

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Rudy Galvan, Jr., President
DATE: August 31, 2020
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, September 8, 2020

5:30 p.m.

South Texas Water Authority
2302 East Sage Road
Kingsville, Texas

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: 836 5933 7093
PASSWORD: 727915

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

Agenda

1. Call to order.
2. Public Hearing on **proposed** \$0.086926 per \$100 valuation tax rate for Fiscal Year 2021/Tax Year 2020.
3. Public Comment.
4. Adjournment.

RG/CGS/fdl

This meeting notice was posted on STWA's website, www.stwa.org, and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 4:15 am on 09-04-20
Juanes De Leon
Assistant Secretary

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Rudy Galvan, Jr., President
DATE: August 31, 2020
SUBJECT: Public Hearing Notice and Agenda for the South Texas Water Authority

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

Tuesday, September 8, 2020

5:40 p.m.

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

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 4:15 am on 09-04-20
Francis De Leon
Assistant Secretary

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

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

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Agenda

1. Call to order.
2. Petition for Addition of Certain Lands to the South Texas Water Authority.
 - a. 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
3. Public Comment
4. Adjournment.

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

RG/CGS/fdl

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Rudy Galvan, Jr., President
DATE: August 31, 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, September 8, 2020
5:45 p.m.
South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

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 4:15 p.m. on 09-04-20
James DeLeon
Assistant Secretary

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: 836 5933 7093
PASSWORD: 727915

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Agenda

1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issue is limited to a proposal to place it on the agenda for a later meeting.
3. Approval of Minutes. (Attachment 1)
4. Treasurer's Report/Payment of Bills. (Attachment 2)
5. Fiscal Year 2021 budget, revenues and rates. (Attachment 3)

6. **Resolution 20-26.** Resolution adopting the recommended Fiscal Year 2021 budget. (Attachment 4)
7. **Resolution 20-27.** Resolution adopting the Fiscal Year 2021/Tax Year 2020 tax rate. (Attachment 5)
8. Quote for painting of 32,000-gallon ground storage tank at Central Pump Station. (Attachment 6)
9. Quote for Black Mountain Accounting Software. (Attachment 7)
10. Approval of Annexation of Certain Lands to the South Texas Water Authority. (Attachment 8)
 - a. 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
11. **Resolution 20-28.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (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 9)
12. Chapter V – Employee Compensation and Procedure for Compensation. (Attachment 10)
13. Salary of Interim O&M Supervisor. (Attachment 11)
14. FY 2021 Staffing. (Attachment 12)
 - Executive Director anticipated retirement in August 2021 and Replacement Procedures: Selection Committee, Advertisement, Qualifications, Use of Consultant
 - Office Personnel – Additional Full-time Office Clerk
15. Texas Municipal League Intergovernmental Risk Pool Board of Trustees Election. (Attachment 13)
16. Discussion with possible action on camera and/or security system. (Attachment 14)
17. 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.

RG/CGS/fdl
Attachment

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY

Regular Board of Directors Meeting

August 4, 2020

Minutes

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

Board Members Present:

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

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner

Guests Present:

Baldemar Garcia, Ricardo Water
Supply Corporation

1. Call to Order.

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

2. Citizen Comments.

Mr. Galvan opened the floor to citizen's comments. Mr. Baldemar Garcia, Ricardo Water Supply Corporation Board President introduced himself and said he would address the Board once discussion on a particular agenda item of concern was opened.

3. Approval of Minutes.

Mr. Treviño made a motion to approve the minutes of the June 23, 2020 Regular Meeting as presented. Ms. Lowman seconded. The motion passed by unanimous vote.

4. Quarterly Report/Treasurer's Report/Payment of Bills.

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

STWA Investment Report for Quarter ended June 30, 2020
Treasurer's Report for period ending June 30, 2020
Revenue Fund Income Statement for period ending June 30, 2020
Tax Fund Income Statement for period ending June 30, 2020
Special Services Income Statement for period ending June 30, 2020
STWA Revenue Fund Balance Sheet – June 30, 2020
STWA Revenue Fund GL Account Summary Report as of June 30, 2020

STWA Regular Meeting Minutes

August 4, 2020

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STWA Debt Service Fund Income Statement for period ending June 30, 2020

STWA Debt Service Fund Balance Sheet – June 30, 2020

STWA Debt Service Fund GL Account Summary Report as of June 30, 2020

STWA Capital Projects Fund Income Statement for period ending June 30, 2020

STWA Capital Projects Fund Balance Sheet – June 30, 2020

STWA Capital Projects Fund GL Account Summary Report as of June 30, 2020

FY 2020 Cathodic Protection Expenses Breakdown through June, 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	\$ 2,261.10
• City of Corpus Christi	\$ 104,605.87
• Willatt & Flickinger	\$ 293.70

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

5. Review of 2020 Certified Appraisal Rolls for the Authority's district in Kleberg and Nueces Counties.

Ms. Serrato presented the Certified Appraisal Rolls from Kleberg County Appraisal District and Nueces County Appraisal District. The KCAD appraisal roll reflects a final certified value of \$1,620,282,325 and a net taxable value of \$1,195,432,280 including \$61,891,594 in properties under protest. The NCAD final certified value is \$1,071,305,287 and the net taxable value is \$1,063,575,583 including an estimated value of \$6,570,248 in properties under protest. Both certified values are an increase from last year. In addition, this year's rolls include an additional 681 properties in Nueces County and 119 additional properties in Kleberg County. She explained that an amount of 62.5% of the value of the properties under protest was used in the calculation. Ms. Serrato recommended approval of Resolutions 20-23 and 20-24 adopting the appraisal rolls.

6. Resolution 20-23. Resolution adopting the appraisal roll for the South Texas Water Authority's district in Kleberg County for tax year 2020.

After reviewing the Kleberg County appraisal roll for tax year 2020, Mr. Treviño made a motion to approve Resolution 20-23. Mr. Graveley seconded the motion. The motion carried.

7. Resolution 20-24. Resolution adopting the appraisal roll for the South Texas Water Authority's district in Nueces County for tax year 2020.

Following review of the Nueces County appraisal roll for tax year 2020, Ms. Rodgers made a motion to approve Resolution 20-24. Ms. Lowman seconded the motion. The motion passed by unanimous vote.

8. Preliminary Fiscal Year 2021 Budget.

Ms. Serrato reviewed the preliminary Fiscal Year 2021 Budget and asked for approval to send the budget to STWA's wholesale customers. The budget is based on certified property values adjusted for the values under ARB review, 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 \$243,000 in capital items. The draft budget also allows a 3.5% increase to the tax rate per legislation. An amount of \$288,000 would be added to reserves. The Corpus Christi rate information has not been received. Ms. Serrato reviewed the capital items which include one replacement truck, replacement of three chlorine buildings, technology upgrades, portable tower lights, new accounting software, dual chlorine/LAS scales, the Banquete Pump Station, repair work on the employee parking lot and painting of a ground storage tank at Central Pump Station. Mr. Treviño stated that due to the COVID-19 pandemic and associated costs and its effect on the economy, he felt increases to salaries should be frozen. Mr. Galvan suggested checking with other water districts to see how they are handling the situation. Mr. Gravely suggested holding off on the 1.8% increase for now and possibly adding it back during the fiscal year if conditions improve. Ms. Serrato recommended sending the budget including the salary increase to STWA's wholesale customers and then removing it if the Board decides, rather than adding it into the budget later. Mr. Treviño asked that a notation be made that the 1.8% salary increase is under review. Mr. Treviño made a motion to authorize sending the preliminary budget to STWA's wholesale customers. Mr. Graveley seconded. All voted in favor.

9. Proposed Fiscal Year 2021/Tax Year 2020 tax rate and authorization to publish notice of public hearing.

Ms. Serrato presented the Water District Notice of Public Hearing on Tax Rate reflecting a proposed total tax rate of \$0.086926/\$100 valuation comprised of a Maintenance & Operation tax rate of \$0.070902/\$100 and an Interest & Sinking tax rate of \$0.016024. The proposed total tax rate is 3.49% higher than the current total tax rate of \$0.086911. The public hearing is scheduled for September 8, 2020. Ms. Serrato stated that because of the change in procedures and the amount of property value under protest, she recommends review of the calculation by Bill Flickinger. Mr. Treviño made a motion to authorize staff to publish the Water District Notice of Public Hearing on Tax Rate after review by Bill Flickinger. Mr. Graveley seconded. The motion passed six to one.

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 continues on the project and reviewed some photos of the ongoing work. The foundations for the chlorine and ammonia buildings as well as the for the

hydro-pneumatic tanks, generator and ground storage tank have been installed. The hydro tanks and generator have been delivered. She had nothing further to report.

11. 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 President Alex Cavazos notified her by email that their board met recently and discussed the water and O&M contracts. He indicated that the office manager would be forwarding some questions pertaining to the contracts to STWA. However, Ms. Serrato stated nothing has been received and she will update the Board if the information is received.

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.

Ms. Serrato presented emails from the City of Driscoll regarding the City's unpaid water invoices and a request to pay \$10,000 monthly on the outstanding balance in addition to the current month's invoice. The outstanding invoices total \$114,215.20 as of the May 2020 invoice. She added that the Board should decide if twelve months to repay the balance is a reasonable amount of time and whether interest should be included. After discussing the matter, Mr. Graveley made a motion to authorize legal counsel to work with staff to develop a payment plan agreement for twelve months with no interest. Mr. Barrera seconded the motion which then passed on a vote of five to two.

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

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

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).

The Board reviewed the Annexation Petition. A Robstown Hardware Company representative recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries which is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolution 20-25 setting the Public Hearing on September 8, 2020, 2020 at 5:40 p.m. at the STWA conference room.

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).

Mr. Treviño made a motion to adopt Resolutions 20-25 setting the Public Hearings on September 8, 2020 at 5:40 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Mr. Graveley and passed unanimously.

16. Aegion/Corrpro Cathodic Protection Report – STWA 42-inch pipeline.

Ms. Serrato presented a Cathodic Protection Inspection Report from Aegion/Corrpro. She explained that she and O&M Supervisor Armando Yruegas reviewed the report. She also discussed it with the Aegion/Corrpro and the engineer who wrote the report has made some revisions and corrections but is awaiting approval to release the updated report. Ms. Serrato stated that the report recommends making some repairs to broken bonds and performing a CIS Survey every five years. She added that repairs would be made after crops at these sites have been harvested. No action was taken by the Board.

17. Part-Time/Full-Time office clerk.

Ricardo Water Supply Corporation President Baldemar Garcia addressed the Board and asked that the STWA Board consider the financial impact that hiring an additional employee would have on RWSC and NWSC customers. Mr. Treviño suggested a freeze on any new hires or position changes and noted that some companies address staffing shortages by distributing tasks among current employees. Ms. Serrato explained that the request is to transition a $\frac{3}{4}$ time employee to a full-time position. Although the position would increase by 10 hours per week, the majority of the increase in cost is due to adding fringe benefits. The corporations are each currently charged 45% of the part-timer's salary and STWA pays 10%. She proposes that the cost for a full-time employee be split evenly between the three entities. She reviewed the job description of the new position as well as the changes to current positions and explained how this employee could assist in areas that need more attention. Ms. Serrato noted that the NWSC Board met this morning and made a motion and a second in support of adding the full-time position. The RWSC Board met on August 3rd and tabled the item. She added that RWSC board member James Fischer requested additional information which she provided to him.

Mr. Galvan suggested waiting to see the impact of the Green Mountain software, if purchased, before hiring a full-time person. Mr. Graveley stated that although NWSC has shown support, it is the Authority's decision. Mr. Garcia pointed out that for now, the impact to RWSC customers is \$1.00 per month, but he is concerned about future increases and how they could affect customers who can not afford the increase.

Ms. Serrato added that the current billing system for the corporations will be upgraded to include online service applications and once an agreement is finalized it should take 30 days to go live. If the Black Mountain accounting software is purchased, it will be part of the next budget year starting October 1st and it could be December before the system is up and running so it will be several months before it can be determined what kind of difference it makes on staffing.

The Board made no motion and took no action.

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

Ms. Serrato requested that due to the continued pandemic the Board consider temporarily suspending the maximum hour requirement for vacation and personal leave and pay overtime for any comp time exceeding the maximum. She explained that some employees are near the maximum number of hours and taking time off under the COVID-19 circumstances is difficult. Mr. Treviño suggested extending the carry over for one year and reviewing circumstances at that time. He then made a motion to suspend the maximum hour requirement for vacation and personal leave and pay overtime for comp time exceeding maximum for one year and reviewing the circumstances next year. Ms. Rodgers seconded. All voted in favor.

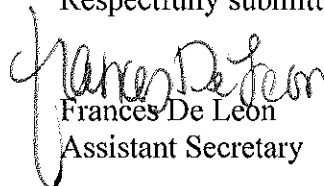
19. Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2020.

The Board reviewed the Letter of Engagement from John Womack and Company for the fiscal year ending September 30, 2020. Ms. Serrato stated that the cost is \$8,925 which is the same as last year's cost. She added that \$9,475 has been budgeted for the audit including \$550 to cover the cost of another firm that will oversee Womack's audit process. She recommended approval of the Letter of Engagement. Mr. Treviño made a motion to approve the Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2020. Ms. Perez seconded. All voted in favor.

20. Adjournment.

With no further business to discuss, Mr. Graveley made a motion to adjourn the meeting at 7:05 p.m. Ms. Lowman seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De León
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Management Selection Committee Meeting
August 20, 2020
Minutes

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

Committee Members Present:

Rudy Galvan, Jr.
Brandon Barrera
Filiberto Treviño
Jose Graveley
Carola G. Serrato

Committee Members Absent:

None

Staff Present:

Frances De Leon

Guests Present:

None

1. Call to Order.

Mr. Rudy Galvan, Board President, called the STWA Management Selection Committee meeting to order at 3:03 p.m. A quorum was present.

2. Citizen Comments.

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

3. Hiring of O&M Supervisor.

Ms. Serrato stated that the recently adopted policy on hiring of STWA managers requires opening the position to current staff. One employee has shown interest in the position. Mr. Galvan read the policy aloud for the committee members. Ms. Serrato said that Field Supervisor Dony Cantu has stepped up to perform the duties of the O&M Supervisor. She added that although there would be a bit of a learning curve, she feels he could learn to perform the necessary tasks but would likely need help on issues dealing with cathodic protection of the 42" waterline. Ms. Serrato also stated that she has contracted Texas Rural Water Association about placing an ad in their magazine, Quench. The ad will also be sent to the Kingsville Record and the Corpus Christi Caller Times. She asked for suggestions or changes on the employment ad.

The committee discussed several parts of the ad including the Cathodic Protection skills, advertising for the position externally without excluding current staff, the length of time advertised and the application deadline.

The committee consensus was for the ad to clearly not exclude current employees, list cathodic protection as weighing heavily in the scoring process, advertise in the next publication of Quench magazine, advertise in the Kingsville Record and Corpus Christi Caller Times for two weeks, and to keep the position open for 60 days.

A discussion on an Interim O&M Supervisor and salary followed. Mr. Galvan pointed out that the current policy allows Ms. Serrato to appoint an Interim Supervisor. Mr. Treviño commented

STWA Management Selection Committee Meeting Minutes

August 20, 2020

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that the interim position should not include extra pay, however, if the interim is selected to fill the position, then back pay should be paid.

Mr. Treviño made a motion to post the ad for two weeks with a deadline of 60 days. Mr. Barrera seconded the motion. Ms. Serrato abstained and all others voted in favor.

4. Adjournment.

With no further business to discuss, Mr. Treviño made a motion to adjourn the meeting at 3:47 p.m. Mr. Graveley seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

Treasurer's Report/Payment of Bills

SOUTH TEXAS WATER AUTHORITY
Treasurer's Report
For Period Ending July 31, 2020

STWA Water Sales:

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$2.511054 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	14,097	\$35,398.33	\$6,010.76	\$0.00	\$0.00	\$41,409.09
Bishop	536	\$1,345.92	\$228.54	\$0.00	\$0.00	\$1,574.47
Agua Dulce *	2,342	\$5,881.29	\$998.66	\$0.00	\$0.00	\$6,879.95
RWSC	9,906	\$24,874.50	\$4,223.78	\$0.00	\$0.00	\$29,098.28
Driscoll	4,308	\$10,817.62	\$1,836.87	\$0.00	\$0.00	\$12,654.49
NCWCID #5 *	1,717	\$4,311.50	\$732.11	\$732.11	\$805.00	\$6,580.72
NWSC *	17,753	\$44,578.39	\$7,569.57	\$0.00	\$0.00	\$52,147.96
TOTAL	50,659	\$127,207.56	\$21,600.30	\$732.11	\$805.00	\$150,344.97

Water Cost and Usage for Period of:

	06/30/20	to	07/31/20
City of Corpus Christi Invoice for Cost of Water Purchased:			\$128,817.07
Gallons of Water Recorded by City of Corpus Christi:			51,300,000
Gallons of Water Recorded by STWA from Customer's Master Meters:			50,110,030
Water Loss Percentage:			2.32%

Annual Usage for FY 2020

	Annual
Gallons of Water Recorded by City of Corpus Christi:	430,650,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	444,792,870
Water Loss Percentage: (year to date)	-3.28%

* These wholesale accounts' invoices reflect a June adjustment.

