Both the theoretical STA and actual STA tested are shown below:

Segment	Theoretical		vs.	Actual		Test Method
	Begin	End		Begin	End	
1	17+28	35+28		17+28	35+28	PCM
2	35+28	51+92		71+76	93+60	PCM
3	71+76	93+60		134+00	141+60	PCM
4	134+00	141+60		159+00	193+00	PCM
5	159+00	193+00		263+10	272+70	PCM
6	263+10	281+90		281+90	293+88	CIS
7	293+88	305+46		*304+82	305+46	Other
8	471+76	473+76		473+36	475+36	PCM
9	473+76	486+56		475+36	486+56	PCM

Short not 5960
 - Begin early Begin pt in stick
 - end short - not 2044
 - Begin early
 - gap? Suppose to be 272 - 298
 - Extra?

Table 1: Theoretical vs. Actual STA *NO 312 - 384

Variations between the theoretical and actual test locations was due to TS availability and accessibility. Test stations are the only locations where Corrpro can connect its equipment to the pipeline. PCM was performed on June 22, 2020 between STA 454+88 and 462+88 to validate that the equipment was working properly. No discontinuities were located, which was expected because of STWA's alignment sheets.

6.2. PCM ANALYSIS

Corrpro used a Pipeline Current Mapper (PCM) to check for electrical discontinuities. The PCM is attached to the 42" STWA pipeline and generates a current onto the pipeline which is then located. Consideration is given to current degradation over distance but any abrupt decreases in signal strength are indicative of a metallic discontinuity or high-resistance bond(s).

The determination whether to use a temporary groundbed—one test lead from the PCM is connected to the pipeline while the second test lead is connected to a temporary anode groundbed—versus both test leads connected to the pipeline was based upon the distance between test stations. Unless specified, after Corrpro installed the PCM equipment each segment was surveyed in both directions (from the lower STA going downstream and from the higher STA going upstream). If a high-resistance bond or discontinuity was identified, it was identified in Table 2. The PCM is only able to locate the first discontinuity past a TS and not successive discontinuities based on its design.

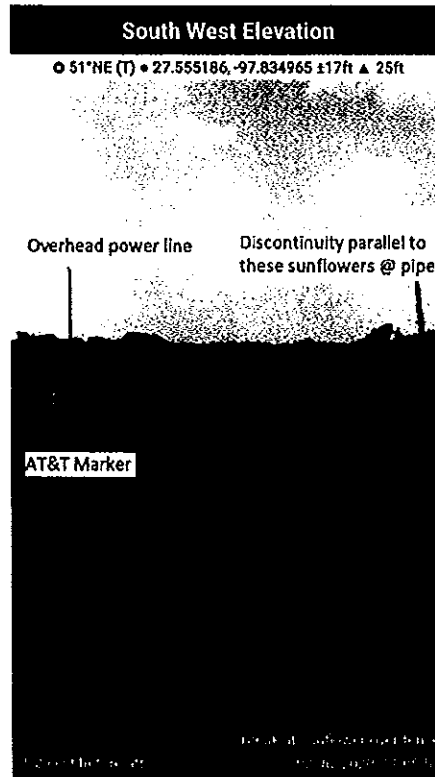
Second pg 8

Segment	Date	Begin	End	Output (A)	Groundbed	Conclusion(s)
1	6/25/20	17+28*	20+00	1.0	To Pipe	No discontinuities identified.
2	6/25/20	20+00*	35+28	1.0	Temporary	No discontinuities identified.
3	7/2/20	71+76	93+60*	0.6	To Pipe	Potential discontinuity 100-yards downstream of ARV (headed towards 93+60). Potential discontinuity in fields past 71+76 (see Figure 2).
4	7/2/20	134+00	141+60*	0.6	To Pipe	Discontinuous immediately downstream from 134+00. Discontinuous immediately upstream from 141+60.
5	7/1/20	159+00*	193+00*	1.0	Temporary	No discontinuity identified near 159+00. Immediately discontinuous both upstream and downstream at 193+00.
6	6/22/20	263+10*	272+70	1.0	To Pipe	By Rectifier #2. No access. <i>???. We discussed</i>
7	6/24/20	473+76*	475+36	0.6	To Pipe	Immediately discontinuous downstream from 473+76. Immediately discontinuous upstream from 475+36.
8	6/24/20	475+36*	486+56	0.6	To Pipe	Second joint downstream from 475+36 discontinuous.

* denotes where the PCM (and temporary groundbed, if applicable) were located

Table 2: PCM Results

**** You will be checking w/ Eng. on this Section*



17+28 → 59+60 -2
71+76 - 93+60 -1
141+60 - 204+84 -2
272+70 - 293+88
312+84 - 384+32
473+76 → 475+36
15 spans

Figure 2: Discontinuity from 71+76 to 93+60

Corrpro identified two possible discontinuities for the pipeline segment between 71+76 and 93+60. The PCM was set to 600 mA output, the unit was placed at STA 93+60, and test leads were run between the two test stations (using two wire reels). The first discontinuity was identified approximately 100-yards downstream past the air-release valve (ARV) at 84+00 because the PCM current output decreased from readings in the mid-200 mA range (consistently when walking from 93+60 upstream) to 82 mA near this juncture. The PCM measured a pipeline depth of 7.5-feet to the center of the pipeline, which is consistent with STWA data for this area. The second possible discontinuity was identified near 27.555363° N, 97.834458° W, when Corrpro began at 71+76 and walked downstream. This discontinuity was identified further away from the test station so the measured current is lower, but the PCM locator went from reading consistently showing outputs in the mid-150 mA range to 87 mA, approximately 2-3 pipeline joints upstream from an AT&T marker (Figure 2).

Corrpro identified two discontinuous pipe joints, one immediately downstream from STA 134+00 and one immediately upstream from STA 141+60. Both locations are characterized with expected measurements (200-300 mA with the PCM set at 600 mA) in one direction followed by an immediate drop (<10 mA) when locating the pipeline current in between STA 134+00 and 141+60.

Corrpro set up a temporary groundbed at STA 159+00 and began testing towards STA 193+00. Wire reels would not have worked for this section because the span is both too long and because it crosses a major roadway, which would damage the wire reel. Corrpro did not identify any signs of pipe joint discontinuity when walking from STA 159+00 towards STA 193+00, and the signal strength declined linearly with respect to distance away from the PCM. Corrpro then set up the temporary groundbed at STA 193+00 and identified discontinuities immediately before and after the test station.

No measurements were collected between STA 263+10 and 272+70. This area is overgrown with grass, and any offsets to the PCM would provide inaccurate data and analysis about the 42" STWA pipeline continuity in this area. PCM was set up in this span, but the collected data was inconclusive and discarded. ??

The pipeline segment between STA 473+76 and 475+36 followed the same pattern as STA 134+00 and 141+60, and that the first joint downstream from 473+76 and upstream from 475+36 are discontinuous.

Corrpro identified one pipeline discontinuity between STA 475+36 and STA 486+56. The discontinuity was characterized by the PCM output dropping sharply from 100 mA to 47 mA within a two-foot span of the pipeline. STWA was present when this discontinuity was identified and flagged. The discontinuity is between the second and third pipeline joints downstream of STA 475+36.

Same question as previous page.

CIS ANALYSIS

Based on Corrpro's 2020 annual CIS survey data, STWA excavated the pipe segment at STA 281+90. According to the STWA technician, the test station wires were not properly bonded to the pipeline which led to poor CIS measurements during the annual survey. The 42" pipe was resurveyed using CIS between STA 281+90 and STA 293+88, shown in Appendix A. Both Rectifier #2 and the CIS unit were synchronized using a 4-second ON / 1-second OFF cycle to interrupt the CP current for the 42" STWA pipe. The CIS data shows that the P/S meet NACE criteria. No additional troubleshooting is required for this span.

CIS was not performed for the 42" STWA pipeline inside ^{the} King Ranch despite P/S values ^{being} less electronegative than -850 mV_{CSE}. Historical data showing measurements in the -350 mV_{CSE} range before CP was installed and contemporary P/S data (Table 3, below) indicate CP coverage for the pipeline. Zinc anodes directly connected to the pipeline increase the difficulty for CIS test methods.

6.3. ADDITIONAL TESTING

Corrpro collected On potentials at test stations when possible using a portable CSE. On potentials cannot be independently used to verify NACE compliance but are useful historical data points to evaluate the CP current at each TS. Instant-off potentials were also collected when possible and can be used to verify NACE criteria.

STA	On (mV _{CSE})	i-Off (mV _{CSE})
0+00	-775	-
17+28	-822	-
20+00	-800	-
71+76	-931	-
93+60	-996	-
134+00	-996	-
141+60	-1081	-
159+00	-1297	-
193+00	-892	-
281+90	-1013	-1004
293+88	-1025	-1014
304+82	-930	-928
305+46	-922	-922

Table 3: Test Station Potentials (On/i-Off)

Were we supposed to get these? Did (on wild) we get charged

A pipe-to-soil potential (P/S) was not collected at STA 35+28 because Corrpro rained out on Friday, June 26, 2020 before testing could be performed. P/S was not collected at STA 263+10 and STA 272+70 because this area was skipped due to high grass and the pipeline offset. P/S was not collected at STA 473+76, STA 475+36, and STA 486+56. Where measurements were not collected, the 2020 annual CIS survey data is applicable.

Steve, we didn't discuss the item ★★ below.

Corrpro used a wire reel to perform continuity checks between STA 304+82 and STA 305+46. The wire reel's internal resistance was 0.7 Ω but the measured resistance was 18 Ω. The measured resistance is indicative of a high-resistance bond rather than a discontinuity (typically, a resistance greater than 100 Ω, with considerations for distance and soil conditions). However, given that both test stations' P/S are more electronegative than -0.850 V_{CSE} and that Farm-to-Market 70 is an active roadway bisecting these two test stations, no additional action is required at this time.

Corrpro did not identify discontinuous pipeline joints where the STWA indicated that it had repaired a pipe segment or installed zinc anodes. This was verified when Corrpro used PCM to verify continuity between STA 454+88 and 462+88, and it contributed to why Corrpro did not resurvey between STA 35+28 and 51+92.] - How is one related to the other? ★

7. CONCLUSIONS

Based on the 2020 annual CIS survey results, Corrpro identified nine (9) pipeline segments that have a high likelihood of containing one or more pipeline joint discontinuities. Approximately 11,000 feet of the STWA 42" pipeline was surveyed. The following is concluded: ★

- Seven (7) pipeline segments were investigated using PCM (see Table 1). There was no access to the pipeline segment between STA 263+10 and STA 272+70. One or more discontinuities were identified at five (5) pipeline segments (Table 2).
- CIS was performed between STA 281+90 and STA 293+88. CIS was used for this area after STWA informed Corrpro technicians that the TS at 281+90 was repaired, and that the underlying issue was that the TS lead wires were not properly bonded to the 42" STWA pipeline. The CIS data meets NACE criteria and should replace the data from Corrpro's 2020 annual CIS report.
- Corrpro identified a high-resistance bond between STA 304+82 and STA 305+46. The discontinuity is most likely underneath Farm-to-Market Road (FM) 70. However, since the P/S at both test stations meets NACE criteria no additional work is required in this location.

Was it good? at -0.850mV? Yes! all above!

8. RECOMMENDATIONS

Based upon the preceding data and findings and conclusions, the following recommendations can be made:

1. Excavate and repair each pipeline joint where a discontinuity was identified.
2. Add zinc anodes to each pipeline segment that does not have anodes as part of STWA's ongoing work.
3. The STWA alignment sheet should be continuously updated. Updates need to include digitizing updates performed by STWA technicians into a PDF or similar format and to include the year when repairs were performed.
4. Clear the ROW between STA 263+10 to 272+70. Then schedule to conduct this same testing.
5. Corrpro recommends that a CIS survey be conducted at 5-year intervals.

Along ditch close to Ref junction? →

↳ Same as pg 9

We thank you for the opportunity to have provided you our services for this project and we look forward to serving you again in the future. Please contact our office if we can be of any additional assistance.

The recommendations are divided into three categories to assist with prioritization purposes:

- High Priority – Recommendations required to restore adequate levels of cathodic protection.
- Medium Priority – Recommendations that should be performed but are not critical to operations.
- Low Priority – These are maintenance items that are not critical.