**REVENUE FUND
INCOME STATEMENT
FOR PERIOD ENDING JULY 31, 2020**

83.33%

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
REVENUES						
Water Service Revenue	127,208	1,125,696	1,336,941	84%	1,080,723	1,366,000
Handling Charge Revenue	21,600	189,888	226,930	84%	183,567	231,255
Premium Incremental Increase	732	21,850	20,000	109%	29,161	38,600
Surcharge - Out of District	649	6,489	7,787	83%	6,082	7,299
Interest Income	678	25,354	34,800	73%	51,093	59,750
Other Revenue						
Operating & Maintenance Fees	1,208	2,093	0	0%	0	0
Miscellaneous Revenues	854	24,588	20,000	123%	19,406	21,000
TOTAL REVENUES	152,929	1,395,958	1,646,458	85%	1,370,032	1,723,904
EXPENDITURES						
Water Service Expenditures:						
Bulk Water Purchases	128,817	1,088,573	1,336,941	81%	1,010,842	1,366,000
Payroll Costs						
Salaries & Wages - Perm. Employees	24,253	296,958	338,850	88%	264,175	328,813
Salaries & Wages - Part-Time	0	831	1,429	58%	1,091	1,607
Overtime - NWSC	0	0	0	0%	0	0
Stand-by Pay - NWSC	0	0	0	0%	0	0
Overtime - RWSC	0	0	0	0%	0	0
Stand-by Pay - RWSC	0	0	0	0%	0	0
Overtime - STWA	1,999	19,235	24,000	80%	16,690	23,000
Stand-by Pay - STWA	150	1,100	1,300	85%	1,054	1,354
Employee Retirement Premiums	6,269	49,291	51,677	95%	44,037	60,249
Group Insurance Premium	11,702	128,730	184,666	70%	135,052	159,188
Unemployment Compensation	(18)	1,285	1,176	109%	24	105
Workers' Compensation	(783)	8,281	6,250	132%	3,544	2,840
Car Allowance	500	5,000	6,000	83%	5,000	6,000
Hospital Insurance Tax	504	3,638	3,962	92%	2,905	4,533
Supplies & Materials						
Repairs & Maintenance	18,048	99,207	100,000	99%	64,453	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	294	33,375	45,000	74%	12,007	20,000
Auditing	0	9,454	9,750	97%	9,503	9,750
Engineering	16,035	22,531	15,175	148%	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	115	2,438	7,500	33%	5,939	6,000
Printing/Office Supplies	(17)	14,437	30,000	48%	15,555	22,000
Janitorial/Site Maintenance	264	4,230	6,000	71%	4,291	6,000
Fuel/Lubricants/Repairs	2,362	30,982	32,500	95%	36,192	46,000
Chemicals/Water Samples	1,284	32,481	52,500	62%	36,146	48,500
Safety Equipment	0	0	1,500	0%	1,717	2,500
Small Tools	92	933	2,000	47%	1,421	2,500

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
Recurring Operating Costs						
Telephone/Communications	1,521	13,440	14,000	96%	18,374	24,000
Utilities	7,562	73,051	110,000	66%	68,166	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	0	3,774	10,000	38%	4,722	7,000
Rental-Equipment/Uniforms	439	2,857	5,000	57%	2,796	5,000
Dues/Subscriptions/Publication	0	6,361	15,000	42%	12,559	20,000
Pass Through Cost	0	27	400	7%	1	50
Educational Materials	0	0	0	0%	0	0
Miscellaneous						
Miscellaneous Expenditures	276	5,952	7,500	79%	4,955	8,500
Total Administrative & Operations Exp.	221,667	2,066,154	2,599,376	79%	1,847,402	2,461,556
Capital Outlay						
Capital Acquisition	0	102,340	254,340	40%	203,553	278,444
Engineering	0	7,750	8,610	0%	0	17,200
TOTAL EXPENDITURES (w/o D.S. exp.)	221,667	2,176,244	2,862,326	76%	2,050,955	2,757,200
Excess (Deficiencies) of Revenue Over Expenditures	(68,739)	(780,286)	(1,215,868)	64%	(680,923)	(1,033,296)
OTHER FINANCE SOURCE (USES)						
Transfer to Other Funds						
Transfer from Tax Account	0	(1,440,367)	(1,427,329)	101%	(1,281,817)	(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)	0	(1,440,367)	(1,428,829)	101%	(1,297,055)	(1,312,238)
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)						
	(68,739)	660,082	212,961		616,132	278,942
NET INCOME	(68,739)	660,082	212,961		616,132	278,942

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
Recurring Operating Costs						
Telephone/Communications	1,521	13,440	14,000	96%	18,374	24,000
Utilities	7,562	73,051	110,000	66%	68,166	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	0	3,774	10,000	38%	4,722	7,000
Rental-Equipment/Uniforms	439	2,857	5,000	57%	2,796	5,000
Dues/Subscriptions/Publication	0	6,361	15,000	42%	12,559	20,000
Pass Through Cost	0	27	400	7%	1	50
Educational Materials	0	0	0	0%	0	0
Miscellaneous						
Miscellaneous Expenditures	276	5,952	7,500	79%	4,955	8,500
Total Administrative & Operations Exp.	221,667	2,066,154	2,599,376	79%	1,847,402	2,461,556
Capital Outlay						
Capital Acquisition	0	102,340	254,340	40%	203,553	278,444
Engineering	0	7,750	8,610	0%	0	17,200
TOTAL EXPENDITURES (w/o D.S. exp.)	221,667	2,176,244	2,862,326	76%	2,050,955	2,757,200
Excess (Deficiencies) of Revenue Over Expenditures	(68,739)	(780,286)	(1,215,868)	64%	(680,923)	(1,033,296)
OTHER FINANCE SOURCE (USES)						
Transfer to Other Funds						
Transfer from Tax Account	0	(1,440,367)	(1,427,329)	101%	(1,281,817)	(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)	0	(1,440,367)	(1,428,829)	101%	(1,297,055)	(1,312,238)
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)	(68,739)	660,082	212,961		616,132	278,942
NET INCOME	(68,739)	660,082	212,961		616,132	278,942

**TAX FUND
INCOME STATEMENT
FOR PERIOD ENDING JULY 31, 2020**

83.33%

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	7,416	1,485,002	1,465,721	101%	1,291,814	1,297,100
Delinquent Tax Revenue	2,644	27,523	30,000	92%	42,332	44,000
Penalty & Interest - Tax Accounts	2,126	19,568	19,000	103%	20,181	21,850
Miscellaneous	0	8	8	100%	94	94
TOTAL TAXES & INTEREST	12,186	1,532,101	1,514,729	101%	1,354,421	1,363,044
EXPENDITURES						
Tax Collector Fees	189	60,861	62,200	98%	42,430	42,431
Appraisal Districts	0	18,876	25,200	75%	17,150	22,867
TOTAL EXPENDITURES	189	79,737	87,400	91%	59,580	65,298
Transfer to General Fund	0	1,440,367	1,427,329	101%	1,281,817	1,297,746
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	11,997	11,997	0		13,024	0

**SPECIAL SERVICES
INCOME STATEMENT
FOR PERIOD ENDING JULY 31, 2020**

83.33%

	MONTHLY	YEAR TO DATE	2020 AMENDED BUDGET	% OF 2020 AMENDED BUDGET	2019 YEAR TO DATE	2019 FINAL BUDGET
REVENUES						
Ricardo Water Supply Corporation	22,883	245,187	308,794	79%	220,360	275,384
Nueces Water Supply Corporation	25,105	300,155	334,531	90%	228,680	258,616
TOTAL REVENUES	47,988	545,342	643,325	85%	449,040	534,000
EXPENDITURES						
Personnel	32,870	275,273	334,754	82%	249,032	312,132
Overhead	25,140	223,787	294,580	76%	236,589	282,172
TOTAL EXPENDITURES	58,010	499,059	629,334	79%	485,621	594,304
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES						
	(10,022)	46,283	13,991		(36,581)	(60,304)

South Texas Water Authority
Balance Sheet
July 31, 2020

ASSETS

Current Assets

STWA - General	\$	180,745.71	
STWA - Payroll		30,078.18	
STWA - Operations		41,016.38	
Petty Cash		150.00	
TexPool - STWA General		3,064,728.38	
Due From Capital Projects Fund		88,474.26	
Due from Debt Service Fund		1,953.73	
Due from D.S. -Collect Service		6,878.73	
Tax Accounts Receivable		171,762.90	
Allowance for Uncollect Taxes		(76,736.35)	
Service accts receivable		333,430.23	
Interlocal Rec-Bishop		387.63	
Interlocal Rec-Driscoll		2,092.72	
Interlocal Rec-Ricardo		5,993.14	
Interlocal Rec-Nueces		6,870.87	
Interlocal Rec. - Tax Assessor		738.89	
Inventory		19,660.50	
Prepaid Expenses		27,332.61	
Total Assets	\$		3,905,558.51

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Trade Accounts Payable	\$	171,410.08	
Salaries & Wages Payable		5,373.12	
Hospital Ins Tax Payable		2,049.48	
Withholding Taxes Payable		6,925.95	
Unemployment Comp. Pbl.		422.99	
Miscellaneous Payables		1,952.30	
Compensated Absences		17,508.91	
Deferred tax revenue		95,026.55	
Due to Debt Service Fund		961.00	
Total Liabilities			301,630.38

Fund Equity

Unassigned Fund Balance		2,865,906.34	
Assigned Fund Bal. - Inventory		19,660.50	
Current Earning		718,361.29	
Total Fund Equity			3,603,928.13
Total Liabilities & Fund Equity	\$		3,905,558.51

**South Texas Water Authority
 GI Account Summary Report
 As of: July 31, 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	223,353.39	\$ 203,042.00	\$ (245,649.68)	\$ (42,607.68)	\$ 180,745.71
STWA - Payroll	55,656.14	25,017.05	(50,595.01)	(25,577.96)	30,078.18
STWA - Operations	47,451.71	40,023.04	(46,458.37)	(6,435.33)	41,016.38
Petty Cash	150.00	0.00	0.00	0.00	150.00
Transfers	0.00	65,000.00	(65,000.00)	0.00	0.00
TexPool - STWA General	3,049,118.16	15,610.22	0.00	15,610.22	3,064,728.38
Due From Capital Projects Fund	80,667.19	7,807.07	0.00	7,807.07	88,474.26
Due from Debt Service Fund	1,903.04	50.69	0.00	50.69	1,953.73
Due from D.S. -Collect Service	6,833.31	45.42	0.00	45.42	6,878.73
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	330,942.02	187,287.03	(184,798.82)	2,488.21	333,430.23
Interlocal Rec-Bishop	753.21	848.45	(1,214.03)	(365.58)	387.63
Interlocal Rec-Driscoll	885.19	1,207.53	0.00	1,207.53	2,092.72
Interlocal Rec-Ricardo	10,898.91	4,902.87	(9,808.64)	(4,905.77)	5,993.14
Interlocal Rec-Nueces	7,120.96	6,870.86	(7,120.95)	(250.09)	6,870.87
Interlocal Rec. - Tax Assessor	3,643.20	739.61	(3,643.92)	(2,904.31)	738.89
Prepaid Expenses	27,332.61	27,332.61	(27,332.61)	0.00	27,332.61
Inventory	19,660.50	0.00	0.00	0.00	19,660.50
Total Assets	3,961,396.09	585,784.45	(641,622.03)	(55,837.58)	3,905,558.51
Current Liabilities					
Trade Accounts Payable	(145,049.69)	168,955.15	(195,315.54)	(26,360.39)	(171,410.08)
Salaries & Wages Payable	(22,937.76)	22,937.76	(5,373.12)	17,564.64	(5,373.12)
Hospital Ins Tax Payable	(1,394.55)	1,394.79	(2,049.72)	(654.93)	(2,049.48)
Withholding Taxes Payable	(4,794.44)	4,551.53	(6,683.04)	(2,131.51)	(6,925.95)
Emply Retire Prem Payable	0.00	18,996.76	(18,996.76)	0.00	0.00
Unemployment Comp. Pbl.	(518.53)	96.82	(1.28)	95.54	(422.99)
Miscellaneous Payables	(2,693.31)	14,920.57	(14,179.56)	741.01	(1,952.30)
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	(780.46)	0.00	(180.54)	(180.54)	(961.00)
Total Liabilities	(290,704.20)	231,853.38	(242,779.56)	(10,926.18)	(301,630.38)
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	785,125.05	\$ 817,637.83	\$ (884,401.59)	\$ (66,763.76)	\$ 718,361.29

**DEBT SERVICE FUND
INCOME STATEMENT
FOR PERIOD ENDING JULY 31, 2020**

83.33%

		2020	% OF 2020	2019	2019
	MONTHLY	ADOPTED	ADOPTED	YEAR TO	FINAL
	YEAR TO	BUDGET	BUDGET	DATE	BUDGET
	DATE				
REVENUES					
Ad-Valorem - Current	1,784	357,199	369,962	97%	357,330
Delinquent Tax Revenue	759	7,625	9,500	80%	13,454
Penalty & Interest - Tax Accounts	528	4,384	5,500	80%	5,154
Out-of-District Surcharge	156	1,561	1,873	83%	1,683
Interest on Temporary Investments	63	1,797	4,250	42%	4,680
Miscellaneous	<u>0</u>	<u>1</u>	<u>0</u>	0%	<u>0</u>
TOTAL TAXES & INTEREST	3,290	372,567	391,085	95%	382,300
OTHER FINANCING SOURCES					
Excess Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>
TOTAL OTHER FINANCE SOURCES	0	0	0		0
TOTAL REVENUE AND OTHER FINANCE SOURCES	3,290	372,567	391,085	95%	382,300
EXPENDITURES					
Fiscal Agent Fees	0	100	200	50%	100
Bond Interest Expense	0	58,925	117,850	50%	61,175
Bond Principal Payments	0	0	230,000	0%	0
Tax Collector Fees	45	14,640	12,070	121%	11,737
Appraisal District Fees	0	4,540	6,308	72%	4,744
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>
TOTAL EXPENDITURES	45	78,205	366,428	21%	77,756
EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES	3,245	294,362	24,657		304,544
					21,108

STWA Debt Service Fund
Balance Sheet
July 31, 2020

ASSETS

Current Assets

Debt Service Acct. - TexPool	\$	357,627.18
Due from General		960.99
Interlocal Rec.-Tax Assessors		179.29
Taxes Receivable		52,543.25
Allowance for Uncollectibles		(11,370.61)

Total Current Assets		399,940.10
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Other Assets

Total Other Assets		0.00
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Total Assets	\$	399,940.10
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LIABILITIES AND FUNDS EQUITY

Current Liabilities

Deferred Tax Revenue	\$	41,172.64
Due to General Fund		8,832.46

Total Current Liabilities		50,005.10
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Long-Term Liabilities

Total Long-Term Liabilities		0.00
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Total Liabilities		50,005.10
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Funds Equity

Fund Balance		55,572.56
Net Income		294,362.44

Total Funds Equity		349,935.00
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Total Liabilities & Funds Equity	\$	399,940.10
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STWA Debt Service Fund
 GI Account Summary Report
 As of: July 31, 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	353,737.77	\$ 3,889.41	\$ 0.00	\$ 3,889.41	\$ 357,627.18
12200	Due from General	780.45	180.54	0.00	180.54	960.99
13001	Interlocal Rec.-Tax Assessor	908.57	179.29	(908.57)	(729.28)	179.29
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	(8,736.35)	0.00	(96.11)	(96.11)	(8,832.46)
39100	Fund Balance	(55,572.56)	0.00	0.00	0.00	(55,572.56)
Totals		<u>291,117.88</u>	<u>\$ 4,249.24</u>	<u>\$ (1,004.68)</u>	<u>\$ 3,244.56</u>	<u>\$ 294,362.44</u>