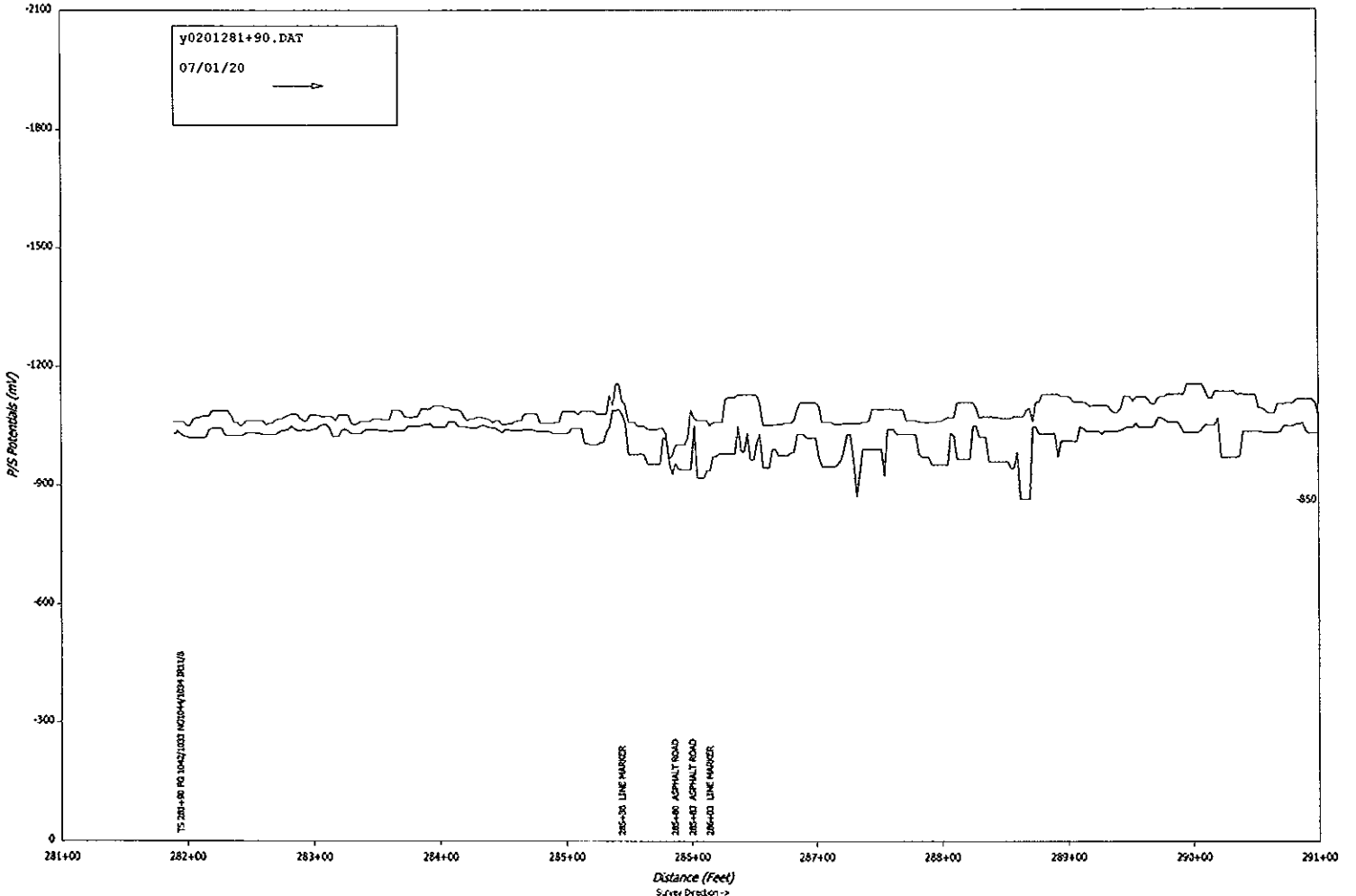
Item	Recommendation	Priority Level	Budgetary Cost
1	Excavate and repair bonds	High	By STWA
2	Add zinc anodes	High	By STWA
3	Update STWA alignment sheet	Low	By STWA
4	Test section from STA 263+10 to 272+70	Medium	\$3,500
5	2025 CIS Survey	Medium	\$15,000

Table 4: Recommendations

Same as page 9.

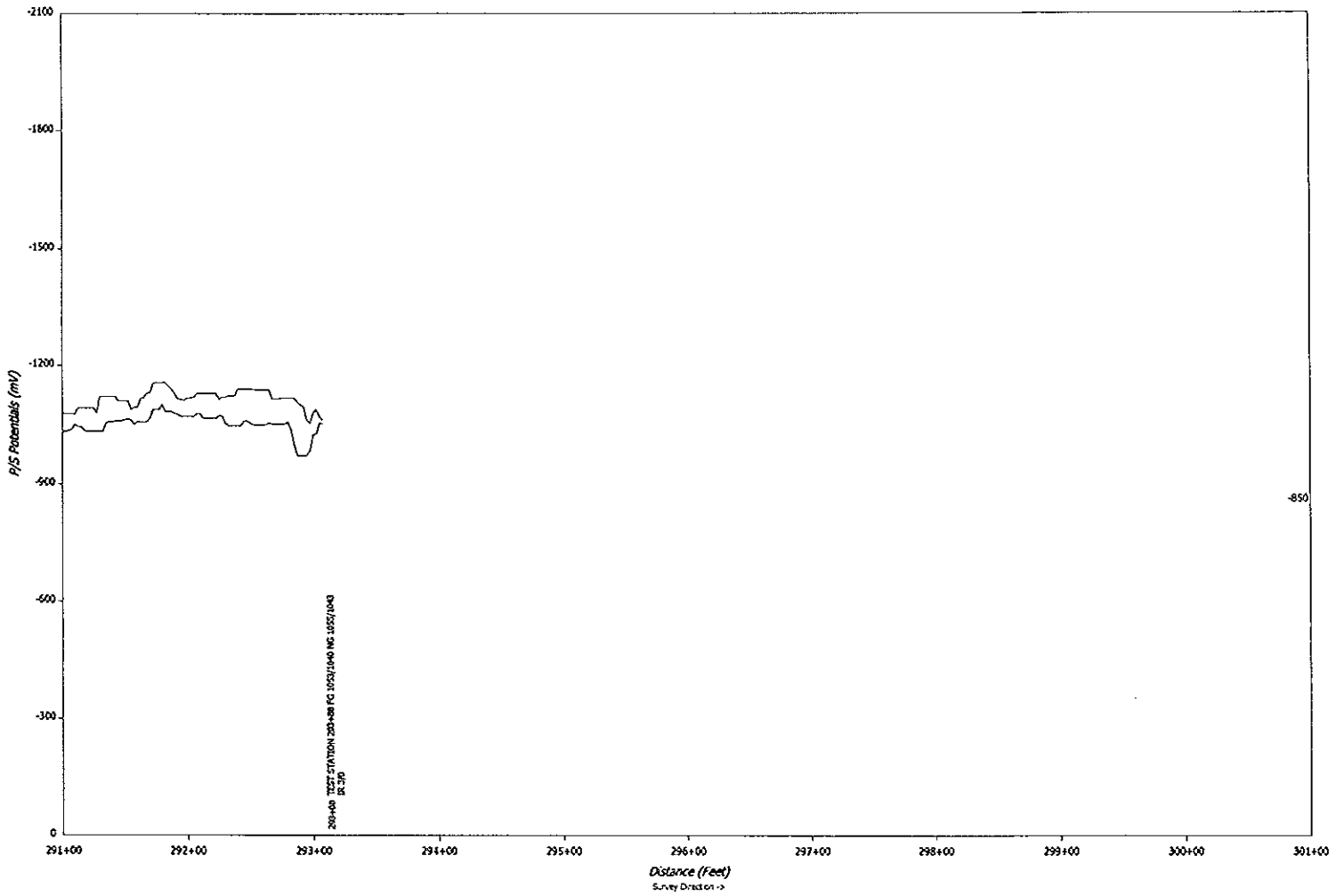
APPENDIX A: CLOSE INTERVAL SURVEY (CIS) DATA

Replaces previous



SOUTH TEXAS WATER AUTHORITY	TWA 42*	CLOSE INTERVAL POTENTIAL SURVEY	<p>— Pipe-to-Soil On</p> <p>- - - Pipe-to-Soil Instant Off</p>
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Replaces
Previous



SOUTH TEXAS WATER AUTHORITY	TWA 42'	CLOSE INTERVAL POTENTIAL SURVEY	Pipe-to-Soil On Pipe-to-Soil Instant Off
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corrpro

APPENDIX B: TEST PROCEDURES

The following test procedures were used during Corrpro's cathodic protection evaluation and are in accordance with industry standards.

1. VISUAL INSPECTION

Corrpro performed a visual inspection of the CP rectifier and test stations for physical damage and assessment of the condition. This assessment is included in the report and consists of the following:

- Rectifier was visually inspected for indications of abnormal operation
- Visual inspection of the rectifier case for indications of damage
- Inspection for possible overheating
- General assessment of the rectifier condition
- Test Stations were visually inspected for indications of damage
- Mechanical inspections of test station wires and shunt for proper operation

2. RECTIFIER ELECTRICAL INSPECTION

Corrpro conducted an electrical inspection of the rectifier including:

- Assessment of operating condition of the rectifier
- Inspection for physical and electrical damage
- Verification of onboard DC meter accuracy
- Rectifier DC voltage and current output levels were obtained and verified utilizing a calibrated digital voltmeter by reading across the individual output lugs and the calibrated measuring shunts

3. STRUCTURE-TO-POTENTIAL MEASUREMENTS

Structure-to-soil potential measurements are used to determine the level of CP being provided to a structure by measuring the potential difference (voltage) between the structure and a reference electrode. Either a CSE placed in the soil adjacent to the structure or a stationary CSE buried in the soil adjacent to the structure can be utilized. When the potential difference between the reference electrode and the structure meets one of the NACE recognized criteria, CP has been achieved on the structure in the vicinity of the reference electrode.

3.1. ON-POTENTIAL MEASUREMENTS

The application of CP current to a structure will cause the structure-to-soil potential values to become more negative. Potentials measured with CP current applied to the structure are referred to as on potential measurements. On potentials were collected from each test point using a calibrated portable reference cell. In cathodic protection systems with large current requirement, the on potential measurements can include an IR drop error. This error can cause erroneous results and must be considered when evaluating the potential value. IR consideration was in the form of comparison to previously established IR at each test point location.

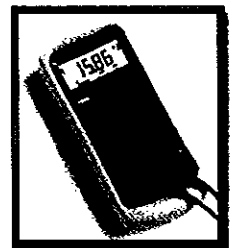
3.2. OFF-POTENTIAL MEASUREMENTS

Instant-off potential measurements are used to determine the polarized (IR Free) potential of the on-grade or below-grade carbon steel infrastructure. To obtain the IR free instant-off potential measurements, cathodic protection current sources are cycled on and off at a predetermined interval. The potential measurement is obtained on the carbon steel infrastructure immediately after the current is cycled off. This procedure eliminates the IR drop in the electrolyte caused by DC current flow to the metallic structure and provides what is termed a polarized potential value. The instant off potential measurement satisfies the consideration for IR as stated in NACE International Standard Practice SP0169-2013 – “Control of External Corrosion on Underground or Submerged Metallic Piping Systems”.

4. TEST EQUIPMENT

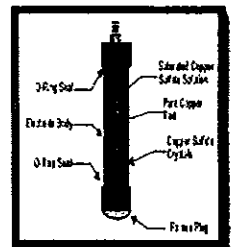
Digital Voltmeter

A calibrated high impedance digital multi-feature voltmeter was used for the annual survey. The meter was a multi-scale, 10 MΩ input impedance, accurate to within one percent of full scale, covering the following full scale ranges: 0-10 and 0-100 millivolts; 0-1, 0-10, 0-100 volts.