**CAPITAL PROJECTS FUND
INCOME STATEMENT
FOR PERIOD ENDING JULY 31, 2020**

83.33%

	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	139	7,564	17,000	44%	19,233	17,500
TOTAL REVENUE AND OTHER FINANCE SOURCES	139	7,564	17,000	44%	19,233	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	7,807	129,514	516,809	25%	79,789	199,395
Pipeline Condition Assessment	0	0	0	0%	53,183	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	7,807	133,884	736,809	18%	139,414	939,942
 EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES						
	(7,668)	(126,319)	(719,809)		(120,181)	(922,442)

**STWA Capital Projects Fund
Balance Sheet
July 31, 2020**

ASSETS

Current Assets

TexSTAR - Construction Fund	\$ 818,707.62	
Total Current Assets		818,707.62

Property and Equipment

Total Property and Equipment		0.00

Other Assets

Total Other Assets		0.00

Total Assets	\$ 818,707.62	
		818,707.62

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Due to General Fund	\$ 88,474.25	
Total Current Liabilities		88,474.25

Long-Term Liabilities

Total Long-Term Liabilities		0.00

Total Liabilities		88,474.25

Fund Balance

Fund Balance	856,552.85	
Net Income	(126,319.48)	
Total Fund Balance		730,233.37

Total Liabilities & Fund Balance	\$ 818,707.62	
		818,707.62

STWA Capital Projects Fund
 GI Account Summary Report
 As of: July 31, 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	818,568.36	\$ 139.26	\$ 0.00	\$ 139.26	\$ 818,707.62
2400	Due to General Fund	(80,667.18)	0.00	(7,807.07)	(7,807.07)	(88,474.25)
39100	Fund Balance	(856,552.85)	0.00	0.00	0.00	(856,552.85)
	Totals	<u>(118,651.67)</u>	<u>\$ 139.26</u>	<u>\$ (7,807.07)</u>	<u>\$ (7,667.81)</u>	<u>\$ (126,319.48)</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	\$6,933.76	\$873.30	\$7,807.06 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	\$88,605.60	\$40,908.86	\$129,514.46

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	\$2,383.99	\$0.00	\$0.00	\$27,116.82
Medicare	\$17.63	\$44.08	\$40.64	\$66.12	\$44.49	\$44.08	\$44.49	\$36.03	\$21.06	\$34.57	\$0.00	\$0.00	\$393.19
Retirement	\$145.92	\$364.80	\$336.30	\$547.20	\$368.22	\$364.80	\$368.16	\$298.21	\$174.33	\$286.08	\$0.00	\$0.00	\$3,254.02
Worker's Comp	\$44.84	\$112.09	\$103.33	\$168.13	\$101.81	\$100.86	\$101.79	\$82.45	\$48.20	\$79.10	\$0.00	\$0.00	\$942.59
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	\$978.94	\$0.00	\$0.00	\$16,141.78
LTD/ADD/Life	\$0.00	\$42.84	\$42.84	\$42.84	\$42.84	\$42.84	\$42.84	\$34.70	\$17.11	\$21.82	\$0.00	\$0.00	\$330.67
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	\$3,784.50	\$0.00	\$0.00	\$48,291.49

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	\$2,260.51	\$0.00	\$0.00	\$27,764.34
Medicare	\$36.93	\$42.90	\$42.90	\$64.35	\$43.30	\$42.90	\$42.90	\$34.75	\$18.90	\$32.78	\$0.00	\$0.00	\$402.58
Retirement	\$254.66	\$295.84	\$295.84	\$443.76	\$298.61	\$295.84	\$325.42	\$263.59	\$143.39	\$271.26	\$0.00	\$0.00	\$2,888.23
Worker's Comp	\$93.90	\$109.08	\$109.08	\$163.62	\$99.07	\$98.15	\$98.15	\$79.50	\$43.25	\$75.00	\$0.00	\$0.00	\$968.81
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	\$488.59	\$0.00	\$0.00	\$7,864.52
LTD/ADD/Life	\$12.67	\$41.47	\$41.47	\$41.47	\$41.47	\$41.47	\$41.47	\$33.59	\$7.34	\$21.13	\$0.00	\$0.00	\$323.55
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	\$3,149.27	\$0.00	\$0.00	\$40,314.12

**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	Pacc 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

Account ID	Account Description	Date	Trans Description	Debit Amt	Credit Amt	Balance
52101	Repairs & Maint-42" line	7/1/20	Beginning Balance			
52101	Repairs & Maint-42" line	7/6/20	THOMPSON PIPE GROUP-PRESSURE - Bonding clips Was in dispute due to shipping fee J:	862.42		
52101	Repairs & Maint-42" line	7/29/20	McCOY'S BUILDING SUPPLY CENTER - nuts & bolts (CP)	10.88		
52101	Repairs & Maint-42" line		Current Period Change	873.30		873.30
		7/31/20	Ending Balance			95,259.10

**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		-\$66,295.39		
Ground Storage Tank - PreLoad		\$1,248,602.55 *	\$1,206,897.95	
Final - Payment #8 - Liquidated damages			\$41,704.60	
			\$1,248,602.55	
Mission Automated - additional work on mixing system (not a subcontractor of PreLoad)			\$1,750.00	
Rock Engineering - Soil samples			\$1,521.50	
			\$1,251,874.05	
Liquidated Damages				
Liquidated Damages - HDR Eng.		\$48,000.00		
Mission Automated		\$11,854.14		
Reimburse STWA-water/employee overtime		\$6,441.25		
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	\$17,100.00
Non-Construction Related Costs:	\$28,600.00		\$3,952.55	\$24,647.45
				\$201,250.95

TOTAL	\$936,297.63
INTEREST EARNINGS	\$73,189.41
BALANCE	\$1,009,487.04
CATHODIC PROTECTION	\$279,253.63
REMAINING BOND FUNDS	\$730,233.41

INV DATE	VENDOR	INV #	DESCRIPTION	STATUS	AMOUNT
7/27/2020	Kevin Kieschnick	255	June per parcel fees	pending	\$234.26
8/6/2020	City of Corpus Christi		July Water	paid	\$128,817.07
8/14/2020	Nueces County Appraisal Office		4th Qtrly Payment	pending	\$2,464.00
8/31/2020	Willatt & Flickinger		August Legal	pending	\$1,724.40
9/1/2020	Kleberg County Appraisal Office		4th Qtrly Payment	pending	<u>\$5,340.58</u>
					\$138,580.31



Kevin Kieschnick

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

Invoice

Date	Invoice #
7/27/2020	255

Bill To
South Texas Water District C/O Jo Ella Wagner 2302 E Sage RD Kingsville, TX 78363

RECEIVED
JUL 30 2020
SOUTH TEXAS WATER AUTHORITY

Item	Description	Quantity	Rate	Terms
				Due on receipt
Item	Description	Quantity	Rate	Amount
Collection Fee	Ad Valorem Tax Collection Fee June 2020	206	1.1372	234.26

POSTED

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

Total	\$234.26
--------------	----------



**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: 8/6/2020
Due Date: 8/27/2020
Page: Page 1 of 2

SERVICE INFORMATION

Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Service Address: 0 END DR WTR5 RAW
Account Type: PA
Invoice Number: 3822492

QUESTIONS ABOUT YOUR BILL?

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

IMPORTANT MESSAGES

**The Utility Business Office (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.

SMALL BUSINESS UTILITY ASSISTANCE GRANT

If your business is suffering due to the COVID-19 pandemic, you may be eligible for a \$500 credit on your utility bill. Go to www.unitedcchamber.com/small-business-grant to apply.

ACCOUNT SUMMARY

PREVIOUS BALANCE	\$104,605.87
TOTAL PAID SINCE LAST BILL	-\$104,605.87
NEW CHARGES	
*WATER	\$75,875.47
RWCA \$1.032/TGAL	\$52,941.60
TOTAL WATER	\$128,817.07
NEW CHARGES DUE BY 8/27/2020:	\$128,817.07
AMOUNT DUE	\$128,817.07

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.

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

Working to Serve YOU Better.

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

Account Number	Due Date	Amount Due
20004093	8/27/2020	\$128,817.07

AMOUNT ENCLOSED \$

MAKE CHECKS PAYABLE TO: CITY OF CORPUS CHRISTI



SOUTH TX WATER AUTH
2302 E SAGE RD
KINGSVILLE TX 78363-3328

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

200040930128817074



**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

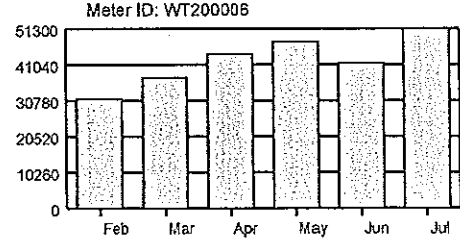
Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Statement Date: 8/6/2020
Due Date: 8/27/2020
Page: Page 2 of 2

METER INFORMATION

SERVICE PERIOD: 6/30/2020 - 7/31/2020 32 days

Meter ID	Service Type	Current Read	Previous Read	Consumption 7/31/2020
WT200006	WA	5402300	5351000	51300

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

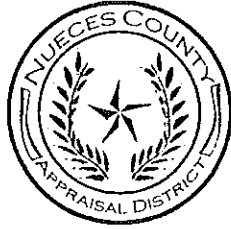
***** ★ *****
OPTIONS AVAILABLE TO PAY YOUR BILL

- 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.





RECEIVED

AUG 14 2020

NUECES WATER SUPPLY CORPORATION

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

*Ramiro "Ronnie" Canales
Nueces County Chief Appraiser*

*Office: (361) 881-9978
Fax: (361) 887-6721
info@nuecescad.net*

NUECES COUNTY APPRAISAL DISTRICT
2020 BUDGET ALLOCATION

INVOICE 093020

Taxing Unit: So Texas Water Auth

Due Date: September 30, 2020

4th Quarter: \$2,464

POSTED

WILLATT & FLICKINGER, PLLC
ATTORNEYS AT LAW

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

August 31, 2020

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

FOR PROFESSIONAL SERVICES RENDERED since the date of last billing:

GENERAL

POSTED

BILL FLICKINGER

- 08/05/20 Telephone conference with Carola Serrato on last night's Board meeting. (0.2 Hours).
- 08/06/20 Continue review of tax rate calculations and notices, and emails with Carola Serrato on same. (1.2 Hours).
- 08/07/20 Continue review of tax rate calculations and notices. (0.2 Hours). Telephone conference with Carola Serrato on same. (0.2 Hours).
- 08/10/20 Telephone conference with Carola Serrato on SB 2 requirements for appendices to audit. (0.2 Hours). Emails and telephone conference with Carola Serrato on request by Nueces County on tax rate calculations. (0.3 Hours).
- 08/14/20 Continue drafting letter agreement with City of Driscoll for payment plan and forward to Carola Serrato for her review. (0.8 Hours). Review emails between Reba George and Carola Serrato on City of Corpus Christi rate model. (0.2 Hours). Emails with Carola Serrato on payment plan letter agreement for the City of Driscoll and make additional revisions to same. (0.5 Hours).
- 08/17/20 Review emails on Corpus Christi rate model and proposed rates. (0.2 Hours).
- 08/18/20 Telephone conference with Carola Serrato on status of contract with Banquete and review email on same. (0.2 Hours).

August 31, 2020

Page 2

08/20/20 Telephone conference with Carola Serrato on meeting of Management Committee. (0.2 Hours). Review emails between Carola Serrato and Roland Ramos on payment plan agreement with City of Driscoll. (0.2 Hours).

08/27/20 Email to attorney Jerry Benadum on his representation of Nueces County WCID #5. (0.3 Hours). Telephone conference with Carola Serrato on publication of tax rate hearing notice. (0.2 Hours).

Attorney BF: 5.1 Hours

Attorney BF: 5.1 Hours @ \$325.00 per hour	\$1,657.50
Attorney MM: 0 Hours @ \$325.00 per hour	
Legal Assistant AN: 0 Hours @ \$115.00 per hour	

CLIENT EXPENSES

197 Photocopies @ \$0.20 each \$39.40

55 Color Photocopies @ \$0.50 each \$27.50

Total Client Expenses \$66.90

TOTAL AMOUNT DUE \$1,724.40

KLEBERG COUNTY APPRAISAL DISTRICT

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

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

RECEIVED

SEP 02 2020

SOUTH TEXAS WATER AUTHORITY

TO: South Texas Water Authority
FROM: Kleberg County Appraisal District
DATE: September 1, 2020
SUBJECT: 2020 Appraisal District Payment Information

The 4th payment from your taxing unit toward the 2020 Appraisal District Operating Budget is due to be paid by September 30, 2020. Thank you for your attention to this matter.

Amount due if paid by 9/30/2020:	\$	5,340.58
Amount due if paid after 9/30/2020:	\$	5,652.11

\$	5,340.58	
+ \$	267.03	(5% Penalty)
+ \$	44.50	(10% Interest /Mo)
\$	<u>5,652.11</u>	

WASTED

INTER-OFFICE MEMO

TO: Carola G. Serrato, Executive Director
FROM: Dony Cantu, Interim O&M Supervisor
DATE: September 4, 2020
RE: Maintenance & Technical Report

During the week of August 3, 2020, the following work was completed.

- Exercised generators, downloaded GPS reports and performed line locates.
- Collected/Monitored NAP samples for STWA, RWSC, & NWSC.
- Took daily residuals for the Driscoll Booster Station. (Booster Station, CR 16 & KI MR)
- Held a Safety Meeting.
- Bac-T sample collected.
- DC, PS, & NG signed up for CSI Class.
- NWSC Cyanotoxin sample for EPA collected.
- Mowed office and Kingsville PS.
- Collected 42" line Residuals.
- Fixed problems with MOV in Agua Dulce – repair flow switch stuck.
- Replace CL 2 Lines Bishop & Ricardo #1.
- Troubleshoot Bishop East CL 2.
- Repair Unit 7 tire.
- Pump down Vault on CR 36.
- CSIs for NWSC & RWSC.
- TxDOT Project CR 2120 check on manhole for NWSC.
- NWSC re-reads meters/remote reads NWSC.
- Meter installs for WSCs.
- RWSC retail meters – read routes 1,2,3,& 4.
- Repair leak at Indian Trails for NWSC.

During the week of August 10, 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.
- Field verify /CSI/ meter installs.
- Picked up trash (concrete) to landfill.
- Removed pump #1 at PS #2, dropped off at DXP.
- LNV meeting regarding valve location for tie-in.
- Unit 5 & 7 oil change.
- Repair flush valve CR 91 & 38 for NWSC.
- Repair Leak on Hwy 77 & FM 2826 for NWSC.
- Replace signs around office.

O&M Supervisor Report

August 3, 2020

Page 2

During the week of August 17, 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.
- Field verify CSI meter installs for WSCs.
- Collection NWSC cyanotoxin sample for EPA.
- Repaired Leak on CR 79 & 665 for NWSC.
- Deliver CL 2 to PSs.
- Pickup starter heaters for Bishop E Pump #1
- VLG Dr. appt. therapy.
- Clean up PSs.
- Class CSI at office DC, NG, & PS.
- Generator at Central PS not shutting down properly – working with Stewart Stevenson on problem.
- Top off generators with diesel at PS.
- Unit 12 oil change.
- Deliver LAS to PS.
- Install SCADA radio at PS.

During the week of August 24, 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.
- Repaired leak on flush valve on CR 2192 - RWSC
- Unit 3 door repair on hinges.
- Took truck in for recall on Unit 5 Neesen Chevy.
- Cut Trees at PSs.
- Fix Unit 2 tool box locks.
- Located valves on FM 3354, CR77 for NWSC
- Located valves on FM 70, HWY 77 for NWSC.

To: Carola G. Serrato, Executive Director
From: Oscar Ortegon, CP Technician
Date: September 4, 2020
Re: CP Update

Since the end of July, installation of anodes and bonds has been affected by wet weather, including Hurricane Hanna, and farmers harvesting field. In addition, due to recent theft of CP trailer, production was dramatically impacted.