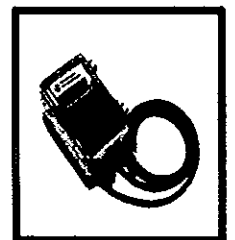
Portable Copper/Copper Sulfate Reference Electrode

A calibrated portable CSE was utilized for all potential readings on CP system in order to obtain measurements that most accurately represent the environment along the pipeline system.



Current Interrupter

In order to temporarily cycle On and Off current from flowing from the anodes onto the structure, a specially designed current interrupter is installed at each cathodic protection current source. The interrupter utilized is the MicroMax GPS360 12-volt current interrupter. This model is a microprocessor controlled high current interrupter and was specially designed for use in single or multiple CP system applications. The unit is either powered by an internal 12-volt battery supply or secondary AC power from the rectifier. The GPS360 utilizes an integrated solid-state relay to open and close the CP circuit.



ATTACHMENT 14

Office Assistant

Memorandum

To: South Texas Water Authority, Nueces Water Supply Corporation, and Ricardo Water Supply Corporation Boards of Directors
From: Carola G. Serrato, STWA Executive Director and General Manager for NWSC and RWSC
Date: July 31, 2020
Re: Full-Time Office Employee – Transition from Part-Time Office Employee

Background:

This subject has been discussed with Board President Rudy Galvan as well as with NWSC Board President Alice Black and RWSC Board President Baldemar Garcia. Since the management contracts with NWSC and RWSC cover about 50% of salaries and benefits, it is appropriate to discuss the matter with all three boards. The RWSC Board is scheduled to meet on August 3rd and the NWSC Board is scheduled to meet the morning of August 4th. As detailed in a recent STWA update, the last time a full-time office worker was hired was in May of 1998 – 22 years ago. At that time, the NWSC customer count was 469 and RWSC's count was 723. Both corporations now have more than 1000 customers. Given not only the increase in the corporations' customer counts, the changes to TCEQ procedures and monitoring, and the need for improved accounting, the subject of hiring a full-time staff person in place of a ¾ time clerk is being presented.

Analysis:

In preparation for my departure/retirement, I believe there are financial record improvements needed. Schedules for equipment (repairs and periodic maintenance), vehicles, tool inventory, uniform allowance, pump station fixed assets, SCADA work, generators, disinfection facilities, and the actual buildings should be updated in a manner that is directly tied to the accounting program. Currently these schedules are recorded in Excel spreadsheets or forms. There is room for improvement, in my opinion, on the detail and organization of these schedules. It should be noted that with NWSC owning pump station equipment and RWSC owning its three (3) stations that the corporations will benefit from this work. Research on the capabilities of the existing software accounting system as well as other products has been done in the last month and a half.

In order to transition towards accomplishing these tasks, office staff met and reviewed the job descriptions of front office staff persons. It was agreed that the Billing Clerk and Receptionist need to take a more active role in screening and processing new applications for the water supply corporations. However, enclosed is an authorized quote for the addition of online service application capabilities for NWSC and RWSC through Edmunds GovTech (formerly Logics). This \$2,750 cost will be shared by the two corporations on a 50-50 basis. Although it will not eliminate the processing of new service applications in its entirety, this will help to reduce staff's workload.

The cost of adding 20 hours per pay period is only part of the added expense to the three entities' budgets. The benefit package cost must also be considered. In addition, the percentage of allocation between the four (4) front office positions (Accountant Assistant, Billing Clerk, Receptionist and FT Clerk) was examined as well as those duties attributed to each entity. Please recall that STWA has a Special Services Fund Budget that tracks the revenues and expenses of providing turn-key management services. The recommended new accounting program has a payroll feature that would greatly assist in tracking personnel expenses for the Special Services Fund.

Memo

07/31/20

Page 2 of 2

Enclosed are job descriptions for the four (4) office positions as proposed if a full-time position replaces the current $\frac{3}{4}$ time clerk. The allocated time is very close to 33% for each entity. It warrants noting that an added task never before assigned to any staff person is 15.75% of the person's time would be acting as the Finance Manager's Administrative Assistant. The estimated added expense to STWA is just under \$18,000. The estimated added expense to NWSC and RWSC is \$13,399 and \$13,622 respectively.

The Accountant Assistant position is currently allocated as 75% of her time to NWSC and RWSC. With the addition of a full-time clerk and the shifting of certain duties, the revised job description still shows 74.2% of her time devoted to NWSC and RWSC. You will note that the processing of WSC service applications has been deleted leaving only the processing of non-standard service such as a subdivision or commercial accounts. You will also note that the last items listed as "New" are some of the aforementioned tasks.

The Billing Clerk currently has 85% of her time allocated to NWSC and RWSC. With the addition of a full-time clerk and the shifting of certain duties, the revised job description now shows 87.5% of her time devoted to NWSC and RWSC. It should be noted, however, that the recommended new accounting system would reduce the time allocated as the Leave Record Clerk.

The revised job description for the Receptionist shows the current percent allocated to NWSC and RWSC as 75%. The revised percentage with the re-distributed tasks is 77.5%. We anticipate that the new online service application module from Edmunds GovTech should help to reduce some of the time assisting interested parties in applying.

Finally, enclosed is the product description of Black Mountain Software, the recommended software to replace Sage 50. The cost of the new software is included in the STWA Second Draft FY 2021 Budget as part of Capital Acquisition. Under the Payroll module are two subcategories, Daily Time Cards and Time Clock Interface. The time card function will allow employees to submit leave requests directly into the system which will provide a running balance. If the new software is purchased, it will not entirely eliminate this task; but it should alleviate the daily work load.

Staff Recommendation:

Consider approval of transitioning the $\frac{3}{4}$ time clerk to a full-time clerk.

Board Action:

Determine whether the position should be modified to a full-time position including benefits which are provided to all full-time employees.

Summarization:

Six (6) full-time office employees, seven (7) full-time field employees, two (2) cathodic protection technicians and one (1) $\frac{3}{4}$ time clerk operate and manage all accounting, billing, monitoring, sampling, and field operations of two retail water systems and one wholesale water system that span the geographic area of a Texas size county. The request to have seven (7) full-time office employees is reasonable in my opinion.

**JOB DESCRIPTION FOR PROPOSED NEW FULL-TIME OFFICE ASSISTANT
DRAFT FOR DISCUSSION ONLY - 7-24-20**

	STWA	NWSC	RWSC	TOTAL	HRS
PROVIDE SECRETARIAL AND ADMINISTRATIVE SUPPORT TO STAFF; TRANSCRIBE COPY, PREPARE CORRESPONDENCE, OPERATE EQUIP.	2.50%	2.50%	2.50%	7.50%	
EQUIVALENT HOURS PER WEEK	1.0	1.0	1.0		3.0
PROVIDE MAINTENANCE SUPPORT OF WSC RECORDS/FILES	0.00%	5.00%	5.00%	10.00%	
EQUIVALENT HOURS PER WEEK	0.0	2.0	2.0		4.0
PROVIDE MAINTENANCE SUPPORT OF STWA FINANCIAL RECORDS/FILES - ACT AS FINANCE MANAGER'S ADMINISTRATIVE ASSISTANT	15.75%	0.00%	0.00%	15.75%	
EQUIVALENT HOURS PER WEEK	6.3	0.0	0.0		6.3
ASSIST TELEPHONE RECEPTIONIST	5.00%	7.50%	7.50%	20.00%	
EQUIVALENT HOURS PER WEEK	2.0	3.0	3.0		8.0
TAKE IN-PERSON WSC PAYMENTS WHEN RECEPTIONIST IS BUSY	0.00%	7.50%	7.50%	15.00%	
EQUIVALENT HOURS PER WEEK	0.0	3.0	3.0		6.0
STWA BANK RECONCILIATIONS	2.50%	0.00%	0.00%	2.50%	
EQUIVALENT HOURS PER WEEK	1.0	0.0	0.0		1.0
WSC BANK RECONCILIATIONS	0.00%	1.25%	1.25%	2.50%	
EQUIVALENT HOURS PER WEEK	0.00	0.50	0.50		1.00
POST NUECES & KLEBERG TAX COLLECTIONS	6.75%	0.00%	0.00%	6.75%	
EQUIVALENT HOURS PER WEEK	2.7	0.0	0.0		2.7
PROCESS NEW RURAL CUSTOMER APPLICATIONS - STANDARD AND LONG SERVICE PLUS	0.00%	10.00%	10.00%	20.00%	
CSI APPOINTMENTS - CSI LIAISON WITH CUSTOMERS					
EQUIVALENT HOURS PER WEEK	0.0	4.0	4.0		8.0
	32.50%	33.75%	33.75%	100.00%	

JOB DESCRIPTION FOR AMENDED ACCOUNTANT ASSISTANT

DRAFT FOR DISCUSSION ONLY 07-24-20

Accountant Assistant

75.00%

FUNCTION/TASK:

STWA NWSC RWSC TOTAL HRS

PROVIDE SECRETARIAL AND ADMINISTRATIVE SUPPORT TO STAFF	0.25%	1.75%	1.75%	3.75%	
TRANSCRIBE COPY, PREPARE CORRESPONDENCE, OPERATE EQUIP.					
EQUIVALENT HOURS PER WEEK	0.10	0.70	0.70		1.50

PROVIDE MAINTENANCE SUPPORT OF STWA/WSC RECORDS/FILES	0.50%	2.25%	2.25%	5.00%	
FILE DISPOSAL ACCORDING TO STWA/WSC RETENTION SCHEDULES					
EQUIVALENT HOURS PER WEEK	0.20	0.90	0.90		2.00

PROCESS NEW RURAL CUSTOMER APPLICATIONS	0.00%	8.00%	8.00%	16.00%	
PREPARE COST ESTIMATES, DEVELOPER ANALYSIS, EPANet UPDATES					
DEVELOP MAPS OF SUBDIVISIONS					
EQUIVALENT HOURS PER WEEK	0.00	3.20	3.20		6.40

ASSIST THE BILLING CLERK IN TRANSLATIONS	0.00%	2.50%	2.50%	5.00%	
ACT AS WSC BILLING CLERK in B. Clerk Absense					
EQUIVALENT HOURS PER WEEK	0.00	1.00	1.00		2.00

PREPARE ACCOUNT PAYABLE CHECKS, UPDATE VENDOR ACCTS	10.00%	7.50%	7.50%	25.00%	
EQUIVALENT HOURS PER WEEK	4.00	3.00	3.00		10.00

PREPARE PAYROLL, CALCULATE OT, MAINTAIN RECORDS	5.00%	2.50%	2.50%	10.00%	
EQUIVALENT HOURS PER WEEK	2.00	1.00	1.00		4.00

PREPARE PETTY CASH BREAKDOWN & CHECK for STWA & WSCs	0.05%	0.05%	0.05%	0.15%	
EQUIVALENT HOURS PER WEEK	0.02	0.02	0.02		0.06

PREPARE TAPS/REPAIRS INVOICES, WSC INVOICES TO CUSTOMERS	0.00%	5.00%	5.00%	10.00%	
ADD WSC TREASURER'S REPORTS - DROP CALCULATE WO CHARGES					
EQUIVALENT HOURS PER WEEK	0.00	2.00	2.00		4.00

PREPARE & POST WSCs MO. GL ENTRIES	0.00%	7.30%	7.80%	15.10%	
UPDATE BALANCE & DEPOSIT RWIC FUNDS					
EQUIVALENT HOURS PER WEEK	0.00	2.92	3.12		6.04

NEW - TRACK COSTS FOR ALL TRUCKS - SCHEDULE ON EACH	10.00%	0.00%	0.00%	10.00%	
NEW - TRACK COSTS FOR ALL EQUIPMENT - SCHEDULE ON EACH					
NEW - MAINTAIN TOOL INVENTORY ON EACH TRUCK					
NEW - MAINTAIN TOOL INVENTORY NOT ASSOCIATED WITH TRUCK AND LOCATION					
NEW - MAINTAIN UNIFORM ALLOWANCE ON EACH FIELD EMPLOYEE					
EQUIVALENT HOURS PER WEEK	4.00	0.00	0.00		4.00

25.80% 36.85% 37.35% 100.00%

74.20%

10.32 14.74 14.94 40.00

29.68

JOB DESCRIPTION FOR AMENDED BILLING CLERK

DRAFT FOR DISCUSSION ONLY 07-24-20

Billing Clerk

85.00%

FUNCTION/TASK:	STWA	NWSC	RWSC	TOTAL	HRS
PROVIDE SECRETARIAL AND ADMINISTRATIVE SUPPORT TO STAFF	1.00%	6.00%	6.00%	13.00%	
TRANSCRIBE COPY, PREPARE CORRESPONDENCE, OPERATE EQUIP. COPY BOARD AGENDAS					
EQUIVALENT HOURS PER WEEK	0.4	2.4	2.4		5.2

PROVIDE MAINTENANCE SUPPORT OF STWAWSC RECORDS/FILES	0.50%	1.00%	1.00%	2.50%	
EQUIVALENT HOURS PER WEEK	0.20	0.40	0.40		1.00

ASSIST TELEPHONE RECEPTIONIST	1.00%	5.00%	5.00%	11.00%	
EQUIVALENT HOURS PER WEEK	0.40	2.00	2.00		4.40

ACT AS B. CLERK - POST READINGS, PD NOTICES, BILLS, NEW ACCTS --ASSIST W/ PROCESSING NEW WSC SERVICE APPLICATIONS-FY 2021***	0.00%	20.00%	20.00%	40.00%	
EQUIVALENT HOURS PER WEEK	0.00	8.00	8.00		16.00

LEAVE RECORD CLERK - QUARTERLIES - BALANCE SHEET - SEE BELOW	10.00%	0.00%	0.00%	10.00%	
EQUIVALENT HOURS PER WEEK	4.00	0.00	0.00		4.00

UPDATE STWA CHECK REGISTERS, ASSIST WITH NSF COLLECTIONS	0.00%	0.50%	0.50%	1.00%	
EQUIVALENT HOURS PER WEEK	0.00	0.20	0.20		0.40

CANCELLATIONS, LOCKOUTS, ACH's, MR/CNC LIST TAKE PAYMENTS, METER RETROFIT LIST, ABSENCE OF AA, NEW SERVICE	0.00%	11.25%	11.25%	22.50%	
EQUIVALENT HOURS PER WEEK	0.00	4.50	4.50		9.00

	12.50%	43.75%	43.75%	100.00%	
		87.50%			
	5.00	17.50	17.50		40.00
		35.00			

CHANGES TO LEAVE RECORDS WITH NEW ACCT SYSTEM? - This would reduce time.

***IF LOGICS CAN DEVELOP ON-LINE SERVICE APPLICATION WILL REDUCE TIME

**JOB DESCRIPTION FOR AMENDED RECEPTIONIST
DRAFT FOR DISCUSSION ONLY 07-24-20**

Receptionist

75.00%

FUNCTION/TASK:	STWA	NWSC	RWSC	TOTAL	HRS
PROVIDE SECRETARIAL AND ADMINISTRATIVE SUPPORT TO STAFF EQUIP.	4.00%	3.00%	3.00%	10.00%	
FILE LINE LOCATES					
FILL OUT STWA AND WSCs PO'S					
EQUIVALENT HOURS PER WEEK	1.60	1.20	1.20		4.00

COPY BOARD AGENDAS	0.25%	0.75%	0.75%	1.75%	
EQUIVALENT HOURS PER WEEK	0.1	0.3	0.3		0.7

PROVIDE MAINTENANCE SUPPORT OF STWA/WSC RECORDS/FILES	4.00%	3.00%	3.00%	10.00%	
EQUIVALENT HOURS PER WEEK	1.60	1.20	1.20		4.00

ACT AS TELEPHONE RECEPTIONIST	2.50%	7.50%	7.50%	17.50%	
EQUIVALENT HOURS PER WEEK	1.00	3.00	3.00		7.00

PROCESS WSC PAYMENTS, BALANCE CASH DRAWER DAILY	0.00%	12.50%	12.50%	25.00%	
ABSENCE OF B.CLERK ASSIST AA WITH TASKS					
--ASSIST W/PROCESSING WSC SERVICE APPS-FY 2021					
EQUIVALENT HOURS PER WEEK	0.00	5.00	5.00		10.00

PROCESS MAILED PAYMENTS	0.00%	7.50%	7.50%	15.00%	
EQUIVALENT HOURS PER WEEK	0.00	3.00	3.00		6.00

STWA AND WSC BANK RECONCILIATIONS - NEW FT CLERK	0.00%	0.00%	0.00%	0.00%	
EQUIVALENT HOURS PER WEEK	0.00	0.00	0.00		0.00

ACT AS MAIL CLERK, DISTRIBUTE MAIL, POST CHECKS	7.50%	4.50%	4.50%	16.50%	
ACT AS PETTY CASHIER					
EQUIVALENT HOURS PER WEEK	3.00	1.80	1.80		6.60

MAINTAIN NEWSPAPER CLIPPINGS FILE	4.25%	0.00%	0.00%	4.25%	
EQUIVALENT HOURS PER WEEK	1.70	0.00	0.00		1.70

POST NUECES & KLEBERG TAX COLLECTIONS - NEW FT CLERK	0.00%	0.00%	0.00%	0.00%	
EQUIVALENT HOURS PER WEEK	0.00	0.00	0.00		0.00

22.50% 38.75% 38.75% 100.00%

77.50%

9.00 15.50 15.50 40.00

31.00

***IF LOGICS CAN DEVELOP ON-LINE SERVICE APPLICATION WILL REDUCE TIME



Proposal Date: 07/29/2020
Expiration Date: 09/30/2020

Prepared for: South Texas Water Authority, TX

Prepared by: Shane Ireland

Software License Fees		One-Time Fees
Online Service Application I		\$2,200.00
	Sub Total:	<u>\$2,200.00</u>
Annual Maintenance Fees		Annual Fees
Online Service Application I Maintenance		\$550.00
	Sub Total:	<u>\$550.00</u>
	Total Proposal:	\$2,750.00

Proposal Notes:

Payment Terms

- Any one-time License Fees: 100% will be due upon execution of the contract (Effective Date) The customer has the rights to use the software as long as it maintains an active customer support agreement in good standing.
- Any one-time Implementation Fees: 50% will be due upon execution of the contract, 25% will be invoiced 60 days after the Effective Date and the remaining 25% will be invoiced upon the earlier of project acceptance or first production use.
- Any one-time Data Conversion Fees: 50% will be due upon execution of the contract, 25% will be invoiced 60 days after the Effective Date and the remaining 25% will be invoiced upon the earlier of project acceptance or first production use.
- Any annual Support Fees: 100% will be invoiced upon execution of the contract for the first annual term. Thereafter, 100% of each subsequent annual fee will be invoiced annually, 60 days prior to the anniversary of the term date.
- Any annual Hosting Services Fees: 100% will be invoiced upon execution of the contract for the first annual term. Thereafter, 100% of each subsequent annual fee will be invoiced annually, 60 days prior to the anniversary of the term date.

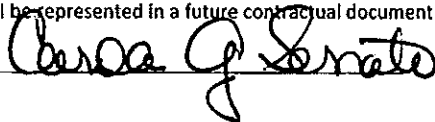
The term of the support agreement is 36 months commencing upon 90 days after the Effective Date

All invoices are payable with Net 30 terms.

Signature of agreement on Software Modules, Scope of Work, Price and Payment Terms:

The following signature by the authorized signer does not represent a contractual agreement between the signer and Edmunds GovTech, only confirmation that the above-mentioned items are accurate and agreed upon between the parties, which will be represented in a future contractual document to be prepared for review.

Authorized Signer: _____



Please forward all Purchase Orders to:

Edmunds GovTech
c/o Melanie Rowan
301 Tilton Road | Northfield, NJ 08225
P: 888.336.6999 | F: 609.645.3111
Email: MelanieR@EdmundsGovTech.com
www.EdmundsGovTech.com

Quote

07/09/2020

South Texas Water Authority
 Carola Serrato
 2302 East Sage Road
 Kingsville, TX 78363
 mcgserrato@stwa.org



145 Southlake Crest, Ste 1
 Polson, MT 59860

Todd Schock
 800.353.8829 Option: 3

Product Description	Purchase Price	Annual Fees	One-Time Conversion	Total
Accounting	5,250.00	1,050.00	945.00	7,245.00
Payroll	3,675.00	735.00	665.00	5,075.00
Daily Time Cards	1,575.00	315.00		1,890.00
Time Clock Interface	1,050.00	105.00		1,155.00
Human Resources	2,100.00	420.00	380.00	2,900.00
Budget Preparation	2,100.00	420.00		2,520.00
Accounts Receivable	1,945.00	525.00	390.00	2,860.00
Cloud Hosting		950.00		950.00
2 additional copies of Accounting at \$3885				7,770.00
60% discount of 2 copies of Accounting at \$2331				-4,662.00
Waiving annual support and service fees of \$1050 per additional copy of Accounting				0.00
Conversion of 2 copies of Accounting at \$780 per copy				1,560.00
Subtotals:	\$17,695.00	\$4,520.00	\$2,380.00	
Grand Total:				\$29,263.00

Terms

1. Black Mountain Software (BMS) has made every effort to ensure the information contained within this quote is complete and accurate. However, we reserve the right to correct any error or omission related to price, product description or availability. Please remember that to completely understand this quote, you must consider, in addition to product and prices, the terms and conditions that follow either on this or separate pages.
2. Prices quoted herein do not reflect sale or use taxes imposed by any state or local government, or any unit or subdivision thereof; such taxes are the responsibility of the buyer. Buyer agrees to be responsible for the documentation relating to the payment of such taxes to the maximum extent legally permitted. Black Mountain Software will be responsible for the collection of such taxes and/or the documentation related thereto, only to the extent required by law.
3. Training is included with the installation of each software product. Unless specifically arranged, initial training will be conducted online. After initial training, free online training is always available for you and your staff as part of the annual service and support fee. Advanced scheduling is required. Except for initial training, hourly charges apply for training physically provided onsite (your offices) or in house (our offices).
4. All costs are based on prices in effect for 60 days from the date of this bid.
5. Annual service and support includes software updates and unlimited phone, email and internet support. The service is renewed annually and is non-refundable. Annual fees are subject to change.
6. If travel is required, actual expenses are billed as follows: When flying, charges include airfare, travel time at \$35 per hour per person, meals at \$42 per day, lodging at local rates, and rental car. When driving, charges include mileage at 57.5¢ per mile, travel time at 45¢ per mile per person, meals at \$42 per day, and lodging at local rates. Alaska and North Dakota may have higher rates.