Therefore, we have been trying to work on CP related work and helping the other field personnel as follows:

- Work on Damaged Roof at office on old barn.
- Work on adding Roof at PS. # 1 for pipe -RWSC
- Inventory and clean RWSC warehouse
- Perform Rectifier Testing
- Take Potential Readings on Contract 1 and 2
- CSI renewal-Patrick
- Take Inventory on the CP trucks, trailer and anodes/materials
- Pump water out of vaults along 42'
- Clean up 4 loads of concrete @ office.
- Take Bac-T sample for STWA, NWSC, & RWCS-Patrick
- Perform Line Locates on 42" line for STWA and assist on NWSC & RWSC.
- Dug 3 joints to locate bad bond South of CR 4 in Bishop according to Corpro test that showed bad readings.
- Worked with KPD, staff and vendors to file claim on theft of CP trailer:
 - Detailed list of items stolen
 - Photos from STWA and neighboring business
 - Quotes for replacement of compressor, welder, welding supplies and trailer
 - Purchase of compressor and welding supplies
- Exercise 42" valves
- Schedule training on DMV devices for September 4th
- Research CP Tech classes and certifications
- PM on Trackhoe
- Meet with gas line company very close to bad bond
- Dress up areas south of CR 14
- Help prep PSs for Hurricane Hanna
- Weed-eat and apply herbicide along 42" line and around ARVs, manholes and vaults.

STWA Staff Certifications

Employee	Certification	Expiration
Dony Cantu	Water Distribution Operator C Customer Service Inspector	05/14/21 09/09/20
Nigel Gomez	Water Distribution Operator C Customer Service Inspector	06/26/22 08/22/20
Victor Gutierrez	Water Distribution Operator D Customer Service Inspector	04/05/22 03/19/23
Valentin Gonzales	Water Distribution Operator D	09/27/22
Patrick Sendejo	Water Distribution Operator C Customer Service Inspector	06/26/22 11/28/20
Carola G. Serrato	Water Distribution Operator A Registered Tax Assessor/Collector	06/04/22 05/31/21
Jo Ella Wagner	Water Distribution Operator D Registered Tax Assessor/Collector	01/08/21 06/03/21
Frances De Leon	Water Distribution Operator D Registered Tax Assessor/Collector Property & Casualty Agent/Adjuster	04/01/21 03/20/21 02/28/21

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	\$2.511054	\$2.937440	\$0.0018
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	\$2.527095	\$2.953481	\$0.0149

ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE

All Customers	Budgeted			Actual			Difference
	Budgeted	Actual	Difference	NWSC	Budgeted	Actual	
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	15,495,870	1,976,011
Jul-20	52,906,104	50,659,030	-2,247,074	Jul-20	15,632,031	17,675,860	2,043,829
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	445,346,870	11,576,591	TOTAL	153,602,414	160,374,840	35,409,049

Kingsville	Budgeted			Actual			Difference
	Budgeted	Actual	Difference	RWSC	Budgeted	Actual	
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	14,097,000	3,320,183	Jul-20	10,368,600	9,906,000	-462,600
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	95,987,000	-11,781,169	TOTAL	100,047,600	95,110,000	14,316,200

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	536,000	-6,368,600
Aug-20	7,831,400	0	
Sep-20	4,834,000	0	
TOTAL	58,543,089	3,004,000	-42,873,689

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	2,519,650	394,682
Jul-20	2,479,966	1,744,010	-735,956
Aug-20	2,450,114	0	
Sep-20	2,079,898	0	
TOTAL	25,461,218	18,083,250	-2,847,956

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	4,308,000	253,720
Aug-20	3,746,993	0	
Sep-20	3,327,520	0	
TOTAL	38,638,079	51,934,100	20,370,535

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	2,018,910	-556,370
Jul-20	2,689,810	2,392,160	-297,650
Aug-20	2,544,072	0	
Sep-20	2,188,896	0	
TOTAL	26,603,027	20,853,680	-1,016,379

Kingsville Bell Chart Values

	Target	Actual	Difference
	Volume	Volume	
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	14,097,000	-1,716,135
Aug-20	16,015,817	0	
Sep-20	13,952,654	0	
TOTAL	129,251,702	95,987,000	-3,296,231

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	15,495,870	\$4,648.63	\$0.3000
Jul-20	14,097,000	\$4,868.69	\$0.3454	Jul-20	17,675,860	\$5,558.10	\$0.3144
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	95,987,000	\$29,031.29	\$0.3025	TOTAL	160,374,840	\$50,098.43	\$0.3124

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	536,000	-\$742.71	-\$1.3857	Jul-20	9,906,000	\$2,372.93	\$0.2395
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	3,004,000	-\$9,459.74	-\$3.1490	TOTAL	95,110,000	\$23,942.37	\$0.2517

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	2,519,650	\$560.52	\$0.2225
Jul-20	4,308,000	\$1,378.83	\$0.3201	Jul-20	1,744,010	\$406.72	\$0.2332
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	51,934,100	\$15,363.55	\$0.2958	TOTAL	18,083,250	\$4,200.77	\$0.2323

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	2,018,910	\$491.61	\$0.2435	Jun-20	44,686,430	\$12,164.80	\$0.2722
Jul-20	2,392,160	\$620.15	\$0.2592	Jul-20	50,659,030	\$14,462.71	\$0.2855
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	20,853,680	\$5,020.19	\$0.2407	TOTAL	445,346,870	\$118,196.86	\$0.2654

ATTACHMENT 3

FY 2021 Budget

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 4, 2020
Re: Final Draft Fiscal Year 2021 Budget

Background:

Enclosed please find the Final Draft Fiscal Year 2021 Budget, including a General Fund Budget, Tax Fund Budget, Special Services Fund Budget, Debt Service Fund Budget, and Capital Project Fund Budget. The budgets are based on the following:

- Handling Charge of \$0.426386 per 1000 gallons, the same amount as the last 10 years,
- M&O Tax Rate of \$0.070986 per \$100 valuation,
- I&S Tax Rate of \$0.015940 per \$100 valuation, a slight decrease of \$0.000912 due to a lower debt service requirement and higher tax base,
- The Total Tax Rate (combined O&M and I&S) is an increase of \$0.000015 or 3.49% per the revised State law,
- An increase in the Cost of Water from the City of Corpus Christi of approximately 12.5 cents per 1000 gallons – a cost that NewGen Strategies continues to discuss with the City and which is passed through to STWA's Wholesale Customers,
- A Cost of Living increase of 1.8% for employees with the exception of myself, the newly hired field tech and the vacant O&M Supervisor position. The total annual cost of the COL increase is \$7,807.74, which is distributed as follows: STWA - \$3,666.47, NWSC - \$2,053.65 and RWSC - \$2,087.61.
- Capital purchases of \$242,763, and
- A few changes since the Second Draft Budget review during the August Board Meeting:
 - As mentioned above, the Cost of Corpus Christi water was adjusted,
 - Tax Collection costs were reduced based on correspondence from Tax A/C Kevin Kieschnick,
 - Tank Repair cost was reduced based on quote found under separate agenda item,
 - Training cost was increased to include cathodic protection training for two (2) techs,
 - Janitorial expenses were increased by \$2400 to included ten (10) months of office disinfection services at \$240/month, and
 - Medical Insurance was adjusted based on BCBS renewal that increased by an amount lower than originally anticipated.

Analysis:

The budget results in an ending balance of \$292,395. As stated in last year's memo on budget adoption, any remaining funds will be added to the Reserve balance and will be used to address future infrastructure needs including extending the life of the 42" waterline.

The Interest and Sinking (I&S) tax rate is based on the debt service schedule and calculated to generate the required funds to pay the annual interest and principal on the bonds.

The proposed Special Services Fund Budget indicates that approximately \$13,294 in additional revenue charged to the Nueces and Ricardo Water Supply Corporations should be generated compared to the FY 20 adopted budget.

As the Board is aware, the Capital Project Fund Budget is based on the remaining funds from the \$5.1M in bonds issued to address the relocation of the 42" line at US 77/I-69 and CR 36, the Kingsville Pump Station Improvements and Bishop Pump Station Improvements. Since the projects were completed under budget, additional improvements to the Regional System have been made, such as the installation of an emergency generator for the Kingsville PS, assessments on the 42" waterline, and conversion of the Driscoll

Memo

9/4/20

Page 2 of 2

Booster Station from a chlorination booster to a chloramine booster station. Another ongoing project is the installation of additional anodes on the 42" line and the funds that will soon be paid on the new Banquete PS project. The enclosed proposed FY 2021 Capital Project Fund Budget shows an anticipated FY 20 ending balance of \$409,402.97. As stated in last year's budget adoption memo, salaries, benefits, and materials are running approximately \$10,000/month.

Staff Recommendation:

Adopt the presented budgets.

Board Action:

Determine whether to adopt the presented budgets.

Summarization:

Adoption of the presented budgets based on the aforementioned rates should result in increasing STWA's Reserve balance by approximately \$290,000. The estimated Reserve balance as of July 31, 2020 is \$3,584,268.

**SOUTH TEXAS WATER AUTHORITY
GENERAL FUND
PROPOSED FY 2021 BUDGET**

**O & M TAX RATE: \$0.070986
I & S TAX RATE: \$0.015940
HANDLING CHARGE: \$0.426386
WATER RATE:**

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PROPOSED BUDGET
REVENUES			
Water Service Revenue	\$1,336,941	\$1,336,941	\$1,400,631
Handling Charge Revenue	\$226,930	\$226,930	\$229,295
Premium Incremental Increase	\$20,000	\$20,000	\$6,500
Surcharge - Out of District	\$0	\$7,787	\$7,988
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	\$1,678,414
EXPENDITURES			
Water Service Expenditures:			
Bulk Water Purchases	\$1,336,941	\$1,336,941	\$1,400,631
Water Loss	\$0	\$0	\$0
TOTAL WATER SERVICE	\$1,336,941	\$1,336,941	\$1,400,631
Payroll Costs			
Salaries & Wages -			
Permanent Employees	\$338,292	\$338,850	\$342,332
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	\$51,973
Group Insurance Premium	\$177,763	\$184,666	\$176,907
Unemployment Compensation	\$875	\$1,176	\$933
Workers' Compensation	\$6,250	\$6,250	\$6,654
Car Allowance	\$6,000	\$6,000	\$6,000
Hospital Insurance Tax	\$3,962	\$3,962	\$4,112
TOTAL PERSONNEL	\$603,848	\$619,310	\$615,446
Supplies & Materials			
Repairs & Maintenance	\$80,000	\$100,000	\$126,000
Meter Expense	\$5,000	\$7,350	\$5,000
Tank Repairs	\$50,000	\$45,000	\$38,000
Major Repairs	\$25,000	\$25,000	\$25,000
TOTAL SUPPLIES & MATERIALS	\$160,000	\$177,350	\$194,000

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PROPOSED 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	\$8,400
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	\$131,900
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	\$18,000
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	\$218,850
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	\$2,668,802
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	\$2,911,565
Excess (Deficiencies) of Revenue Over Expenditures	-\$1,118,643	-\$1,215,868	-\$1,233,151

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PROPOSED BUDGET
OTHER FINANCE SOURCE (USES)			
Transfer to Other Funds			
Disposition of Assets (Surplus Sale)	\$1,500	\$1,500	\$1,500
Transfer from Tax Accounts	\$1,438,319	\$1,427,329	\$1,524,046
TOTAL OTHER FINANCING SOURCES (USES)	\$1,439,819	\$1,428,829	\$1,525,546
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)	\$321,176	\$212,961	\$292,395
NET INCOME	\$321,176	\$212,961	\$292,395

Capital Acquisition

FY 2020

FY 2021

FY 2021

- a. New truck
- b. RWSC Booster
- c. Technology Upgrades
- d. Large Air Compressor
- e. Truck Utility Bed
- f. New Chlorine & LAS Scales
- g. Banquete PS Including Hydro Tank

\$32,500
\$15,000
\$5,000
\$25,000
\$11,000
\$16,850
\$120,000
\$225,350

\$32,500 New Truck (replace 2012)
\$45,000 Replace 3 Chlorine Bldgs
\$5,000 Technology Upgrades
\$8,000 Portable Tower Lights
\$29,263 Black Mountain Acct. Software
\$120,000 Banquete Pump Station
\$3,000 Dual Chlorine/LAS Scales
\$242,763

Repairs

Tank Repairs
Repair & Maint

\$38,000 Central G/S Tank Painting
\$26,000 Repair Employee Parking Lot

Engineering

\$0

\$0 Engineering

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

**O & M TAX RATE: \$0.070986
I & S TAX RATE: \$0.015940
HANDLING CHARGE: \$0.426386
WATER RATE:**

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PROPOSED 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	\$55,106
Appraisal Districts	\$26,225	\$25,200	\$27,071
Refunds	\$0	\$0	\$0
TOTAL EXPENDITURES	\$76,402	\$87,400	\$82,177
REVENUES OVER EXPENDITURES	\$1,438,319	\$1,427,329	\$1,524,046
OTHER USES			
Transfer to Revenue Fund (Tax)	\$1,438,319	\$1,427,329	\$1,524,046
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
DEBT SERVICE FUND
PROPOSED FY2021 BUDGET**

	2020 ADOPTED BUDGET	2021 PROPOSED BUDGET
REVENUES		
Ad Valorem - Current	\$369,962	\$366,898
Ad Valorem - Delinquent	\$9,500	\$9,500
Penalty & Interest - Tax Accounts	\$5,500	\$5,500
Out-of-District Surcharge	\$1,873	\$1,772
Interest on Temporary Investments	\$4,250	\$4,250
Miscellaneous	<u>\$0</u>	<u>\$0</u>
TOTAL TAXES & INTEREST	\$391,085	\$387,920
OTHER FINANCING SOURCES		
	<u>\$0</u>	<u>\$0</u>
TOTAL OTHER FINANCE SOURCES	\$0	\$0
Total Revenue and Other Financing Sources	\$391,085	\$387,920
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	\$12,371
Appraisal District Fees	\$6,308	\$6,077
Miscellaneous Fees	<u>\$0</u>	<u>\$0</u>
TOTAL EXPENDITURES	\$366,429	\$366,899
OTHER USES		
TOTAL EXPEND. & OTHER USES	\$366,429	\$366,899
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$24,657	\$21,022

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

**O & M TAX RATE: \$0.070986
I & S TAX RATE: \$0.015940
HANDLING CHARGE: \$0.426386
WATER RATE:**

	2020 ADOPTED BUDGET	2020 AMENDED BUDGET	2021 PROPOSED BUDGET
REVENUES			
Ricardo Water Supply Corporation 1014 customers	\$308,794	\$308,794	\$315,894
Nueces Water Supply Corporation 1000 customers	\$304,531	\$334,531	\$310,725
TOTAL SPECIAL SERVICES REVENUE	\$613,325	\$643,325	\$626,619
EXPENDITURES			
Personnel	\$328,454	\$334,754	\$332,983
Overhead	\$284,871	\$294,580	\$293,636
TOTAL SPECIAL SERVICES EXPENDITURES	\$613,325	\$629,334	\$626,619
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	\$289,763.49
Overtime, Part-time, and Stand-by Pay	<u>\$43,219.50</u>
	\$332,982.99

Overhead allocations include:

Medical Insurances	\$194,749
Retirement	\$44,705
Unemployment Compensation	\$1,083
Worker's Compensation	\$7,392
Medicare	\$4,707
Fuel, Vehicles, Equipment, Telephone Line	<u>\$41,000</u>
	\$293,636

**SOUTH TEXAS WATER AUTHORITY
FY 2019 ADOPTED BUDGET
CAPITAL PROJECT FUND**

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	\$375,000.00	7.21%
	\$5,307,386.40	100.00%