**STWA FY 2021 WATER RATE CALCULATION USING SALES VOLUME METHOD
WITHOUT FT CLERK**

	Based On	FY 21 Proposed	FY 20 Adopted
	Tax Base--	\$2,301,796,514	\$2,195,303,747
	Annual Debt Service	\$368,845	\$369,962
	Estimated Tax Levy for M&O - Current	\$1,557,223	\$1,465,721
	Major Repairs--	\$25,000	\$25,000
	Capital Outlay--	\$242,763	\$225,350
	Special Services Fees--	\$629,302	\$613,325
	Deferred Revenue--		\$0
	Reserve Supplement--	(\$287,744)	(\$321,176)
Maintenance & Operations (M&O) Tax Rate/\$100 valuation		\$0.070989	\$0.070059
Interest & Sinking (I&S) Tax Rate/\$100 valuation		<u>\$0.016024</u>	<u>\$0.016852</u>
TOTAL		\$0.087013	\$0.086911
Corpus Christi Cost of Water		\$2.511821	\$2.512020
Handling Charge		<u>\$0.426386</u>	<u>\$0.426386</u>
TOTAL		\$2.938207	\$2.938406

Water Usage (Volume)	FY 21 Gallons	Percentage Usage	FY 20 Gallons
KINGSVILLE	132,734,010	9.9927%	129,321,803
BISHOP	47,749,289	100.00%	58,543,089
DRISCOLL	43,788,739	100.00%	38,638,079
AGUA DULCE	26,372,631	100.00%	26,603,027
NWSC	161,761,306	100.00%	153,602,414
RWSC	101,292,600	100.00%	100,047,600
NWC&ID #5	<u>24,826,598</u>	100.00%	<u>25,461,218</u>
Water Rev Double check	538,525,172		532,217,230
Usage (Double check)	538,525,172		

Estimated Annual Invoice based on 5 year avg and \$380k CoK	Annual Amt Based on %	Proposed Gallons
Kingsville - \$390k for FY 21	\$390,000.00	132,734,010
Bishop	\$140,297.30	47,749,289
Driscoll	\$128,660.38	43,788,739
Agua Dulce	\$77,488.25	26,372,631
NWSC	\$475,288.21	161,761,306
RWSC	\$297,618.63	101,292,600
NCWCID #5	<u>\$72,945.69</u>	<u>24,826,598</u>
TOTAL	\$1,582,298.46	538,525,172

Estimated Handling Charge Revenue \$229,620

**STWA FY 2021 WATER RATE CALCULATION USING SALES VOLUME METHOD
WITH FT CLERK**

Diff of \$17,998 →

Based On	FY 21 Proposed	FY 20 Adopted
Tax Base--	\$2,301,796,514	\$2,195,303,747
Annual Debt Service	\$368,845	\$369,962
Estimated Tax Levy for M&O - Current	\$1,557,223	\$1,465,721
Major Repairs--	\$25,000	\$25,000
Capital Outlay--	\$242,763	\$225,350
Special Services Fees--	\$656,324	\$613,325
Deferred Revenue--		\$0
Reserve Supplement--	(\$269,746)	(\$321,176)
Maintenance & Operations (M&O) Tax Rate/\$100 valuation	\$0.070989	\$0.070059
Interest & Sinking (I&S) Tax Rate/\$100 valuation	<u>\$0.016024</u>	<u>\$0.016852</u>
TOTAL	\$0.087013	\$0.086664
Corpus Christi Cost of Water	\$2.511821	\$2.512020
Handling Charge	<u>\$0.426386</u>	<u>\$0.426386</u>
TOTAL	\$2.938207	\$2.938406

Water Usage (Volume)	FY 21 Gallons	Percentage Usage	FY 19 Gallons
KINGSVILLE	132,734,010	9.9927%	138,343,000
BISHOP	47,749,289	100.00%	60,475,444
DRISCOLL	43,788,739	100.00%	48,505,100
AGUA DULCE	26,372,631	100.00%	28,376,270
NWSC	161,761,306	100.00%	171,453,240
RWSC	101,292,600	100.00%	95,961,000
NWC&ID #5	<u>24,826,598</u>	100.00%	<u>25,143,790</u>
Water Rev Double check Usage (Double check)	538,525,172		568,257,844

Estimated Annual Invoice based on 5 year avg and \$380k CoK	Annual Amt Based on %	Proposed Gallons
Kingsville - \$390k for FY 21	\$390,000.00	132,734,010
Bishop	\$140,297.30	47,749,289
Driscoll	\$128,660.38	43,788,739
Agua Dulce	\$77,488.25	26,372,631
NWSC	\$475,288.21	161,761,306
RWSC	\$297,618.63	101,292,600
NCWCID #5	<u>\$72,945.69</u>	<u>24,826,598</u>
TOTAL	\$1,582,298.46	538,525,172

Estimated Handling Charge Revenue \$229,620

WITHOUT FT CLERK	Proposed FY 21	
Salaries & Wages - Perm. Employees - Manual	\$342,837	
Salaries & Wages - Appreciation Award	\$0	
Salaries & Wages - Employee Early Retire.	\$0	
Salaries & Wages - P T Employees	\$1,736	\$1,736
Overtime - NWSC	\$0	
Standby NWSC	\$0	
Overtime - RWSC	\$0	
Standby RWSC	\$0	
Overtime - STWA	\$15,000	
Standby STWA	\$1,300	
Salary & Wages - Office Cleaning	\$8,500	
Employee Retirement Premiums	\$52,030	\$50,287
Group Insurance Premium	\$175,923	
Unemployment Compensation	\$933	\$933
Workers' Compensation	\$6,673	\$6,672
Car Allowance	\$6,000	
Hospital Insurance Tax	<u>\$4,119</u>	
TOTAL PERSONNEL	\$615,051	

SUPPLIES & MATERIALS

Repairs & Maintenance	\$126,000
Meter Expense	\$5,000
Tank Repairs	\$45,000
Major Repairs	<u>\$25,000</u>
TOTAL SUPPLIES & MATERIALS	\$201,000

OTHER OPERATING EXPENDITURES

PROFESSIONAL FEES

Legal	\$30,000
Auditing	\$9,475
Engineering	\$12,500
Management & Consulting	\$7,500
Inspection	\$6,000
Banquete EST Demo	\$35,000
Line Locates	<u>\$0</u>
TOTAL PROFESSIONAL FEES	\$100,475

CONSUM SUPPLIES/MATERIALS

Postage	\$7,500
Printing/Office Supplies	\$30,000
Janitorial/Site Maintenance	\$6,000
Fuel/Lubricants/Repairs	\$30,000
Chemicals/Water Samples	\$52,500
Safety Equipment	\$1,500
Small Tools	<u>\$2,000</u>
TOTAL CONSUM SUPPLIES/MATERIALS	\$129,500

RECURRING OPERATING COSTS

Telephone/Communications	\$14,000
Utilities	\$110,000
D & O Liability Insurance	\$3,500
Property Insurance	\$47,300
General Liability	\$3,200
Auto Insurance	\$2,450

WITH FT CLERK	Proposed FY 21	
Salaries & Wages - Perm. Employees - Manual	\$342,837	
Salaries & Wages - Appreciation Award	\$0	
Salaries & Wages - Employee Early Retire.	\$0	
Salaries & Wages - New FT Clerk	\$7,713	\$7,713
Overtime - NWSC	\$0	
Standby NWSC	\$0	
Overtime - RWSC	\$0	
Standby RWSC	\$0	
Overtime - STWA	\$15,000	
Standby STWA	\$1,300	
Salary & Wages - Office Cleaning	\$8,500	
Employee Retirement Premiums	\$51,213	
Group Insurance Premium	\$188,623	
Unemployment Compensation	\$967	
Workers' Compensation	\$6,690	
Car Allowance	\$6,000	
Hospital Insurance Tax	\$4,206	
TOTAL PERSONNEL	\$633,049	← Diff \$17,998
SUPPLIES & MATERIALS		
Repairs & Maintenance	\$126,000	
Meter Expense	\$5,000	
Tank Repairs	\$45,000	
Major Repairs	<u>\$25,000</u>	
TOTAL SUPPLIES & MATERIALS	\$201,000	
OTHER OPERATING EXPENDITURES		
PROFESSIONAL FEES		
Legal	\$30,000	
Auditing	\$9,475	
Engineering	\$12,500	
Management & Consulting	\$7,500	
Inspection	\$6,000	
Banquete EST Demo	\$35,000	
Line Locates	<u>\$0</u>	
TOTAL PROFESSIONAL FEES	\$100,475	
CONSUM SUPPLIES/MATERIALS		
Postage	\$7,500	
Printing/Office Supplies	\$30,000	
Janitorial/Site Maintenance	\$6,000	
Fuel/Lubricants/Repairs	\$30,000	
Chemicals/Water Samples	\$52,500	
Safety Equipment	\$1,500	
Small Tools	<u>\$2,000</u>	
TOTAL CONSUM SUPPLIES/MATERIALS	\$129,500	
RECURRING OPERATING COSTS		
Telephone/Communications	\$14,000	
Utilities	\$110,000	
D & O Liability Insurance	\$3,500	
Property Insurance	\$47,300	
General Liability	\$3,200	
Auto Insurance	\$2,450	

SOUTH TEXAS WATER AUTHORITY
FISCAL YEAR 2021 BUDGET
Special Services

CC Water Cost
\$2.51182
Handling Charge
\$0.426386
M&O Tax Rate
\$0.070989
I&S Tax Rate
\$0.016024

Proposed
FY 2021
Budget

REVENUES	
Ricardo Water Supply Corporation	\$317,247 ←
Nueces Water Supply Corporation	\$312,056 ←
TOTAL SPECIAL SERVICES REVENUE	\$629,302
EXPENDITURES	
Personnel	\$333,179
Overhead	\$296,123
TOTAL EXPENDITURES	\$629,302
REVENUES OVER EXPENDITURES	\$0
OTHER USES	
Transfer to Revenue Fund (Tax)	\$0

SOUTH TEXAS WATER AUTHORITY
 FISCAL YEAR 2021 BUDGET
 Special Services

WITH FT CLERK

CC Water Cost \$2.51182
 Handling Charge \$0.426386
 M&O Tax Rate \$0.070989
 I&S Tax Rate \$0.016024

Proposed
 FY 2021

REVENUES

Ricardo Water Supply Corporation
 Nueces Water Supply Corporation

Budget
 \$330,869
 \$325,455

← 13,622
 ← 13,399

TOTAL SPECIAL SERVICES REVENUE \$656,324

EXPENDITURES

Personnel \$332,987
 Overhead \$323,337

TOTAL EXPENDITURES \$656,324

REVENUES OVER EXPENDITURES \$0

OTHER USES

Transfer to Revenue Fund (Tax) \$0

ATTACHMENT 15

Vacation, Personal and Comp Time Carry Over

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 24, 2020
Re: COVID-19 and accumulated Vacation, Personal and Comp Time

Background:

With the continued pandemic situation, staff is asking the Board to consider whether any temporary consideration should be given to the maximum number of hours that can be accumulated and carried over in Vacation, Personal and Comp Time. Although the Family First Care Relief Act (FFCRA) provides for hours related to COVID-19, there are employees close to the maximum number of vacation and personal hours that will need to be used prior to the end of the year and before exceeding the maximum. With regards to comp time, hours that exceed the maximum accumulated total are paid as overtime.

Analysis:

Although there have been several cases of possible exposure to COVID-19, as of today's date there has not been any employees testing positive. However, that may not continue to be the case as the pandemic continues. With the small total number of staff, it is imperative that we support employees in order to continue providing essential services. Under normal circumstances, employees reaching maximum hours would simply take time off. Under COVID-19 circumstances, taking the time off could result in more than just an inconvenience.

Staff Recommendation:

Consider temporarily suspending the maximum hour requirement for vacation and personal leave. Continue to pay overtime for any comp time that exceeds the maximum.

Board Action:

Determine whether to temporarily suspend the maximum hour requirement for vacation and personal leave and whether to continue to pay overtime for any comp time that exceeds the maximum.

Summarization:

There are varying opinions on how much longer the pandemic will continue to affect our lives. However, there are increasing reports of the situation lasting into calendar year 2021.

ATTACHMENT 15

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

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: July 30, 2020
Re: Engagement Letter—John Womack and Company—Fiscal Year 2020

Background:

Enclosed is a Letter of Engagement for Auditing Services with John Womack & Company, P.C. (Womack) for fiscal year ending September 30, 2020. 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 with the exception of added language as detailed in the attached email from Jo Ella Wagner, Finance Manager. The language is related to email correspondence, which is related to the increased use of electronic communication as a result of the COVID-19 pandemic.

Analysis:

The engagement letter indicates the auditing services will be performed for \$8,925 plus out of pocket expenses. Last year's cost was also \$8,925. A total of \$9,475 will be budgeted to account for an estimated \$550 for Gowland, Streal, Morales, and Company, PLLC (Gowland & Co.) for consulting services to oversee Womack's audit process.

Staff Recommendation:

Consider accepting the Letter of Engagement for Auditing Services with John Womack & Company, P.C. for fiscal year ending September 30, 2020.

Board Action:

Determine whether to accept the engagement letter from John Womack & Company, P. C. for FY 2020 audit services in the amount of \$8,925. 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.

From: Joella Wagner <jwagner@stwa.org>
Sent: Thursday, July 30, 2020 10:04 AM
To: 'Carola Serrato'
Subject: New section to Engagement Letter

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.

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 28, 2020

Board of Directors and Management
South Texas Water Authority
P. O. Box 1701
Kingsville, Texas 78364

We are pleased to confirm our understanding of the services we are to provide South Texas Water Authority for the year ended September 30, 2020. 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, 2020. 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.

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, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this 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 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.

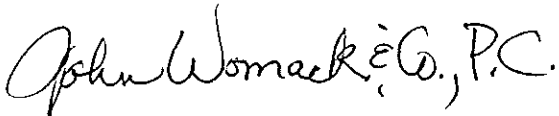
The audit documentation for this engagement is the property of John Womack & Co., P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant agency or its 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 the cognizant agency or its 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 07, 2020 and to issue our reports no later than January 29, 2021. 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 \$8,925 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

- ERCOT Monitoring Report
- The Governor's Texas Business Bulletin
- Lloyd Gosselink – Legislative Update
- River Acres WSC CCN

IN THIS ISSUE:

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ERCOT Reports Minimal Impact of COVID-19 on Energy Use

ERCOT has continued to monitor the effect of COVID-19 on the electric system, and has provided stakeholders with a weekly update on the continually-developing situation. In short, the ERCOT system is seeing modest impacts to electricity usage and to operations on the system. As we reported in our last update, ERCOT has limited access to its buildings and has transitioned all of its stakeholder meetings to video web teleconferences.

In its most recent regular COVID-19 update, ERCOT staff reports that the pandemic is currently causing no impact on peak demand—that is, the highest level of usage reported in the day at a single point in time—and only a 1% decrease in total energy use. ERCOT has also observed little load reduction in the early morning hours between 6 and 10 am.

(Continued on page 2)

QUESTIONS ABOUT ERCOT?

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

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

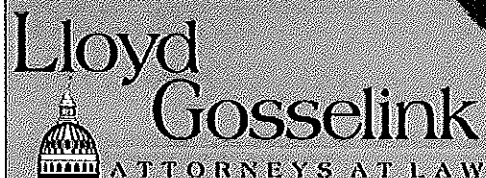
He will be happy to answer your questions or assist you in any way.

REMINDER: Ballot Due July 3

This will serve as one final reminder that your ballot for ERCOT’s pending vote to modify its Bylaws and confirm several Directors on its Board of Directors is due on July 3. We have been in touch with many of you in recent weeks about this vote; we thank you for your prompt submittal of this ballot as of the time of this memorandum. ERCOT Staff has informed us that quorum for this vote has been reached, meaning that there is no need for a follow-up meeting of the ERCOT membership to confirm these items. If submittal of your Ballot is currently in process, we encourage you to complete it and send it to membership@ercot.com by Friday, July 3. ERCOT will announce the result of the election subsequent to that date. We appreciate your prompt response to our appeals in June.

ATTORNEY-CLIENT COMMUNICATION

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



COVID-19, cont'd...

Whether these usage patterns will continue after Texas COVID-19 cases have increased dramatically in recent weeks remains to be seen. ERCOT continues to report its observations to various stakeholder bodies on a regular basis during the pandemic, but—at least for the moment—the state’s deregulated energy market has seen little impact.

In related news, the PUC’s special program to aid ratepayers impacted by COVID-19—the COVID-

19 Electricity Relief Program—is planned to conclude on July 17. The Program temporarily suspends power disconnections and offers bill payment assistance; this assistance is in turn funded by customers throughout the ERCOT system. The Commission put this program into place this spring when the incidences of COVID-19 in Texas began to spread. While the Commission may ultimately decide to extend the program, right now it is set to end on July 17.

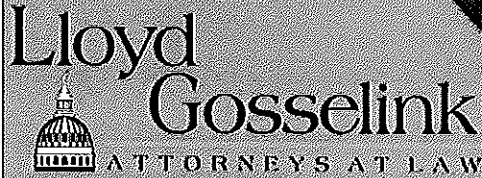
Independent Market Monitor (IMM) Issues 2019 State of the Market Report

In May, the Independent Market Monitor (IMM) for the ERCOT system issued its annual State of the Market Report for 2019. As you may recall, the IMM’s role is established by state law, and acts as a “watchdog” over the ERCOT wholesale market, and is intended to guard against market manipulation—attempts to improperly influence wholesale energy prices—and make recommendations that would make the market more efficient. Each year, the IMM issues a State of the Market report on the prior year, and addresses whether the market operated efficiently and if any market manipulation was likely to have occurred.

The IMM presents several notable conclusions in the 2019 report, including:

- While natural gas prices fell 23% on average in 2019, which normally results in a corresponding wholesale price decrease, real-time energy prices instead *increased* 32% in ERCOT. The IMM concluded that this was the result of a short supply of generation in ERCOT— in 2019, the reserve margin (or “cushion” of generating capacity above expected demand) was only 8.6%, well below ERCOT’s targeted level of 13.75%.
- Power generators largely had their plants operational and producing power during the periods of 2019 with greatest demand. Only 4.5% of ERCOT’s generation was unavailable during the summer peak; the figure was roughly the same in 2018 , but lower than the 6% unavailability during the summer peaks of 2016 and 2017. The IMM attributes this improvement to ERCOT’s market design— when electric supply becomes short, prices increase, and power generators make their plants available to take

(Continued on page 3)



IMM Report, Cont'd

advantage of them.

- Last year, the PUC modified a parameter of the ERCOT wholesale market called the Operating Reserve Demand Curve (ORDC). A full description of the ORDC and how it works would require a very technical discussion. But for our purposes here, it can be understood as a mechanism that produces an “adder” to wholesale prices as reserves on the system tighten. That adder is paid by load. The IMM reports that the PUC’s modification of the ORDC in 2019 resulted in a \$6 to \$7 per MWh increase in average energy prices and an increase in energy revenue of \$1.9 to \$2.1 billion during the year. This is a significant figure; the PUC’s ORDC change in 2019 produced a meaningful increase in prices and substantial additional revenue to generators. This was the intent, however— due to the very low reserve margin last year, the Commission intended that prices increase to a

level that will encourage new investment in power plants.

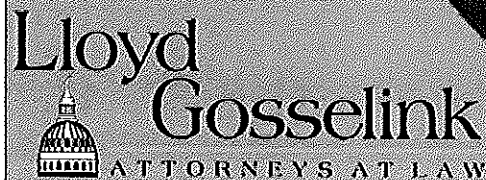
- Very high pricing during shortages was a significant dynamic in the market in 2019. The IMM reported \$23.33 per MWh of the total load—weighted average price of electricity of \$47.06 was attributable to shortage.

The IMM found no evidence of non-competitive conduct in the wholesale market—that is to say, cheating— and concludes that the market performed competitive in 2019.

Overall, the 2019 State of the Market Report is really a tale of a market operating under low supply conditions— with higher prices as the expected result. The fact that the 2019 market responded in this way should be taken as evidence that heavy-handed, additional market design changes to increase wholesale prices (that some power generators have advocated) are unnecessary.

Stakeholders Reject Controversial Change to Protocol Revision

For a number of weeks in May the ERCOT stakeholder community was roiled with controversy regarding a proposed, hyper-technical change to a complex ERCOT protocol that would have increased wholesale power prices for loads without much analysis having been performed on it. At issue was a concept called the Real-Time On-Line Reliability Deployment Price Adder (RTOLRDPA). The RTOLRDPA comes into play as reserves on the system are depleted, and essentially gives rise to a price adder that increases wholesale market prices as supply tightens. The Lower Colorado River Authority (LCRA) proposed a change to the RTOLRDPA (a change that would increase the price adder) and requested that it be included in a pending NPRR, but after much discussion throughout the month, the underlying NPRR was approved *without* LCRA’s change. It may still be pursued this year on a separate track, and after more study, but its rejection in May at the Technical Advisory Committee (TAC) is good news for consumers.



ACRONYM GUIDE

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

From: Office of the Governor <txgov@public.govdelivery.com>
Sent: Wednesday, July 1, 2020 5:27 PM
To: mcserrato@stwa.org
Subject: Texas Business Bulletin | July 2020



THE GOVERNOR'S TEXAS BUSINESS BULLETIN

Dear Texas Economic Development Stakeholders,

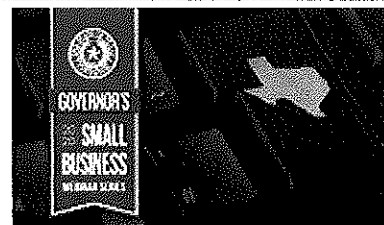
Now, more than ever, the responsible actions of each and every Texas resident will be vital in helping to slow the spread of COVID-19. It will take the collective action of all Texans to help keep their neighbors safe while also keeping our businesses open and protecting our livelihoods. Texans can do their part to protect themselves and others by following some simple steps, including:

- wearing a mask,
- washing hands regularly,
- staying six feet apart from others in public, and
- staying home if possible.

Businesses and residents are also urged to continue following the [Minimum Standard Health Protocols](#) established by the Texas Department of State Health Services.

Governor Abbott has recently taken executive action to mitigate the spread of COVID-19 and has temporarily paused the state's reopening process. The actions in the Governor's [executive order \(GA-28\)](#) are essential to swiftly contain this virus and protect public health. It is the Governor's goal for these actions to be as limited in duration as possible, but it will take all of us working together to stay safe while getting back to business.

Governor's Small Business Webinar Series



Did you miss the last Governor's Small Business Webinar? To watch a playback, visit our [YouTube channel](#).

Stay tuned as we announce future Governor's Small Business Webinar Series dates and registration details.

[Sign-up here for email updates directly to your inbox!](#)

Our office will continue to provide the latest COVID-19 resources for Texas businesses and communities on [our website](#) and social media channels. We look forward to keeping you informed as we look towards the future. We hope you will continue to stay safe and healthy and remain #TexasBizStrong.

-Governor's Economic Development & Tourism Office
#TexasBizStrong

Staff Spotlight - Research & Economic Analysis



Stephen Davis



Cristina Madrid

Research & Economic Analysis is part of the Business & Community Development Division and supports all functions within the division. Stephen Davis and Cristina Madrid both serve as the Research Specialists for the team. Research Specialists conduct research, coordinate, and disseminate economic development data, reports, trends and analysis. They perform a significant portion of the due diligence process for state incentive and finance programs administered by the Office of the Governor, including the Texas Enterprise Fund. They also support the office's Small Business Assistance and Export Assistance programs. The Research team is responsible for data mining, industry analysis, as well as Geographic Information System (GIS) mapping in support of business and community development efforts.

Oil & Gas Impact & Outlook



state.

Texas has long been a leader in the oil and gas industry. In fact, 40% of the nation's production occurs in Texas. But an oversupply of oil, in conjunction with the shutdown during COVID-19, has slowed energy-development activity across the state.

Oil prices experienced declines through April, however prices began to increase in May, with positive trends continuing into June. The front-month futures price for West Texas Intermediate (WTI) crude saw an increase of \$17.63 per barrel (b) from May 1 to June

Texas Economic Update: May Snapshot

Texas led the nation in job creation in May with 237,800 jobs added.

-Bureau of Labor Statistics & Texas Workforce Commission

Texas' unemployment rate is 13% for May, which is better than the national average of 13.3%.

-Texas Workforce Commission

Unemployment claims hit their peak in early April, with claims dropping through May.

-Texas Workforce Commission

Texas factory activity declined again in May, although at a slower pace than in April.

-Federal Reserve Bank of Dallas

Approximately 20% of Texas manufacturers noted an increase in orders in May.

-Federal Reserve Bank of Dallas

The decline that characterized Texas service sector activity in March and April showed signs of abating in May.

-Federal Reserve Bank of Dallas

The decline in state retail sales slowed considerably in May.

-Federal Reserve Bank of Dallas

Texas saw incremental increases in weekly travel spending throughout May.

-Tourism Economics & U.S. Travel Association

Hotel and short-term rental occupancy rates, although lower than average, continued to slowly increase through May.

-STR

4, 2020 ([source](#)). In addition, the front-month futures price for Brent crude oil saw an increase of \$13.55/b during the same period ([source](#)). Even with these gains, prices remain significantly lower than the first-quarter 2020 average ([source](#)).

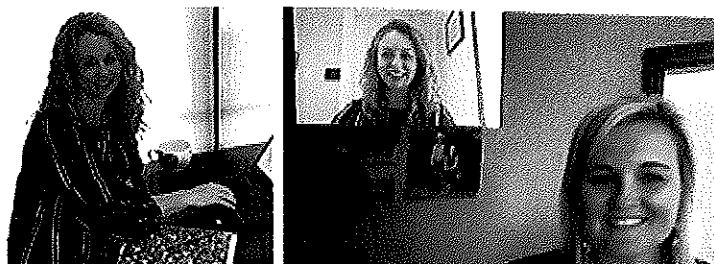
According to the U.S. Energy Information Administration, global oil production has been declining as a result of voluntary production cuts from members of the Organization of the Petroleum Exporting Countries and partner countries (OPEC+). On [June 8](#), OPEC+ announced that it would extend production cuts from May and June through July ([source](#)).