	2013 BUDGET	2013 & 2014 REVENUE & EXPEND.	2015 REVENUE & EXPEND.	2016 REVENUE & EXPEND.	2017 REVENUE & EXPEND.	2018 REVENUE & EXPEND. as of 08/31/18	PROPOSE 2018 Year End REVENUE & EXPEND.	2019 ADOPTED BUDGET
REVENUES								
Bond Proceeds	\$5,307,386.40	\$5,307,386.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings	\$0.00	\$2,751.15	\$2,307.69	\$8,624.35	\$11,987.27	\$15,968.00	\$17,300.00	\$17,500.00
Other Income	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$7,167.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Revenue and Other Financing Sources	\$5,307,386.40	\$5,310,137.55	\$9,474.69	\$8,624.35	\$11,987.27	\$15,968.00	\$17,300.00	\$17,500.00
EXPENDITURES								
Right of Way Acquisition	\$64,700.00	\$57,436.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,264.00
Engineering Fees	\$942,400.00	\$461,257.00	\$57,770.00	\$70,053.00	\$102,326.00	\$5,400.00	\$5,400.00	\$245,594.00
Construction Costs	\$3,649,200.00	\$1,039,322.26	\$118,084.54	\$1,581,729.53	\$375,603.27	\$228,483.70	\$228,483.70	\$305,976.70
Pipeline Condition Assessment	\$300,000.00	\$0.00	\$0.00	\$100,605.00	\$0.00	\$0.00	\$0.00	\$199,395.00
Legal & Administrative Fees	\$243,700.00	\$61,988.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$181,712.00
Cost of Bond Issuance	\$98,668.90	\$98,669.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	-\$0.10
Miscellaneous	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL EXPENDITURES	\$5,298,668.90	\$1,718,672.26	\$175,854.54	\$1,752,387.53	\$477,929.27	\$233,883.70	\$233,883.70	\$939,941.60
TOTAL EXPEND. & OTHER USE	\$5,298,668.90	\$1,718,672.26	\$175,854.54	\$1,752,387.53	\$477,929.27	\$233,883.70	\$233,883.70	\$939,941.60
Excess Bond Proceeds/ Transfer to Debt Service to use toward first Debt Service payment.	\$8,717.50	\$8,717.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Financing Expenditures	\$5,307,386.40	\$1,727,389.76	\$175,854.54	\$1,752,387.53	\$477,929.27	\$233,883.70	\$233,883.70	\$939,941.60
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0.00	\$3,582,747.79	-\$166,379.85	-\$1,743,763.18	-\$465,942.00	-\$217,915.70	-\$216,583.70	-\$922,441.60
FUND BALANCE		\$1,317,941.11	\$3,416,367.94	\$1,672,604.76	\$1,206,662.76	\$988,747.06	\$990,079.06	\$67,637.46

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: Rudy Galvan, Filiberto Trevino, Jose Graveley, Kathleen Lowman, Lupita Perez, and Patsy Rodgers
AGAINST the proposal: Brandon Barrera
PRESENT and not voting: None
ABSENT: None

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	\$0.086926 /\$100
	Adopted	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%	

NOTICE ON VOTE ON TAX RATE

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

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

1. Specific to Raw Water Operating Expenses, please provide more information on the questions below?
 - a. Reference Worksheet COSWtrRates (1-Year), Cell J188 – Please provide more information on the budgeted value of \$285,000 associated with Water Supply Development. Can you explain what this expense is budgeted to specifically cover? Further, is there a reason this expense is not paid out of the almost \$7.7 million available in the Water Supply Development Fund?
 - b. Reference Worksheet COSWtrRates (1-Year), Cell J194 – For FY 2021, \$1,293,672 is budgeted for the Water Superintendent. The FY 2020 model shows a budgeted amount of \$1,022,811. What led to this year over year increase in the budgeted value?
 - c. Reference Worksheet COSWtrRates (1-Year), Cell J202 – For FY 2021, \$805,573 is budgeted for the Transfer back to the General Fund. The FY 2020 model shows a budgeted amount of \$569,893. What led to this year over year increase in the budgeted value?
2. Reference Worksheet COSWtrRates (1-Year), Cell J212 – Please provide more information as to what comprises the budgeted value of \$817,000 for minor capital expenses related to Raw Water? This value has increase substantially from the \$151,500 budgeted in the prior year. Please indicate what changed and identify the planned minor capital expenses for the upcoming budget year.
3. Reference Worksheet COSWtrRates (1-Year), Cell J225 – What is driving the reduction in Property Rentals year over year? The budgeted amount for FY 2021 is \$391,500 as compared with the budgeted amount in the prior year of \$500,000.
4. Reference Worksheet RW True-up (1-Year), Line 68 – No reserve adjustment is being made for Actuals for FY 2019, while an adjustment of \$1,713,265 was made in the 2018 Raw Water True-up. Please explain what is represented by this amount in 2018 and why an adjustment is not made for 2019?
5. Reference Worksheet RW True-up (1-Year), Line 72 – Please explain why no Choke Canyon debt differential is recognized in 2019, while a differential of \$283,167 was recognized in 2018.
6. Reference Worksheet RW True-up (1-Year), Line 78 and 79 – the calculations in these lines for 2019 appear inconsistent with the treatment in 2018. Please explain the differences. Screenshots to the 2018 true-up versus the 2019 true-up are provided below:

- 2018 True-up Calculations:

Ratepayers Adjustments			
Choke Canyon Debt Differential	\$ -	\$ (698,282)	(698,282)
Bureau of Rec Choke Canyon Credit	\$ (381,449)	\$ -	981,449
Total Adjustments	\$ (381,449)	\$ (698,282)	\$ 283,167

- 2019 True-up Calculations:

Ratepayers Adjustments			
Choke Canyon Debt Differential	\$ (954,733)	\$ (954,733)	\$ -
Bureau of Rec Choke Canyon Credit	\$ (152,613)	\$ (152,613)	\$ -
Total Adjustments	\$ (1,107,346)	\$ (1,107,346)	\$ -

7. Reference Worksheet Wexp, Line 138 – In prior years, Reimbursements have been recognized; however, no such reimbursements were budgeted for 2021. Please explain the change to the City’s budgeting methodology as to why no reimbursements are included for 2021.
8. For the items indicated below, please provide an explanation of the budgeted increase year over year. For salaries and wages, please indicate personnel changes being made in terms of positions which may be contributing to an increase.

Reference	2020 Value	2021 Value	Increase
Wexp, Line 247 Water Utility Admin Department Other Contractual Services	\$ 38,145	\$ 133,130	\$ 95,015
WExp, Line 499 Water Administration Department Other Contractual Services	\$ 1,318,257	\$ 2,319,709	\$ 1,001,452
WExp, Line 503 Water Administration Department Other Allocations	\$ 2,497,551	\$ 2,804,339	\$ 306,788
WExp, Line 593 Choke Canyon Dam Vehicles & Machinery	\$ 0	\$ 688,000	\$ 688,000
WExp, Line 992 Stevens Filter Plant Salaries and Wages	\$ 2,540,259	\$ 2,912,238	\$ 371,979
WExp, Line 1,003 Stevens Filter Plant Other Contractual Services	\$ 2,014,797	\$ 4,146,306	\$ 2,131,509
WExp, Line 1,160 Water Meter Maintenance Salaries & Wages	\$ 1,667,933	\$ 1,978,311	\$ 310,378
WExp, Line 1,202 Water Construction Salaries & Wages	\$ 2,723,807	\$ 3,297,110	\$ 573,303
WExp, Line 1,223 Water Construction Vehicles & Machinery	\$ 538,427	\$ 1,044,358	\$ 505,931
WExp, Line 1579 Transfers to General Fund	\$ 2,279,571	\$ 3,222,290	\$ 942,719

9. Please provide the City’s latest Indirect Cost Study which justifies the budgeted Transfer to the General Fund from the water utility.

ATTACHMENT 4

Resolution 20-26

SOUTH TEXAS WATER AUTHORITY
Resolution 20 – 26

A RESOLUTION ADOPTING THE RECOMMENDED FISCAL YEAR 2021 BUDGET.

WHEREAS, the South Texas Water Authority is required to adopt a budget for each fiscal year, and

WHEREAS, with the adoption of this budget, the Authority adopts the following Handling Charge and *estimated* Water Rate for Customers:

A Handling Charge of \$0.426386 per thousand gallons PLUS the cost of water purchased from the City of Corpus Christi which is based on *estimated* monthly sales volume as follows:

Month	ESTIMATED Volume	Corpus Christi Water Cost	Corpus Christi Price Per 1000g
October-2020	44,236,289	\$111,124.41	\$2.512065
November-2020	41,032,655	\$103,131.35	\$2.513397
December-2020	40,492,503	\$101,783.67	\$2.513642
January-2021	42,347,240	\$111,535.26	\$2.633826
February-2021	37,836,906	\$99,736.23	\$2.635951
March-2021	41,225,690	\$108,601.29	\$2.634311
April-2021	42,950,745	\$113,114.03	\$2.633576
May-2021	46,657,821	\$122,811.74	\$2.632179
June-2021	45,007,478	\$118,494.45	\$2.632772
July-2021	53,446,789	\$140,571.68	\$2.630124
August-2021	55,820,318	\$146,780.83	\$2.629523
September-2021	46,709,246	\$122,946.27	\$2.632161

The *estimated* Total Monthly Water Rate per month is as follows:

Month	Handling Charge	Corpus Christi Price Per 1000g	Estimated Total Price Per 1000g
October-2020	\$0.426386	\$2.512065	\$2.938451
November-2020	\$0.426386	\$2.513397	\$2.939783
December-2020	\$0.426386	\$2.513642	\$2.940028
January-2021	\$0.426386	\$2.633826	\$3.060212
February-2021	\$0.426386	\$2.635951	\$3.062337
March-2021	\$0.426386	\$2.634311	\$3.060697
April-2021	\$0.426386	\$2.633576	\$3.059962
May-2021	\$0.426386	\$2.632179	\$3.058565
June-2021	\$0.426386	\$2.632772	\$3.059158
July-2021	\$0.426386	\$2.630124	\$3.056510
August-2021	\$0.426386	\$2.629523	\$3.055909
September-2021	\$0.426386	\$2.632161	\$3.058547

Out of District Customers shall pay an in lieu of taxes monthly charge based on the Customer's taxable value and the adopted tax rate.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority adopts the attached Fiscal Year 2021 Budget and above stated water rates as reviewed by the Board of Directors.

Duly adopted this 8TH day of September, 2020.

RUDY GALVAN, PRESIDENT

ATTEST:

FILIBERTO TREVINO, SECRETARY/TREASURER

ATTACHMENT 5

Resolution 20-27

SOUTH TEXAS WATER AUTHORITY

Resolution 20-27

RESOLUTION ADOPTING THE FISCAL YEAR 2021/TAX YEAR 2020 TAX RATE.

WHEREAS, the South Texas Water Authority Board of Directors has determined that it is necessary to levy and collect ad valorem taxes for the 2020 tax year, and

WHEREAS, the combined appraisal rolls of the South Texas Water Authority have been compiled by the Appraisal Districts in Nueces and Kleberg Counties, and

WHEREAS, South Texas Water Authority held a public hearing on a proposed tax rate for the tax year 2020 on September 8, 2020 at 5:30 p.m. at 2302 East Sage Road, Kingsville, Texas 78363.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Texas Water Authority that the following tax rate shall be levied for Fiscal Year 2021/Tax Year 2020:

\$0.070986 per \$100 of taxable value for the purposes of maintenance and operation

\$0.015940 per \$100 of taxable value for debt service

\$0.086926 total tax rate per \$100 of taxable value

Duly adopted this 8th day of September, 2020.

RUDY GALVAN, JR., PRESIDENT

ATTEST:

FILIBERTO TREVINO III, SECRETARY/TREASURER

ATTACHMENT 6

Painting of GST at Central PS

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 2, 2020
Re: Tank Work – Smaller Ground Storage Tank (GST) – Central Pump Station (PS)

Background:

From time to time storage tanks will require painting and addressing corrosion areas. In FY 2018, the Agua Dulce GST was painted. Last year, a liner was installed in the Driscoll GST. For FY 21, staff is proposing that the smaller Central PS GST be painted. The preliminary budget included an estimated \$45,000 based on a quote from Diamond Enterprises, a company that STWA and the Ricardo Water Supply Corporation have used on tank projects. The final draft budget includes \$38,000.

Analysis:

Diamond Enterprises quoted about \$65,000 for painting the interior of the tank and spot painting the exterior. Pittsburg Tank and Tower has quoted \$35,794 for painting the exterior and interior and applying a coating to the seams of the bolted tank. A third company was contacted by Armando Yruegas. Enclosed is PAT Tank's response indicating that they would not be submitting a quote. Finally, enclosed is a fourth email sent to NG Painting, the company that installed a liner in the Driscoll PS GST last year. As you can see from the email chain, a response to inquiries about work at the RWSC's PS #1 EST went unanswered. Prior to Armando's passing, he had contacted the company's office and was told our previous contact person was no longer affiliated with NG Painting. I thought he had requested a quote. However, I was unable to locate an email request in his desktop computer. Their office manager may respond to my latest correspondence.

Nonetheless, staff is of the opinion that the quote from Pittsburg Tank and Tower should be considered. If the Board approves the quote, staff will notify Pittsburg that STWA will not make any advance payments. Mr. Bill Flickinger, Willatt and Flickinger, has indicated that the Board may approve the quote at this time and, as long as the work begins after October 1, 2020, the cost will be part of the FY 21 budget.

Staff Recommendation:

Consider approving the quote from Pittsburg Tank and Tower in the amount of \$35,794.

Board Action:

Determine whether to approve the quote from Pittsburg Tank and Tower in the amount of \$35,794.

Summarization:

A quick summary of the other tanks utilized by wholesale customers is as follows:

- Sablatura Park – NWSC owns the tank as part of the Wholesale Contract negotiations,
- Banquete – NCWC&ID#5 owns the original GSTs, NWSC will own the new GST, and the EST will be demolished.
- Central – The larger 64,000-gallon GST had ladder work done in 2017, which may be considered for a project in FY 22.
- Driscoll – a liner was installed last year.
- Bishop East – the NWSC owns this GST, which is a concrete steel reinforced tank.
- Kingsville – the City of Kingsville owns this GST.
- Ricardo – the RWSC owns all storage facilities.

mcgserrato@stwa.org

From: Patrick Hocking <phocking@pttg.com>
Sent: Wednesday, August 12, 2020 9:37 AM
To: mcgserrato@stwa.org
Cc: Armando Yruegas; 'Dony Cantu'; 'Frances Rosales'; 'Jo Ella Wagner'
Subject: RE: Water Tank Painting Quote - 32,000 gallon, Robstown, TX

Thanks for the feedback. Our pricing should be good for 3+ months.



Patrick Hocking
National Accounts Manager
Pittsburg Tank & Tower Group
Maintenance Division
PO Box 1849, Henderson, KY 42419

P: 270-826-9000 Ext: 4625 | F: 270-854-1565

www.PTTG.com [Facebook](#) [LinkedIn](#) [Twitter](#) [Instagram](#) [YouTube](#)

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Wednesday, August 12, 2020 9:20 AM
To: Patrick Hocking <phocking@pttg.com>
Cc: Armando Yruegas <ayruegas@stwa.org>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: RE: Water Tank Painting Quote - 32,000 gallon, Robstown, TX

CAUTION:External Sender

Patrick,

This is a quote that I believe the Board would be very interested in awarding. However, the work is for the upcoming fiscal year which begins October 1st. At this time, STWA is scheduled to adopt a budget on September 8th – about 3 weeks from now. I have confirmed with our legal counsel that the STWA Board could consider the quote during that meeting and determine whether to award the work contingent on the start date being after October 1st. We are checking with our outside auditor as well.

Please let me know if Pittsburgh will need to revisit the quote next month.

Have a good day,
Carola

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

From: Patrick Hocking <phocking@pttg.com>
Sent: Wednesday, August 12, 2020 8:33 AM
To: mcserrato@stwa.org
Subject: Water Tank Painting Quote - 32,000 gallon, Robstown, TX


Carolla,
I have attached my quote for the water tank painting and CIM interior coating option for this bolted tank.
Please let me know if you have any questions.
Thanks.



Patrick Hocking
National Accounts Manager
Pittsburg Tank & Tower Group
Maintenance Division
PO Box 1849, Henderson, KY 42419

P: 270-826-9000 Ext: 4625 | F: 270-854-1565
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**PITTSBURG
TANK & TOWER
GROUP** 
MAINTENANCE DIVISION Since 1919
"100 years and still climbing"

1 Watertank Place
PO Box 1849
Henderson, KY 42419
P: 270-826-9000
F: 270-767-6912
www.pttg.com

Tuesday, August 11, 2020

Carola Serrato
Executive Director
South Texas Water Authority
PO BOX 1701
Kingsville, TX 78364
361-592-9323
mcserrato@stwa.org

Carola,

Since 1919, Pittsburg Tank & Tower Group Maintenance Division has been providing tank services to our customers in over 60 countries, proudly making us a Global Company. Our wealth of experience encompasses all aspects of tank maintenance services, from paint and repair to dismantle and inspections. Our expertise expands beyond maintenance to tank design, fabrication, erection and professional engineering services for new tanks and modifications to existing tanks, including raising, lowering and moving services.