Although global demand for U.S. crude has decelerated, some Texas terminals are preparing to export oil. An example is Buckeye Partners LP's South Texas Gateway terminal, located at the Port of Corpus Christi. The terminal is expected to start loading ships with oil for export in the second half of July. The launch of the South Texas Gateway terminal, and other terminals along the Texas Gulf Coast, signal that exporters believe demand will eventually recover ([source](#)).

As Texas reopens its economy and businesses restart, residents will resume daily routines, causing more petroleum products to be consumed. Revitalizing the oil and gas industry will take place over time as production reaches pre-pandemic levels and workers are rehired.

Notes from Across the State

EDT's Community Relations team continues to be available to assist Texas community partners as they navigate difficult economic development challenges during this crisis. With social distancing measures put in place, the team has been focused on providing much needed virtual assistance to Texas communities. The Community Relations Specialists, located in five regions across Texas (North, East, Central, South and West), have organized virtual economic development workshops, and presented to local economic development stakeholders to provide updates on available programs and resources in their respective regions.



Watch the Governor's Recent PSAs



Texas in the News

Austin ranked as the #1 city in the U.S. for tech salary growth.

-Hired

Texas ranked #2 in the nation for tech jobs in May 2020.

-CompTIA

Texas is on track to be home to four of the country's top 10 largest cities in 2021.

-CultureMap

Texas is the #1 state for millennials. Three Texas cities ranked in the top 10 cities for millennials: #3 Austin, #4 San Antonio and #6 Houston.

-SmartAsset

Sign up for our E-Newsletters

[COVID-19 Updates](#)

[Small Business Initiatives](#)

Chandra Eggemeyer, Community Relations Specialist for the West Texas region, worked from her home office while meeting with Kasey Coker of The High Ground of Texas to discuss potential projects for the area, as well as joint outreach plans for the future.

Betty Russo,
Community Relations
Specialist for the East
Texas

region, continues to
join weekly

Nacogdoches County

Chamber of Commerce meetings to provide valuable updates on available resources during the Chamber's Stakeholder COVID-19 Conference Meeting.

The Community Relations team will continue to be available to assist Texas communities during and after the COVID-19 crisis. To contact the Community Relations Specialist in your region, visit our [staff contact page](#).



Recent Project Activity & Announcements

EDT's Business Recruitment Team continued to see significant statewide project activity through the second quarter of 2020, despite the economic slowdown due to COVID-19. Many companies are interested in learning about opportunities that can be found in Texas. In addition, our Business Retention team is continuing to engage with existing Texas businesses considering expansions. Some of the recent project announcements include:

[Eatery Essentials in Dallas](#) - Eatery Essentials announced an expansion to their corporate offices, manufacturing and warehouse facility in Dallas. The initial expansion will begin in October and the project is expected to create \$19 million in capital investment and 150 new jobs.

[Navistar in San Antonio](#) (announced September 2019) - Navistar celebrated the official groundbreaking of its new \$250 million manufacturing facility in San Antonio. Watch the [virtual groundbreaking](#) celebration for this important Texas investment.

Amazon in [Buda](#) and [Houston](#) - Amazon announced a new delivery station in Buda to come later this year, creating hundreds of full-time jobs. Houston will be the home to another Amazon fulfillment

[Export Assistance Updates](#)

[Resource Provider Updates](#)

**Visit our [subscription page](#)
for more information!**

COVID-19 Recovery Resources

[Open Texas Checklists](#)

[The Governor's Report to Open
Texas](#)

[FAQs for Texas Businesses and
Communities](#)

[FAQs for Texas Business Permits
& Licenses](#)

[Governor's Small Business
Webinar Series](#)

[SBA COVID-19 Resources &
Programs](#)

[SBA's Lender Match Tool](#)

[Main Street Lending Program](#)

[Texas Workforce Commission -
Employer Resources](#)

[Texas Department of State Health
Services](#)

[Texas Department of Licensing &
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[Texas Comptroller of Public
Accounts](#)

[Texas Alcoholic Beverage
Commission](#)

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Resources](#)

[Texas Music Industry Resources](#)

[Travel Texas Industry Updates](#)

center, which is expected to open in 2021 and create up to 1,000 jobs.

Expansions in Lubbock - Lubbock Economic Development Alliance announced a series of investments in June which total more than 400 Jobs and \$103 million in capital investment add to Lubbock community. These companies include AT&T, MTBC, Ltd. and General Advanced Foods.

Accredo Packaging in Sugar Land - Accredo Packaging, a provider of conventional, compostable, renewable and flexible packaging solutions, announced a \$50 expansion to its facility in Sugar Land.

FileTrail in Austin - FileTrail, a provider of information governance solutions, announced the relocation of its headquarters from California to Austin, Texas.

Caliber Bodyworks of Texas in Lewisville - Caliber Bodyworks of Texas announced plans for an \$11 million expansion of its corporate headquarters in Lewisville, to take place in the next two years.

[U.S. Chamber of Commerce
Disaster Recovery Guides](#)

[SBA Guidance for Faith-Based
Organizations](#)

[Cheat Sheet to SBA's Coronavirus
Webpage & Resources](#)

[Texas Job Resources](#)

[Resources for Texas Communities](#)

For additional information regarding the State's response to the Coronavirus (COVID-19), go to gov.texas.gov/coronavirus.

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Welcome Our New Team Member!



Sam Schornack joined the Business & Community Development team as a **Business Assistance Specialist**. Sam is responsible for providing direct, technical assistance to Texas small businesses, while supporting planning and execution of the

Governor's Small Business Series. Previously, Sam worked within the Office of the Governor as an Advance Representative and Executive Aide. Sam is originally from Dallas, Texas, and graduated from the University of Texas at Austin. You can reach Sam at (512) 936-0832 or sam.schornack@gov.texas.gov.

Other News

USMCA Is Now In Effect



Today marks the beginning of a new chapter for North American trade with the United States Mexico Canada Agreement (USMCA) entering into force. International trade is critically important to Texas, and has been a powerful tool in the state's economic growth and prosperity. Texas is the country's top exporting state, and has been for 18

Partner Resources

[TEEX Cyber Security Training](#)

[Texas Workforce Commission](#)

years in a row. The implementation of USMCA provides a new set of rules to strengthen trade with our North American partners Mexico and Canada — Texas two largest trading partners — which will create economic opportunities to benefit hard-working Texans, including the state's ranchers and farmers. For more information, [click here](#).

[Texas Veterans Commission -
Veteran Entrepreneur Program](#)

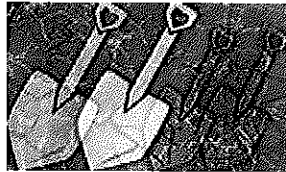
[Texas Secretary of State's Office](#)

Texas Named Best State for Business



Once again, Texas was ranked as the "Best State for Business" by Chief Executive Magazine. Texas has continued to lead the nation in this arena for 16 consecutive years. This annual award is compiled based on surveys and opinions from leading CEOs from across the country. To read the full story, click [here](#).

Texas Awarded the 2020 Gold Shovel



Texas was awarded the 2020 Gold Shovel by Area Development Magazine. This annual award recognizes states for their achievements in attracting high-value investment projects that will create a significant number of new jobs in their communities. The Gold Shovel honoring Texas was powered by several projects with four-digit job promises, including the new Apple campus in Austin, Texas, which was awarded a "Project of the Year" award. Read the full article [here](#).



The Governor's Office of Economic Development and Tourism (EDT) markets Texas as one of the world's premier business locations and travel destinations.

For more information on doing business in Texas, visit us online at:

www.gov.texas.gov/business

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MEMORANDUM

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

FROM: Thomas L. Brocato
R.A. "Jake" Dyer

DATE: July 2, 2020

RE: Legislative Update

COVID-19 and State Government

Texas three times surpassed its records for most new COVID-19 cases reported in a single day during the week of June 22–26. In response, Gov. Greg Abbott issued an executive order on June 26 that closes all establishments that receive more than 51% of their gross receipts from alcohol sales. The order allows such businesses to remain open for delivery and take-out—including for alcoholic beverages. The June 26 order likewise closed rafting and tubing businesses, and required the organizers of most outdoor gatherings of 100 or more people to first obtain approval from local authorities.

Gov. Abbott on June 11 also extended his earlier COVID-19 disaster declaration. As a consequence of that extension, the suspension of Texas Open Meetings Act remains in place.

The State Capitol

A deep cleaning of the Capitol was ordered recently after two troopers there tested positive for COVID-19. Although the Capitol remains closed to the public, its grounds surrounding have been the site of numerous protests and marches during June. The governor has stationed additional DPS Troopers there for security purposes.

Lawmakers also have begun considering severely restricting activity at the Capitol beginning in January, when the Legislature convenes for the 87th Regular Session. The Texas Senate may manage to proceed with desks moved apart for social distancing purposes, but the Texas House—with 150 members and staff—may end up taking over the chamber's balconies to conduct regular business, according to reports.

State Rep. Charlie Geren, chairman of the House Administration Committee, told the online *Texas Tribune* that the public, lobbyists, and members of the media might all be left to follow legislative deliberations online.

Texas Legislature

The Texas House and Senate are preparing several committee rooms for hearings, with plastic dividers to reduce contact. The House Appropriations Committee and the Sunset Advisory Commission are two panels that potentially will need to schedule meetings in advance of the upcoming session. Otherwise, only the Senate Health and Human Services Committee so far has a meeting scheduled. That's on September 9.

In response to recent nationwide unrest sparked by the death of George Floyd, the Texas Legislative Black Caucus has begun hosting virtual town halls to consider potential police reform legislation. Lawmakers quoted during one such meeting on June 16 said they did not support completely defunding law enforcement, but rather wanted money moved from police to other services, such as mental health. Gov. Abbott also has formed a working group to consider legislative responses.

The state budget continues to face challenges relating to the pandemic. Comptroller Glenn Hegar on July 1 reported a 6.5 percent decline in sales tax revenue during June, as compared to sales tax revenue from June 2019. Driving the decline were steep drops in remittances from oil- and gas-related sectors, as well as declines in the construction and amusement service sectors, according to information provided by Hegar's office. Total sales tax revenue for the three months ending in June 2020 also was down 9.7 percent compared to the same period a year ago.

Sales tax is the largest source of state funding for the state budget, accounting for 57 percent of all tax collections, but the effects of the economic slowdown and low oil prices also were evident in other sources of revenue in June 2020, according to Hegar's office. The governor, lieutenant governor and speaker earlier issued a letter asking that state agencies cut spending by 5% and prepare budgets for future lean years.

Elections

Early voting began June 29 for party primary run-off elections on July 14. The elections originally were scheduled for May 26. Also, the U.S. Supreme Court on June 26 rejected an initial bid by state Democrats to expand voting by mail to all Texas voters during the coronavirus pandemic. This followed a ruling in May by U.S. District Judge Fred Biery that Texas must allow all voters fearful of becoming infected at polling places to vote by mail even if they wouldn't ordinarily qualify for mail-in ballots. The Texas Supreme Court also issued a decision in late May finding that a lack of immunity to COVID-19 does not qualify a voter to apply for a mail-in ballot.

CHARLES W. ZAHN, JR.
ATTORNEY AT LAW
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PORT ARANSAS, TEXAS 78373
Telephone: (361) 548-8967 * Fax: (361) 729-2381
E-mail: cwzjr@centurytel.net
July 2, 2020

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JUL 07 2020

SOUTH TEXAS WATER AUTHORITY

CERTIFIED MAIL RRR # 7019 0160 0000 6028 8682

South Texas Water Authority
P.O. Box 1710
Kingsville, Texas 78364-1701
Attn: Ms. Carola G. Serrato
Executive Director

Re: Docket No. 49845, Application of River Acres Water Supply Corporation
to Amend its Water Certificate of Convenience and Necessity

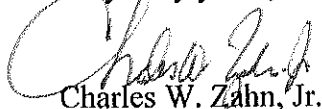
Gentlemen:

The River Acres Water Supply Corporation ("RAWS") has filed an Application to Amend its Water Certificate of Convenience and Necessity with the Public Utility Commission of Texas ("PUC"). One of the requirements of the application process is that RAWS provide notice of the application to cities, districts and neighboring retail public utilities providing the same utility service whose corporate boundaries or certificated service area are located within two miles from the outer boundaries of the requested areas. The staff of the PUC has identified your concern as one that must be provided notice of the application filed by RAWS.