Having been ranked in the Top 600 Specialty Contractors and among the top 15 steel erectors according to Engineering News Record, it was natural to expand our offerings into the Custom Engineering and Manufacturing Industry. Our sister company, Allstate Tower Inc., manufactures structural steel components for towers and agricultural material handling, including complete turn-key systems and installation services.

At Pittsburg Tank & Tower Group, it's not only about the products we produce, but the people as well. Being a family-operated company with a commitment to the Safety and Health of our family of employees, we have worked with the Commonwealth of Kentucky's Labor Cabinet to achieve our SHARP Certification (Safety and Health Achievement Recognition Program), and we are recognized as a Drug Free Workplace in accordance with the standards set forth by the regulation; 803 KAR 25:280 Certification of Drug-Free Workplace.

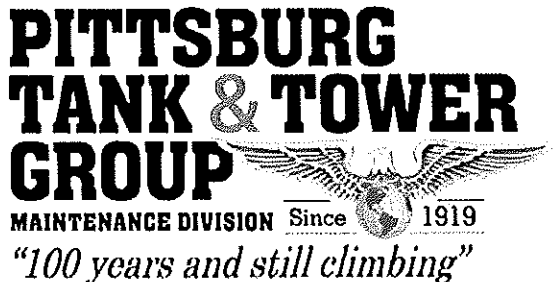
We are proud to provide you with this proposal and look forward to working with you should you decide to accept it. To accept the proposal, simply sign and date one (1) copy and return it to our Henderson, KY office either by mail, fax or email.

Please feel free to contact us should you have any questions or concerns, or simply want to discuss the proposal further.

Respectfully,

**Pittsburg Tank & Tower Group
Maintenance Division**

Patrick Hocking
National Accounts Manager
270-826-9000 Ext: 4625
270-854-1565 Fax
phocking@pttg.com



1 Watertank Place
PO Box 1849
Henderson, KY 42419
P: 270-826-9000
F: 270-767-6912
www.ptfg.com

Tuesday, August 11, 2020

TO : South Texas Water Authority
PO BOX 1701
Kingsville, TX 78364
EMAIL : mcserrato@stwa.org

ATTN : Carola Serrato
Executive Director
PHONE : 361-592-9323

Re: Recoating of the Bolted Ground Storage Tank located at 4638 FM and 2826 Robstown, TX 78380

In accordance with price, terms and conditions quoted below, we propose to furnish all labor, material, equipment and insurance necessary to complete the following on: **One (1) 32,000 gallon flat panel bolted ground storage tank, 18' D x 17' H.**

SCOPE OF WORK

Pricing is Based on Non-Prevailing Wages

\$9,927.00	Exterior Recoating: Pressure wash the exterior of the tank and support structure using an anti-fungal biodegradable solution and hand tool clean as necessary. Then apply one spot prime coat of metal primer and one complete finish coat of acrylic.
\$14,974.00	Interior Recoating: Sandblast, SSPC-SP10 (near white) all rusted and abraded interior areas and brush blast, SSPC-SP7, all remaining interior areas. All areas sandblasted to a #10 as well as all weld seams will receive one (1) spot coat of epoxy primer and an epoxy system will then be applied to the entire tank to achieve 8 to 10 mils of total dry film thickness. Total mileage includes a combination of the existing and new coating.
\$10,893.00	CIM: Clean the interior seams, then as needed apply a high solids CIM 1000 Trowel grade rubberized coating to all horizontal and vertical seams on the tank interior shell, floor and around the circumference of the shell-to-floor connection. This coating allows up to 350% elongation due to contraction and expansion caused by thermal shifts as well as filling and draining of the tank. All seams will be dry prior to application for proper adhesion. CIM is a flexible coating that also responds to potential leaks. This product is applied thicker than most coatings at up to 30 mils resulting in longer life.

*Pricing is based on performing the work when we have a crew mobilized in the area.

*Pricing is based on performing all three (3) services in the same mobilization.

Depending on the number of items accepted, prices may vary. Please refer to applicable codes.

- Warning: Do not attach any additional loading to your tank/tower unless structural integrity is known to be sufficient. For analysis call PTM.
- Our welders are certified in accordance with ASME section IX code.
- In the event the tank must be drained, it should be drained by the owner, prior to our arrival (refer to Item #2 on our Terms & Conditions page).
- Debris generated from repairs and/or painting will be placed in containers provided by the owner and to be disposed of by the owner.

Paint • Repair • Dismantle • Inspect • Reinsulate • Tanks Raised, Lowered, and Moved
New and Used Tanks



Tuesday, August 11, 2020

Terms & Conditions

- 1) Prior to start of work, Owner will be furnished a certificate of insurance covering Workman's Compensation, Occupational Disease, Employer's Liability, and General Liability.
- 2) If tank is to be drained prior to our arrival, it shall be drained by owner. If it becomes necessary to drain the tank while on site, it must be drained by the Owner/Customer.
- 3) If needed a pressure release valve will be furnished during the cleaning and painting operation. Owner required to notify PTTM prior to mobilization if required.
- 4) In the event interior and/or exterior complete tank repainting is not included in this scope of work, all new tank appurtenances furnished and installed by PTTM as part of this scope of work shall be field primed and finish coated to match existing coating system(s), unless specifically excluded from our scope of work. Color to match as close as possible.
- 5) No paint shall be applied during wet, damp, or inclement weather.
- 6) All paint will be delivered to the job site in original containers with contents identified by the manufacturer.
- 7) If necessary, customer will be required to clear/move vehicles and equipment a safe distance from the job site to prevent damage and place physical barricades around the perimeter to restrict access.
- 8) Work to be performed using our standard wage scale with Open Shop personnel, by mechanics skilled in their trade.
- 9) All workmanship is guaranteed for twelve (12) months after completion.
- 10) Owner is to provide dumpster(s) for trash, paint consumables, blast media, and all other waste produced during course of job, including disposal of said waste.
- 11) Handling, removal, and/or disposal of hazardous or contaminated material (e.g., asbestos, lead, chemicals, heavy metals, etc.) requiring special handling or transportation to a specific disposal site are not included in the submitted quotation for work. Unless specifically included in our scope of work.
- 12) This quote does not provide for the shrouding or containment of blast media and paint.
- 13) Owner understands and agrees any Federal, State, and Municipal taxes imposed on Contractor with respect to the outlined work are additional expenses not included in the contract and further assumes the obligation of paying said additional costs incurred by Contractor. PTTM does not include costs for any permits, local licenses, fees, etc. in this proposal.
- 14) OWNER / CONTRACTOR agree that the exclusive venue for any litigation arising out of or relating to this Agreement shall be in the Circuit Court of Henderson County, Kentucky and that this Agreement and any litigation arising thereunder shall be governed, construed and interpreted according to Kentucky law.
- 15) In the event OWNER initiates any litigation against PTTM in contravention of this venue provision, OWNER shall pay PTTM's attorney's fees and costs incurred in obtaining a dismissal and transfer of the litigation to the proper venue in the Circuit Court of Henderson County, Kentucky.
- 16) OWNER and PTTM hereby waive any right they may otherwise have to venue in a federal court including, but not limited to, any right arising under federal question or diversity jurisdiction.

TERMS

50% with Order; Balance upon Completion OR Mutually Agreed Payment Terms
MasterCard, Visa and American Express are accepted, with prior authorization
 Payments made by credit card will be subject to a processing fee of 3%.
 Interest will be applied to payments not received in accordance to payment terms.

The parties approving this contract certify that they are fully authorized to do so, and that all legal requirements have been complied with. You are hereby authorized to furnish all labor, material, equipment and insurance required to complete the work mentioned in the above proposal, for which the undersigned agrees to pay the amount mentioned in said proposal. OWNER / CONTRACTOR agree that the exclusive venue for any litigation arising out of or relating to this Agreement shall be in the Circuit Court of Henderson County, Kentucky and that this Agreement and any litigation arising thereunder shall be governed, construed and interpreted according to Kentucky law. In the event OWNER initiates any litigation against PTTM in contravention of this venue provision, OWNER shall pay PTTM's attorney's fees and costs incurred in obtaining a dismissal and transfer of the litigation to the proper venue in the Circuit Court of Henderson County, Kentucky. OWNER and PTTM hereby waive any right they may otherwise have to venue in a federal court including, but not limited to, any right arising under federal question or diversity jurisdiction.

ALL QUOTATIONS SUBJECT TO ACCEPTANCE WITHIN 60 DAYS

Accepted : _____, 2020
 Company : South Texas Water Authority
 By : _____
 Title : _____

Respectfully Submitted by:
**Pittsburg Tank & Tower Group
 Maintenance Division**
 By : _____
 Jordan Pyles, Executive Director of Sales
jpyles@pttg.com
 270-869-9400 Ext: 4601

Paint • Repair • Dismantle • Inspect • Reinsulate • Tanks Raised, Lowered, and Moved
New and Used Tanks

DIAMOND ENTERPRISE, INC.
151 E. Main Street, P. O. Box 1009, Gloster, MS 39638
Phone: 601-225-7488 Fax: 601-225-7595
e-mail diamond.aw@yahoo.com

July 14, 2020

Armando Yruegas
South Texas Water Authority
P.O. Box 1701
Kingsville, Texas 78364
361-455-8596
ayruegas@stwa.org

Re: Painting Central Small GST

Armando,

We are pleased to quote you some prices for painting the above-mentioned tank

- | | |
|---|--------------|
| 1. Interior- Sandblast and Paint approximately | \$ 37,000.00 |
| 2. Outside – Full Blast and paint approximately | \$ 36,900.00 |
| 3. Outside - spot blast and paint approximately | \$ 27,700.00 |

Sincerely,

Archie W. Wilkins Sr.

ayruegas@stwa.org

From: Noe Perez <nperez@pattank.com>
Sent: Monday, August 3, 2020 7:33 AM
To: Armando Yruegas
Subject: RE: Central GST

Good morning Armando.

I spoke with my engineer in the corp. office.

This **bolted** tank cannot be serviced by PAT Tank. In the past, these tanks have sprung out leaks during high power blasting, and have caused more issues.

Thanks you for the opportunity.

From: Armando Yruegas <ayruegas@stwa.org>
Sent: Monday, July 27, 2020 11:17 AM
To: Noe Perez <nperez@pattank.com>
Subject: Central GST

ayruegas@stwa.org

From: Noe Perez <nperez@pattank.com>
Sent: Monday, July 27, 2020 11:34 AM
To: Armando Yruegas
Cc: David Hitt; Terry Block
Subject: RE: Central GST

Armando, Thanks for taking my call. I have sent your request up the flag pole.

I am sure that David Hitt our (Engineer PE) or Terry Block (COO) will be contacting you soon for any additional questions, or concerns regarding this corrosion/paint repair.

Thank you Sir.,

From: Armando Yruegas <ayruegas@stwa.org>
Sent: Monday, July 27, 2020 11:17 AM
To: Noe Perez <nperez@pattank.com>
Subject: Central GST

mcgserrato@stwa.org

From: mcgserrato@stwa.org
Sent: Wednesday, September 2, 2020 3:28 PM
To: NG Painting (dawn@ngpainting.net)
Subject: FW: Paint Work on Elevated Storage Tank (EST) in Ricardo, Texas

Dawn,

Apparently I did have your email address since you were copied on one of my last attempts to get a quote on the painting of an elevated tank for the Ricardo Water Supply Corporation. Below is the email chain on that project.

In addition to managing the Ricardo Water Supply Corporation, our office also manages the Nueces Water Supply Corporation. I am also the Executive Director for South Texas Water Authority. Between the three entities there are fourteen ground storage tanks, nine hydro-pneumatic tanks, and two elevated storage tanks.

South Texas Water Authority has a small 32,000-gallon bolted tank located at our Central Pump Station that needs paint work.

Is NG interested in providing a quote on the RWSC elevated tank or the STWA Central PS GST?

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

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Tuesday, January 14, 2020 2:57 PM
To: George Gramatikakis <george@ngpainting.net>
Cc: NG Painting (dawn@ngpainting.net) <dawn@ngpainting.net>; Armando Yruegas <ayruegas@stwa.org>; 'Dony Cantu (dcantu@stwa.org)' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: FW: Paint Work on Elevated Storage Tank (EST) in Ricardo, Texas

George,

I have left several voice mail messages on your cell phone and attempted to leave voice mail messages on the office phone. I did speak to someone in the office late last week. These calls are an attempt to determine whether NG Painting is interested in providing a quote on the paint job of the Ricardo Water Supply Corporation's elevated storage tank located on CR 2160. Below is an email send a little over a month ago.

If you are not interested, I would truly appreciate a brief response to that effect in order to have something to provide to the RWSC Board at their next meeting.

Thank-you,

Carola

Carola G. Serrato
General Manager
Ricardo Water Supply Corporation

ATTACHMENT 7

Black Mountain Accounting Software

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 2, 2020
Re: New Accounting Program – Black Mountain Software

Background:

As previously discussed, staff has been working on my retirement transition by researching and providing information regarding staffing and software in support of STWA's accounting personnel. Some of the items mentioned pertain to future relationships with wholesale customers and allocation of costs to provide service. Other items mentioned are related to staff's ability to continue to providing quality management service to the Nueces and Ricardo Water Supply Corporations. This agenda item is related to the purchase of a replacement accounting program. Currently, STWA, NWSC and RWSC use Sage 50 as an accounting program to track expenses and revenues. In addition, a payroll module used solely by STWA – since NWSC and RWSC do not have any employees – was purchased to process employees' paychecks.

Analysis:

As the Board is aware, STWA provides turn-key services to the NWSC and RWSC. STWA has always used separate Purchase Orders, Service Orders, and Work Orders for each entity. In addition, there is not any commingling of funds. STWA uses job descriptions and staff feedback of time spent to recoup the cost of providing these management services. A computer model is used to project the cost of providing these services based on each person's assigned percentage of time multiplied against the staff person's salary and overhead (benefits). Schedules for the various types of repairs and construction are updated periodically to ensure that those types of services are properly recouped. Equipment, vehicles, repairs to those items and fuel are also periodically examined for the same reason. However, as reported to the Board, these items are done using *Excel spreadsheets*. Staff believes that a more efficient and accurate way to track these types of items is through software features integrated into an accounting program.

Staff's research includes examining Sage 50 more closely and an online meeting with a Sage 50 trainer. Sage Intacct was also reviewed and a demonstration was provided to staff. Another, sophisticated software system called OpenGov was reviewed, also by demonstration. And, finally, Black Mountain software was researched including two online meetings and a demonstration. Staff believes Black Mountain's software will greatly assist in tracking the aforementioned items as well as expanding on the details of replacements and repairs to infrastructure and equipment associated with wholesale water service.

Staff Recommendation:

Purchase the Black Mountain software for \$29,263 which includes STWA, NWSC, and RWSC copies, the first-year annual fees and the first-time conversion. The package includes accounting, payroll, time cards, time clock interface, human resources, budget preparation, accounts receivable and cloud hosting.

Board Action:

Determine whether to purchase the Black Mountain software package.

Summarization:

Legal counsel has advised that the company can be notified of the purchase to be effective as of October 1, 2020 in order to get STWA into Black Mountain's queue.

From: Todd Schock <todds@blackmountainsoftware.com>
Sent: Thursday, July 9, 2020 1:54 PM
To: mcserrato@stwa.org
Cc: Todd Schock
Subject: Black Mountain Software - Software Package Quote
Attachments: BMS_City_Software_Relationships.pdf; product_quote.pdf

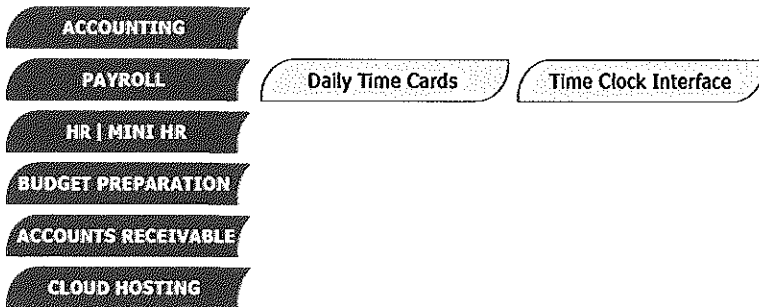


Carola Serrato
Executive Director
South Texas Water Authority

Hi Carola,

Thanks again for joining our demo today. Please find attached the quote we talked about. I have also attached a relationship chart for you to look at.

These links below will provide details of features and capabilities of each of the products listed on the quote provided.



Please review our [Minimum Requirements](#) to ensure Black Mountain Software functions efficiently and meets your expectations for your entity.

The prices you see on the quote include Purchase, Annual Maintenance, and Conversion where appropriate. There are no hidden fees. We have unlimited fantastic customer service: when your staff calls our 800 number they will speak to an individual that will help them solve their problem. We also include unlimited free on-line training for all of our current and support clients. That includes free monthly classes and on-demand classes (such as if a new employee is hired and needs to be trained on the software). We will see you through the conversion and installation and we will be there for you in the future, when you need us.

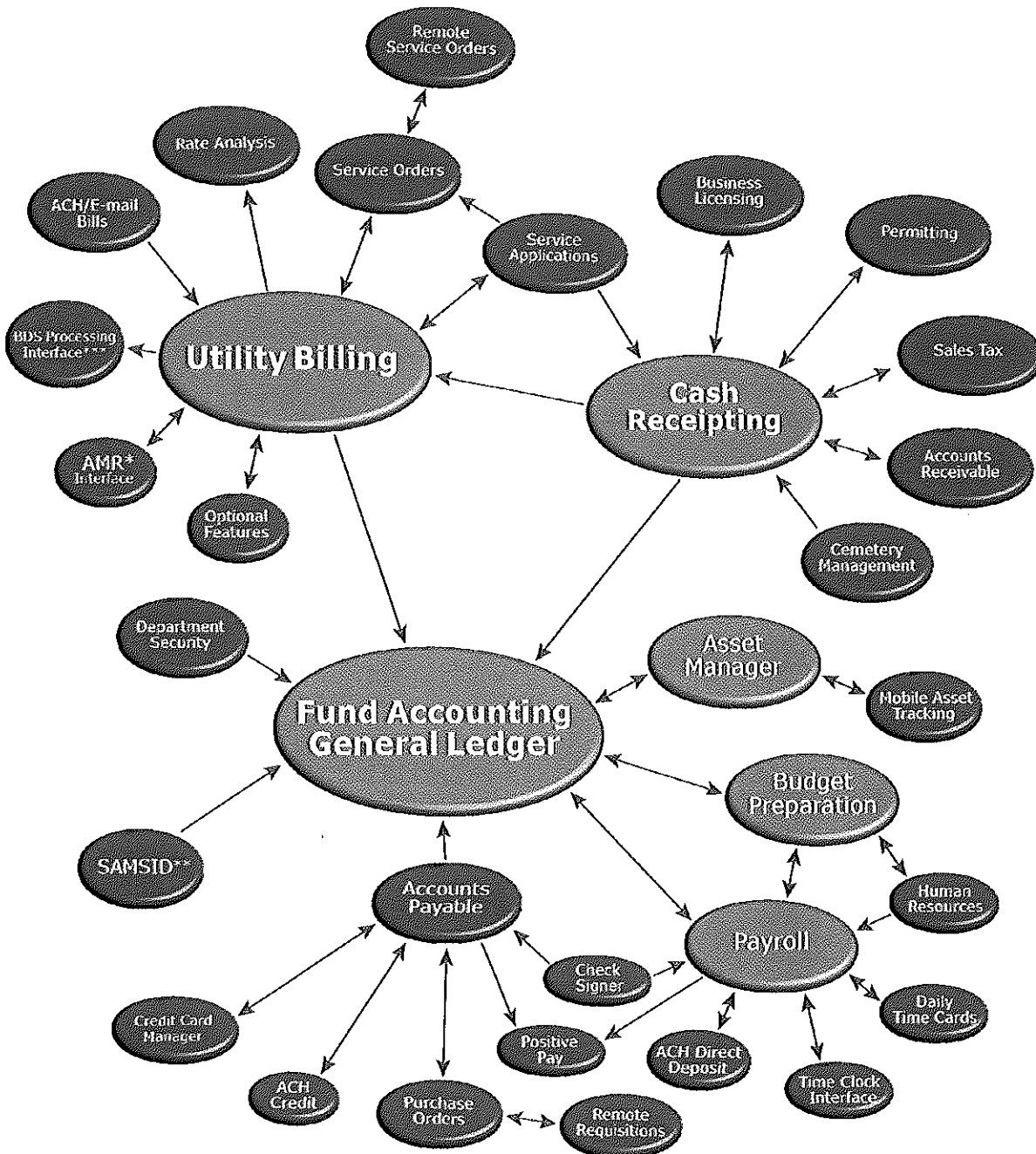
Would you please let me know you received this quote? If you have any questions at all feel free to call or email.

Talk to you tomorrow if not before.

Take care!

Todd

Todd Schock
Black Mountain Software Inc.
Cell 406.599.1976
www.blackmountainsoftware.com



* Automated Meter Reading Interface

** Special Assessment Manager and Special Improvement District Manager

*** BDS - credit card payments, online payments, IVR phone payments, etc.

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.

7. BMS Cloud Hosting is required for the software products quoted. The service is renewed annually and is non-refundable. Annual fees are subject to change. BMS Cloud Hosting service provides automatic database maintenance, software updates, nightly data backups, and the ability to access your BMS applications from anywhere with internet connection. Annual Software Maintenance Fees must be current on all products hosted on the BMS Cloud. If software maintenance is discontinued for a software application, it will be removed from the BMS Cloud. It can be relocated to your local workstation/server, if desired.
8. Normal billing procedures for new clients or stand alone applications for current clients require a 25% down payment, billed at commitment, and 75% final payment billed upon completion of installation and initial training of the core products, i.e., Accounting, Payroll or Utility Billing. Add on applications for current clients are billed for full purchase price only at commitment and maintenance begins upon completion of installation and/or training. All billing will commence in full for all products after one year from commitment unless other arrangements have been made.
9. All of our software products are multi-user, with an unlimited number of licenses (seats). In addition, 'Read Only' access is available to limit data changes for specified users, while still providing lookup and printing capabilities.

ATTACHMENT 8

Annexation Petition

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 2, 2020
Re: Annexation Petition – Set Time and Date for Public Hearing:
Resolution 20-28 – 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. Last month, the Board adopted Resolution 20-25 to begin the annexation process for Robstown Hardware Company which set the date and time for the required public hearing. Prior to the regular STWA Board meeting, the public hearing will occur; although, staff does not anticipate any attendees given that the annexation is for the single parcel.

Analysis:

Adoption of Resolution 20-28 completes the annexation process and enables the NWSC to provide retail service to the Robstown Hardware Company at the same rates (or rate) as all its other customers.

Staff Recommendation:

Adopt Resolution 20-28.

Board Action:

Determine whether to adopt Resolution 20-28.

Summarization:

Although this customer is a business, the annexation process is established by State law and staff has followed the required steps.

ATTACHMENT 9

Resolution 20-28

Chapter 551, Texas Government Code.

SIGNED AND SEALED the 8th day September, 2020.

Filiberto Treviño III, Secretary
Board of Directors

Rudy Galvan, Jr., President
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 20-28

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

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

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

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

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

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

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

STATE OF TEXAS :
COUNTY OF NUECES :

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

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

I.

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

II.

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

III.

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

IV.

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

V.

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

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

[Signatures and Acknowledgement on following page.]

EXECUTED this 2nd day of July, 2020.

Robstown Hardware Company

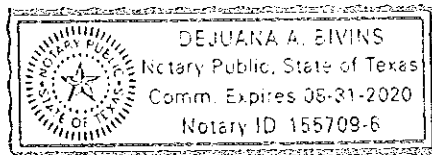
By: *Robert J. Underbrink*
Robert J. Underbrink
President

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Harris

Subscribed and sworn to before me DeJuana A. Bivins on this the
2nd day of July, 2020.



NOTARY SEAL

DeJuana A. Bivins
Notary Public

My Commission Expires: 8/31/20

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 10

Employee Compensation and Procedure for Compensation

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 3, 2020
Re: Chapter V – Employee Compensation and Procedure for Compensation

Background:

Enclosed is Chapter V, Employees' Compensation and Procedure for Compensation of the STWA Personnel Policies. This information was recently emailed to the STWA Board Officers in response to questions during a conference call discussion. Previously, the Management Selection Committee had met to discuss the replacement of the O&M Supervisor position. A comment was made that the interim O&M Supervisor should not be compensated while performing the additional duties. That subject is a separate agenda item.

Analysis:

As you can see from Chapter V, there are several statements indicating that the Executive Director has the authority to compensate staff. Item B.2. states that "[T]he Executive Director may, upon his/her discretion, authorize increase or decreases within such pay grades as outlined in the remaining sections of this chapter." Item E.1. refers to Reclassifications which are also at the discretion of the Executive Director. In addition, Item E.5. refers to Changes in Rates of Pay at the discretion of the Executive Director.

As mentioned above, the Interim O&M Supervisor salary is a separate agenda item. As a matter of professional courtesy and respect for the comment made by the Board Officer, I have not made an adjustment to the Interim O&M Supervisor despite the authority afforded to me by these policies. During the recent conference call, a comment was made that the Kingsville City Council takes action when appointing an acting City Manager. This is entirely correct and has happened several times since my selection as Executive Director in 1992. However, it should be noted that is the only time that the Council gets involved. Enclosed are emails indicating that all other acting/interim staff changes are done at the discretion of a department head/manager or the City Manager – as STWA's policies now stipulate.

Staff Recommendation:

As I indicated to Board President Rudy Galvan, the item pertaining to the salary of the interim O&M Supervisor would be placed on the STWA agenda. However, if the Board has determined that making salary adjustments are no longer at the discretion of the Executive Director, then the policies need to be revised. It is my opinion that the policies have stood the test of time, are consistent with policies used by local entities, and do not need to be modified.

Board Action:

Determine whether to modify Chapter V policies regarding the Executive Director's authority.

Summarization:

In my opinion, stripping the Executive Director's authority will create problems during my remaining employment as well as for future Executive Directors.

mcserrato@stwa.org

From: Frances Rosales - De Leon <fvrosales@stwa.org>
Sent: Monday, August 31, 2020 6:12 PM
To: mcserrato@stwa.org
Subject: RE: Step Up Policy

She said:

Recommendations from Department Director and/or Human Resources but City Manager is final decision maker.

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Monday, August 31, 2020 4:15 PM
To: 'Frances Rosales - De Leon' <fvrosales@stwa.org>
Subject: RE: Step Up Policy

Can you ask her if the City Commission is involved in the changes or is it decided by the City Manager or department head?

Carola

From: Frances Rosales - De Leon <fvrosales@stwa.org>
Sent: Monday, August 31, 2020 3:50 PM
To: Carola G. Serrato <mcserrato@stwa.org>
Subject: FW: Step Up Policy

This is the reply from the City of Kingsville HR Director.

From: Diana Gonzales <dgonzales@cityofkingsville.com>
Sent: Monday, August 31, 2020 3:32 PM
To: Frances Rosales - De Leon <fvrosales@stwa.org>
Subject: RE: Step Up Policy

In situations where a non-exempt employee does temporarily move to an exempt position then we will look at the minimum level compensation for the position. The City of Kingsville's compensation plan for Exempt Level personnel lists a Minimum, Midpoint and Maximum for each titled position. In this situation, individual would be moved to exempt status and maintain any certification pay which is only allowed for non-exempt staff during the interim period.

There have been other situations where a straight dollar amount is added to bi-weekly compensation for the added duties. It would all depend on the nature of the position and how much authority the interim position is allowed.

Hope this helps.

Diana- City of Kingsville

From: Frances Rosales - De Leon <fvrosales@stwa.org>
Sent: Monday, August 31, 2020 3:23 PM
To: Diana Gonzales <dgonzales@cityofkingsville.com>
Subject: RE: Step Up Policy

Ok, so if someone leaves a position, does it remain "unfilled" until someone is hired? I ask because unfortunately, we recently lost our Operations and Maintenance Supervisor. We are advertising for the position, but in the meantime, the duties of the job continue. So the Field Supervisor is trying to fill in while doing his own job as well. The hiring committee has been discussing whether or not he should be compensated for this extra work. Someone mentioned that when the City has had someone fill in as Interim City Manager, the City Council has provided compensation for that. But of course, that is different City Manager vs department head.

From: Diana Gonzales <dgonzales@cityofkingsville.com>
Sent: Monday, August 31, 2020 3:04 PM
To: Frances Rosales - De Leon <fvrosales@stwa.org>
Subject: RE: Step Up Policy

Hi,

There is no policy. City utilizes a stipend for when this occurs but happens very infrequently.

Diana Gonzales, SPHR, SHRM-SCP
City of Kingsville
Human Resources Director
P.O. Box 1458
Kingsville, Texas 78363
(361) 595-8017 - Phone
(361) 595-8064 - Fax
Email: dgonzales@cityofkingsville.com

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From: Frances Rosales - De Leon <fvrosales@stwa.org>
Sent: Monday, August 31, 2020 2:57 PM
To: Diana Gonzales <dgonzales@cityofkingsville.com>
Subject: Step Up Policy

Hi Diana,

Hope all is well.

Does the City of Kingsville have a policy that provides for extra pay for employees that step up to a higher paying position when needed? I remember back in the day when I was working at Public Works when someone would fill in during the absence of a supervisor, they would get extra pay for those days. Does the City still do this and if so is there a written policy that you could share with me.

Frances De Leon
South Texas Water Authority
361-592-9323 ext 115

CHAPTER V

EMPLOYEES' COMPENSATION AND PROCEDURE FOR COMPENSATION

A. Pay Periods

The pay period shall be bi-weekly, paid on every other Friday. The Executive Director shall have the authority to change the pay period and/or dates of payment when he/she deems it appropriate.

B. The Pay Plan

1. The basic compensation structure shall be prepared by the Executive Director and approved in conjunction with the annual STWA Budget.
2. The Executive Director may, upon his/her discretion, authorize increase or decreases within such pay grades as outlined in the remaining sections of this chapter.
3. On Call (Stand-by) Time and Pay (compensation). The vital nature of certain Authority services requires certain hourly (non-salaried) employees to be available in an "on call" or "stand-by" status before and after normal working hours, during the lunch hour, on holidays, and weekends. Employees on "on call" or "stand-by" status will be compensated in the following manner:
 - The employee that is scheduled to be "on call" or "stand-by" will receive an additional \$75.00 per 7 day period for being available as required.
 - "On call" and "stand-by" status requires that the employee can be contacted through the use of a beeper or other communication equipment that shall allow them a certain degree of mobility.
 - While "on call" or "stand-by", the employee will be required to respond to a certain number or numbers.
 - The employee will be guaranteed an hour of overtime on Saturday and an hour of overtime on Sunday to complete rounds at the FM 772 and CR 1030 site and Kingsville Pump Station.
 - Any actual overtime hours worked in excess of the guaranteed 2 hours for Saturday and Sunday will be compensated according to the Authority's overtime policy.
 - Any actual hours worked on holidays will be compensated according to the Authority's holiday pay policy.
 - The \$75.00 "on call" or "stand-by" compensation is in addition to any actual overtime compensation.

C. Cost-of-Living Increases

Cost-of-living increases shall be periodically proposed by the Executive Director and shall be subject to approval by the Board of Directors. Such increases shall be provided to all full-time employees.

D. Merit Increases

1. Definition - Merit increases are pay increases granted to employees other than cost-of-living increases and are contingent upon the availability of funds. A merit pay increase shall be based on superior job performance and productivity.
2. Procedure
 - a. Merit increases shall be initiated by the employee's supervisor and must be substantiated by superior performance and productivity.
 - b. The Executive Director shall have the authority to approve or disapprove all merit increases.
 - c. The employee's supervisor will make his/her determinations based upon the employee's evaluation results. Employee evaluations are outlined in Section F of this chapter.

E. Reclassifications, Promotions, Demotions and Longevity Adjustments

1. Reclassifications - A reclassification recognizes and rewards on a continuing basis an employee whose responsibilities have substantially increased and who is carrying out the new responsibilities in an able manner. The basic standard of eligibility for a reclassification shall be "high quality performance." In order to meet this standard, a determination must be made that:
 - a. The employee has gained increased competence through experience and training and is prepared to assume greater responsibilities and to perform more difficult tasks with competence.
 - b. The employee has, for a reasonable period of time, been performing the major function of the new position.
 - c. The employee's higher level of effectiveness has been so consistently maintained that it is reasonable to consider it to be characteristic of his/her performance level.
2. Promotion - A promotion recognizes that an employee is fully qualified for appointment to an existing position of higher grade than the one he currently holds.
3. Demotion - A demotion recognizes that an employee is not carrying out his/her existing or new responsibilities in an able manner.
4. Longevity Adjustment - A Longevity Adjustment recognizes that an employee has completed ten (10) years of employment and an adjustment shall be made to the employee's base annual salary that is equivalent to two (2) weeks salary at a rate of compensation not less than:
 - a. The average regular rate received by such employee during the last three years of employment, or
 - b. The final regular rate received by such employee, whichever is higher.