Accordingly find enclosed is a Notice to Neighboring Systems, Landowners, Customers and Cities providing Notice of an Application to Amend a Water Certificate of Convenience and Necessity filed by RAWS. Also enclosed is a map delineating each requested area in the application.

Should you have any questions, please don't hesitate to call the undersigned.

Very truly yours,



Charles W. Zahn, Jr.
Attorney for River Acres Water Supply Corporation

cwz:eg
Enclosures

Notice to Neighboring Systems, Landowners, Customers and Cities
NOTICE OF APPLICATION TO AMEND A WATER CERTIFICATE OF
CONVENIENCE AND NECESSITY IN NUECES COUNTY, TEXAS

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

Date Notice Mailed: July 2, 2020

River Acres Water Supply Corporation has filed an application with the Public Utility Commission of Texas to amend its Certificate of Convenience and Necessity (CCN) No. 11084 for the provision of retail water utility service in Nueces County.

Requested Water Service Areas:

Area 1:

The requested area is located approximately 6 miles north of downtown Robstown, TX, and is generally bounded on the north by Miller Road; on the east by CR 75; on the south by Northwest Boulevard; and on the west by CR 77. The total requested area includes approximately 483 acres and 0 current customers.

Area 2:

The requested area is located approximately 4 miles north of downtown Robstown, TX, and is generally bounded on the north by Northwest Boulevard; on the east by FM 1889; on the south by Amanda Lane; and on the west by Carousal Lane. The total requested area includes approximately 333 acres and 1 current customer.

See enclosed map showing the requested areas.

Persons who wish to intervene in the proceeding or comment upon action sought should contact the Public Utility Commission, P.O. Box 13326, Austin, Texas 78711-3326, or call the Public Utility Commission at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the commission at (512) 936-7136. The deadline for intervention in the proceeding is 30 days from the mailing or publication of notice, whichever occurs later, unless otherwise provided by the presiding officer. You must send a letter requesting intervention to the commission which is received by that date.

If a valid public hearing is requested, the Commission will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, SOAH will submit a recommendation to the Commission for final decision. An evidentiary hearing is a legal proceeding similar to a civil trial in state district court.

A landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the requested area, may file a written request with the Commission to be excluded from the requested area ("opt out") within 30 days from the date that notice was provided by the Utility. All opt out requests must include a large-scale map and a metes and bounds description of the landowner's tract of land.

Persons who wish to request this option should file the required documents with the:
Public Utility Commission of Texas
Central Records
1701 N. Congress P. O. Box 13326
Austin, TX 78711-3326

In addition, the landowner must also send a copy of the opt out request to the Utility. Staff may request additional information regarding your request.

Si desea informacion en espanol, puede llamar al 1-888-782-8477.

Proposed CCN Expansion

River Acres Water Supply






AREA 1

**CURRENT RAWS WATER
LINE ON NORTH SIDE OF
FM 624**

AREA 2

**CURRENT RAWS WATER
LINE ON SOUTH SIDE OF
FM 624**

Legend

-  Church
-  High Man Tower Airstrip
-  RAWS Distribution System
-  Tejas Veterinary Clinic: Perkins Robert W DVM
-  Wood River Elementary School

Google Earth

4000 ft



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▶ KSTX - San Antonio Morning Edition

Texas Sees Some Improvement, But Continues March Through Historic Unemployment

By [PAUL FLAHIVE \(/PEOPLE/PAUL-FLAHIVE/\)](/PEOPLE/PAUL-FLAHIVE/) • JUN 19, 2020

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[unemployment&t=Texas%20Sees%20Some%20Improvement%2C%20But%20Continues%20March%20Through%20Historic%20Unemployment](http://facebook.com/sharer.php?u=https%3A%2F%2Fwww.tpr.org%2Fpost%2Ftexas-sees-some-improvement-continues-march-historic-unemployment&t=Texas%20Sees%20Some%20Improvement%2C%20But%20Continues%20March%20Through%20Historic%20Unemployment)

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(//www.tpr.org/sites/kstx/files/styles/x_large/public/202006/824948284.jpg)

JULIA REIHS / KUT

For the second month in a row, Texas continues its tread through historic unemployment territory. The state's rate ticked up .2% from the original April number of 12.8% to 13% in May. But the U.S. Bureau of Labor Statistics also revised Texas' April unemployment numbers up to 13.5%, meaning Texas has seen a drop in unemployment.

In April, the state eclipsed the previous high water mark, a 1986 unemployment rate of 9.2%.

The state is still below the national average, but the gap is narrowing. The U.S. unemployment rate was 13.3%, having dropped nearly 1.5 points from April.

This is the first decrease in the state unemployment rate since March 2020. According to the Texas Workforce Commission (TWC), 291,000 jobs were created in May.

With the national jobs report showing 2.5 million jobs created in May, many hoped the state number would show a sharper improvement.

“The level is a bit unexpected, but the direction of change is still what we expected,” said Anil Kumar, senior economist at the Federal Reserve Bank of Dallas.

Texas was one of the first states to begin opening its economy back up, allowing businesses to reopen. With recent surges in COVID-19 diagnosis and hospitalizations, there is an ongoing debate about whether it opened too soon (<https://www.tpr.org/post/did-texas-reopen-too-soon>).

Oil markets are recovering as well with the price of West Texas Intermediate sitting at just under \$40 per barrel. Two months ago it was less than half that.

“Because of the oil prices coming up and the energy sector not as severely affected as we had expected earlier... I would expect Texas to recover faster than the U.S.,” said Kumar.

Recovery times from leading are as short as five years to return to pre-COVID times.

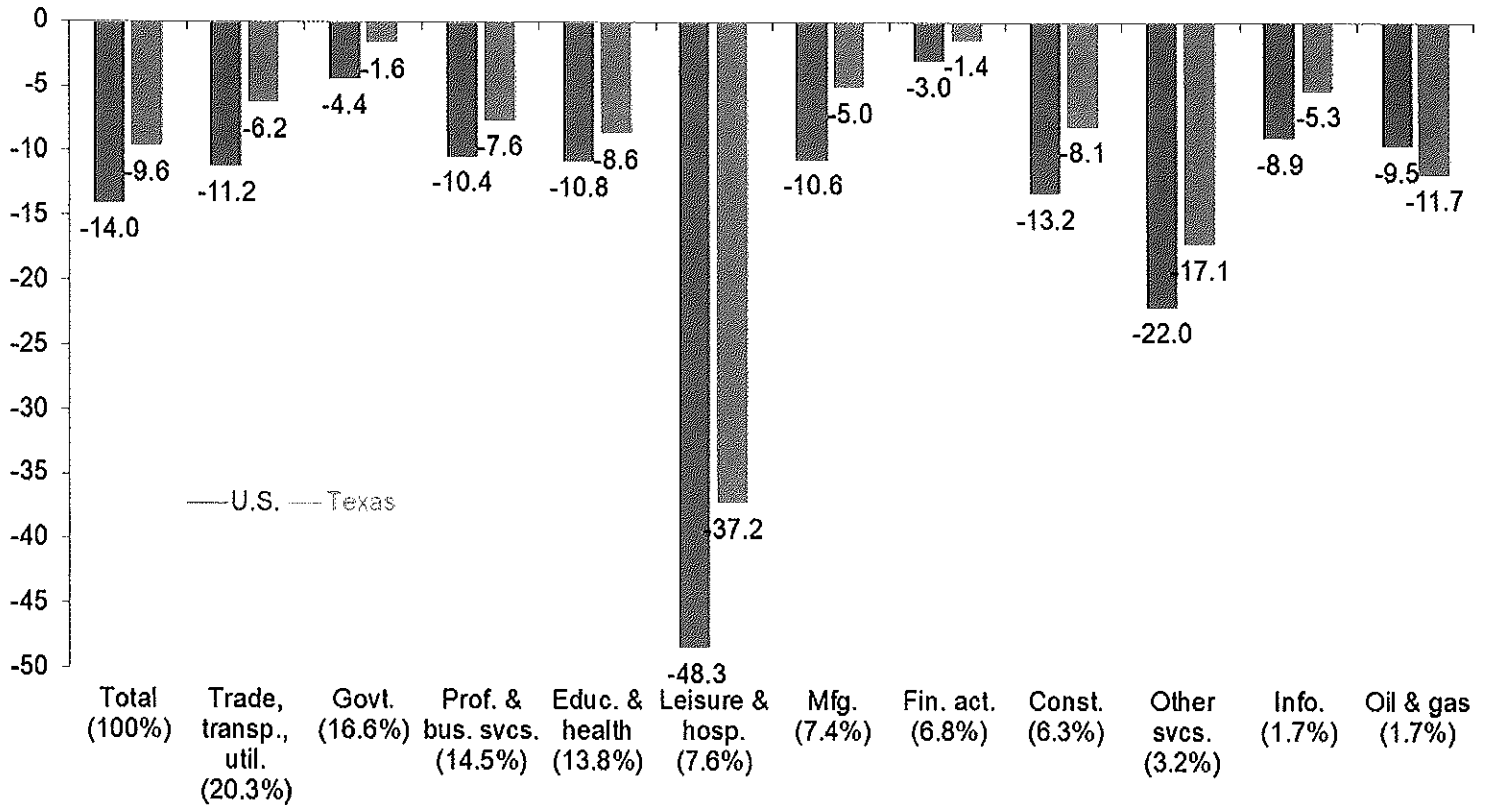
“The Congressional Budget office is talking about 10 year recoveries. However all of these are based on certain assumptions,” Kumar said referring to a second wave of infections.

That assumes we don't see widespread stay at home orders and increased outbreaks. The most deeply affected industry in Texas continues to be leisure and hospitality, with more than one-third of job losses occurring within it according to the Federal Reserve.

Chart 1

Almost All Sectors See Less-Dramatic COVID-19 Job Losses in Texas than U.S.

Percent change, seasonally adjusted



NOTES: Percent change refers to April 2020/February 2020 growth. Numbers in parentheses refer to the share of Texas employment in April 2020. SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

Federal Reserve Bank of Dallas

https://mediad.publicbroadcasting.net/p/kstx/files/styles/x_large/public/202006/dfe0618c1.png

CREDIT FEDERAL RESERVE BANK OF DALLAS

Texas is expected to lose nearly \$1 billion in taxes associated with travel and hotels this year. It is the fourth most affected state.

In a study conducted for the American Hotel and Lodging association, the U.S. will lose nearly \$17 billion in tax revenue from sales, occupancy and unemployment.

“That doesn’t even begin to look at the indirect. And what’s not listed here is property taxes which are really important for local schools and local governments. And all of these will be impacted in a big way if people decide not to travel,” said Chip Rogers, president of the AHLA.

San Antonio project’s its hotel occupancy tax revenue will drop 40% from \$93 million to \$56 million. Travel and hospitality is one of the city’s top five industries.

About 60% of TWC’s jobs number in leisure and hospitality, adding 176,000 people back to the employment roles.

“Texas businesses are opening their doors, taking precautions and working around the clock to serve all Texans,” said Aaron Demereson, TWC commissioner representing business.


Despite the modestly good news, the deep swings in employment, the misclassifications and the reevaluations of past employment numbers give many economists pause.


“I’m just a little wary of these surprising, optimistic numbers so soon,” said Thomsas Tunstall, Director of Research at the Institute for Economic Development for the University of Texas San Antonio.

But he agrees that the state has likely seen the worst of the pandemic’s economic impact.

Paul Flahive can be reached at Paul@tpr.org (<mailto:paul@tpr.org>) or on Twitter [@paulflahive](https://twitter.com/paulflahive) (<http://twitter.com/paulflahive>).

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