- c. In addition to items 4a. and 4b., the following chart will be applied as an incentive to retain new employees and reward dedicated employees:

Anniversary Year ¹	Salary Adjustment ²
1, 3, and 6	\$500
10, 15 and 20	\$750
25 and each 5-year period thereafter	\$1000

¹The anniversary would not be retroactive; it is based on uninterrupted number of employment years; an anniversary year and salary adjustment can only be awarded once – returning employees will not receive repeated salary adjustments for the same anniversary year.

²This amount will be added to the employee's base salary.

5. Changes in Rates of Pay - A reclassification, promotion or longevity adjustment shall be followed immediately by an increase within the approved budget, with an appropriate salary increase unless, the Executive Director decides that a reclassification or promotion without immediate salary increase is appropriate. The Executive Director may approve a salary adjustment after an employee has been employed at least six months. A demotion shall immediately be followed by a decrease within the approved budget, with an appropriate salary decrease.
6. Procedures - A reclassification, promotion or demotion shall be initiated by the employee's supervisor and shall be based on the employee's performance and productivity as exhibited by the employee's evaluation (see Section F). In cases of reclassifications, increased responsibilities should also be considered along with performance and productivity. The Executive Director shall have the authority to approve or disapprove all reclassifications, promotions or demotions.
7. License/Certificate – An increase of \$0.40 per hour shall be applied to an employee's rate of pay, with the exception of the Executive Director, for the following certificates and licenses:
TCEO (or its successor agency) – “A” Water, “B” Surface Water, “B” Ground Water, “B” Distribution, “C” Surface Water, “C” Ground Water, “C” Distribution, “D” Water and Customer Service Inspector.
Texas Department of Licensing and Regulation (or its successor agency – previously Board of Professional Tax Examiners) – Tax Assessor Collector Level III and Tax Assessor Collector Level IV.
Texas Department of Insurance (or its successor agency) – General Lines – Property and Casualty License and Adjuster – Workers' Compensation License.

Employee Responsibility for Initial License/Certificate – Obtaining the above-listed certificates and licenses requires attending courses and passing examinations. South Texas Water Authority will pay for the cost of the courses and any associated travel expenses. However, it is the employee's responsibility to study the necessary information. Failure to pass the same exam three (3) times may result in requiring that the employee be responsible for any necessary fees for testing, coursework, travel, and leave to obtain that specific license or certificate.

Employee Responsibility for Renewal of License/Certificate – In most instances the renewal of the certificates and licenses require the employee to earn CEU's

(continuing education units). The South Texas Water Authority will pay for the cost of the CEUs and any associated travel expenses. However, it is the employee's responsibility to keep track of their renewal date, report to their supervisor on necessary CEUs for renewal, and submit the necessary paperwork for renewal. Failure to maintain a license or certificate can result in a reduction in the employee's hourly rate as determined by the Executive Director.

Agency Requirements – South Texas Water Authority provides no assurances, guarantees or warranties that the above listed agencies or their successors will not change their license/certificate programs and any resulting consequences from those changes to the Personnel Policies.

F. Employee Evaluations

As of March 9, 1987, all STWA employees will be evaluated for job performance.

1. Procedure - Employees will be evaluated in the following manner:
 - a. Their immediate supervisor using the STWA's standard evaluation forms based on the employee's job description will evaluate employees. (NOTE -- evaluation forms will be updated as the employee's responsibilities and time requirements for various tasks are altered.) Evaluations will be scored on a scale of zero to five hundred.
 - b. Evaluations will be done on an annual basis during the month of July.
 - c. Following completion of the evaluation form by the employee's immediate supervisor, a joint conference between the employee, immediate supervisor, Assistant Director and Executive Director will be held. At this time, the employee will be allowed to review his/her evaluation and the employee will be informed of any necessary corrections to job performance as outlined below:
 - i. Any employee who receives an overall score of less than two hundred points will be considered to be performing at an unsatisfactory level. He/she will be placed on a three month probation in order to allow the employee to improve his/her job performance.
 - ii. Following the three month period, the immediate supervisor will re-evaluate the employee's job performance. At this time, if the employee's performance has not improved to the satisfactory level, the employee will be subject to dismissal.
2. Utilization - In addition to information regarding an employee's job performance, personnel evaluations will be used as a general guideline for matters regarding, but not limited to, reclassifications, promotions, demotions, merit increases, suspensions, and terminations.

ATTACHMENT 11
Interim O&M Supervisor Salary

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 3, 2020
Re: Interim Salary – O&M Supervisor

Background:

As mentioned in the Chapter V Board memo, the subject of the Interim O&M Supervisor salary was broached during the meeting of the Management Selection Committee as well as during a conference call with the Board Officers. In the past, salary adjustments for staff persons other than the Executive Director have been at the discretion of the ED.

Analysis:

In the past, per the authorization provided by the policies, I have made adjustments when any employee, whether working in the field or office, takes on added responsibilities and tasks. In the case of the Interim O&M Supervisor, there are substantial responsibilities that are part of the position. In addition, as pointed out to the Board officers, this individual will be expected to do the work of two persons – the O&M Supervisor and the Field Supervisor. Until the recent comment was made by the Board Officer to withhold any added compensation, this adjustment would have been part of my authorized duties and an adjustment would have occurred taking into consideration the individual's current salary, the salary of the previous O&M Supervisors, the added duties, as well as the staff person's skill levels.

One additional item warrants mention. The Board Officer raising objections to a salary adjustment stated that his past work experience did not include an adjustment to salary when filling a position on an interim basis. However, it appeared the reference was to a salaried position. The O&M Supervisor position is considered a management job; however, the job is paid on an hourly basis – the work duties are not strictly office/paperwork related and physical/field work is part of the job description.

Staff Recommendation:

This item was placed after the Chapter V agenda item. Nonetheless, it is my opinion that the decision to make a salary adjustment for the Interim O&M Supervisor should be that of the Executive Director.

Board Action:

The decision for this item should be contingent on the action taken pertaining to the Chapter V policies.

Summarization:

It speaks volumes that STWA staff continue to work diligently under extremely trying circumstances. Maintaining a normalcy and striving to provide not just adequate service but high quality, essential service during this pandemic is to be commended. Therefore, when an added event such as the tragic loss of a valuable and key employee is added to the picture, I find it difficult to justify any action that would further erode employee morale.

ATTACHMENT 12

FY 2021 Staffing

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 3, 2020
Re: FY 21 Staffing – Executive Director Retirement – Transition ¾ time Clerk to Full-time Position

Background:

As mentioned several times in the past and again more recently, I am approaching retirement age, having turned 64 a few weeks ago. In addition, there are four remaining major items that I have discussed as wanting to accomplish prior to my departure. Construction of a new Banquete Pump Station is one item and is underway. In fact, Pay Request #3 was submitted to Nueces County today. A wholesale water supply contract with the Nueces County Water Control and Improvement District #5 (Banquete) is another item. The third item is a permanent easement with the City of Bishop on the Bishop East Pump Station. And finally, the fourth item may prove to be unattainable which is a distribution expansion for the Nueces Water Supply Corporation to serve a subdivision that is ineligible for any State or Federal grant assistance.

Analysis:

As listed in the agenda item description, staff believes it is best to begin planning for my departure by discussing replacement procedures, selection committee, advertisement preferences, candidate qualifications, and whether a consultant will be utilized as part of the process. Staff is available to gather information and reach out to service providers on advertisement options and “head hunter” companies.

With regards to the recently discussed subject of transitioning a ¾ time clerk to a full-time position, I and office staff feel a need to plan accordingly. In other words, if this position will not be considered, staff needs to move forward with advertising for the part-time position and revisiting the revised job descriptions presented as a plan to expand certain accounting tasks. If the Board feels that the position may be considered at the 6-month FY 21 milestone, that information would be helpful.

Staff Recommendation:

Work with staff to plan ahead for FY 21 staffing.

Board Action:

Provide feedback to staff. Determine if a committee needs to be established. As a reminder, the Management Selection Committee has four (4) Board members and due to the current number of Board members constitutes a quorum for meeting purposes.

Summarization:

In my opinion, planning will be key to a successful FY 21 and, hopefully, the transition to having contracts with all wholesale customers including the long-term plan to transfer ownership of facilities used by each customer.

ATTACHMENT 13

TML Election

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 2, 2020
Re: Texas Municipal League (TML) Intergovernmental Risk Pool Board of Trustees Election Ballot

Background:

Enclosed please find the ballot for the TML Intergovernmental Risk Pool (TML) Board of Trustees election, Places 1 - 4. As you are aware, STWA has insurance coverage for general liability on property, general liability on vehicles, windstorm and workers compensation through TML. The deadline for submittal of the ballot is September 30, 2020.

Analysis:

There is only one candidate for Place 1, Mr. Robert T. Herrera. There are two (2) candidates for Place 2, Mr. Chris Armacost and the incumbent, Mr. John W. Fullen. There are three (3) candidates for Place 3, Mr. George Hyde, Mr. Roy E. Maynor and Mr. Jeffrey Snyder, the incumbent. For Place 4, there are four (4) candidates, the incumbent Mr. Robert S. Hauck, Mr. Dave Martin, Ms. Kimberly Meismer and Mr. Sean Overeynder. All places can have a write in candidate named. Each candidate has provided a short bio.

Staff Recommendation:

Staff does not have any recommendations to offer.

Board Action:

Determine which candidates to cast a vote for in Places 1- 4 of the Texas Municipal League Intergovernmental Risk Pool Board of Trustees Election.

Summarization:

Staff does not know any of the persons on the ballot.

RECEIVED

AUG 20 2020

OFFICIAL BALLOT

SOUTH TEXAS WATER AUTHORITY

Texas Municipal League Intergovernmental Risk Pool Board of Trustees Election

This is the official ballot for the election of Places 1 – 4 of the Board of Trustees for the Texas Municipal League Intergovernmental Risk Pool. Each Member of the Pool is entitled to vote for Board of Trustee members. Please record your organization's choices by placing an "X" in the square beside the candidate's name or writing in the name of an eligible person in the space provided. You can only vote for one candidate for each place.

The officials listed on this ballot have been nominated to serve a six-year term on the TML Intergovernmental Risk Pool (Workers' Compensation, Property and Liability) Board of Trustees. The names of the candidates for each Place on the Board of Trustees are listed in alphabetical order on this ballot.

Ballots must reach the office of David Reagan, Secretary of the Board, no later than September 30, 2020. Ballots received after September 30, 2020, cannot be counted. **The ballot must be properly signed, and all pages of the ballot must be mailed to:**

Trustee Election
David Reagan, Secretary of the Board
P.O. Box 149194
Austin, Texas 78714-9194

If the ballot is not signed, it will not be counted.

PLACE 1

- Robert T. Herrera (Incumbent).** City Manager, City of Cibolo (Region 7) since 2012. Mr. Herrera served as City Manager of Hondo, Texas from 2003 to 2012 and as City Manager of La Porte from 1986 to 2002. He has served other Texas cities, including management positions with the cities of San Marcos, Missouri City, and Woodway. Mr. Herrera has been a Board member of the TML Intergovernmental Risk Pool since 1993 and has served as Chair and Vice Chair of the Board. He also served as Chair of the Finance-Information Technology Committee and the Underwriting-Claims Committee of the TML Intergovernmental Risk Pool.

WRITE IN CANDIDATE:

PLACE 2

- Chris Armacost.** City Commissioner for the City of Hitchcock (Region 14). Mr. Armacost is Director of Technology, Transportation, Facilities, and Operations for the Hitchcock Independent School District. He serves on the Hitchcock Education Foundation and Hitchcock Chamber of Commerce. He is the president of the Hitchcock Little League Baseball Association and coached several teams. Mr. Armacort has been awarded the Hitchcock Chamber President Award and the Above and Beyond Citizen Award from the Hitchcock ISD. He has obtained a Certified Municipal Official certification from TML.

- John W. (Buzz) Fullen** (Incumbent). Mayor of the City of Henderson since 2019 and from 2004 to 2012 (Region 15). Mr. Fullen also served as a Commissioner of the Henderson Housing Authority from 2011 to 2019 and is now ex-officio on same. He currently serves on the Henderson Main Street Board (2004–present), Henderson Civic Center Board (2003–present), and the Henderson ETMC Hospital Diabetes Board (2009–present). He has been a Board member of the TML Intergovernmental Risk Pool since 2010, during which time he served as Chair (2018-2020) and Vice Chair (2016-2018).

WRITE IN CANDIDATE:

PLACE 3

- George Hyde.** City Attorney for the City of Wauuga (Region 8). Mr. Hyde is a partner in the law firm Russell Rodriguez Hyde Bullock, LLP, located in Georgetown. He is a member of and holds Merit Certification in Municipal Law from the Texas City Attorneys Association. He has served as City Attorney for ten other cities across Texas, since 2003. He has also served local governments in various public safety positions within Fire Departments, Parks Departments, and Police Departments. During his tenure as a peace officer, Mr. Hyde received the Texas Commission on Law Enforcement Educational Achievement Award for exceeding normal expectations in job performance.

- Roy E. Maynor.** City Alderman, Position 3, for the City of West Columbia (Region 14). He has been an elected official of West Columbia since 2013. Mr. Maynor is a Life Safety Systems Specialist for Vallen Safety Services and a member of Gulf Coast Christian Church. He is also part-owner of Grit Fitness in West Columbia. He and his wife, Rachel, have two children.

- Jeffrey Snyder (Incumbent).** City Manager for the City of Plainview (Region 2). He previously served as the Assistant City Manager for Plainview and as the City Manager for Idalou. Mr. Snyder graduated from West Texas A&M University and obtained a Master of Public Administration from Texas Tech University. He is a member of the International City Management Association (ICMA) and TCMA. He is a graduate of the Public Executive Institute through the University of Texas and is a credentialed manager through ICMA. He has been a Board member of the TML Intergovernmental Risk Pool since 2018 and served on various committees with TML, TCMA and ICMA and as past president of the Panhandle City Management Association.

WRITE IN CANDIDATE:

PLACE 4

- Robert S. Hauck** (Incumbent). City Manager for the City of Tomball (Region 14), a position he has held since April 2018. He began his full-time career in public service with the Los Angeles Police Department in 1988. In 2008, Mr. Hauck retired from the LAPD and joined the City of Tomball, where he has served as Chief of Police, Assistant City Manager, and now City Manager. Mr. Hauck holds a Bachelor of Arts degree in Business Administration, and a Master of Science degree in Management. He has been a Board member of the TML Intergovernmental Risk Pool since 2019. Mr. Hauck and his wife Kathleen have three children – Lauren, Conner, and Madeline.

- Dave Martin**. City Councilmember and current Mayor Pro Tem for the City of Houston (Region 14). Mr. Martin serves as Chair of the City Council Budget and Fiscal Affairs Committee. He previously served on the Humble ISD Board of Trustees and as Secretary/Treasurer of the Board of Directors for the Harris County Houston Sports Authority. Mr. Martin is a Managing Director of Marsh & McLennan Companies, Inc., the largest Global Risk Management firm. Previously he worked for two “Big Four” accounting firms, PricewaterhouseCoopers, LLP and Ernst & Young, LLP.

- Kimberly Meisner**. Executive Director for General Operations for Kerrville (Region 7), overseeing Human Resources, Municipal Court, Public Library, Public Information, the Senior Services Advisory Committee, and the Kerrville Area Youth Leadership Academy. Ms. Meisner has over 23 years of public service, which includes serving Kerrville and La Porte. She is a member of the TCMA, International Public Management Association for Human Resources (IPMA-HR), Society for Human Resource Management (SHRM), and is a former President of the Bay Area Human Resource Management Association. She has a Master’s degree in Public Administration and is an IPMA-HR Senior Certified Professional and a SHRM Certified Professional.

- Sean Overeynder**. City Manager for the City of Lamesa, Texas (Region 3). Sean Overeynder began his career in local government administration in August 2014 in Economic Development, working for various public and private organizations. He has held the position of City Manager for the City of Lamesa since March 2020. Prior to becoming the City Manager, he was appointed as the Economic Development Director for the City of Lamesa on August 27, 2018.

WRITE IN CANDIDATE:

Certificate

I certify that the vote cast above has been cast in accordance with the will of the majority of the governing body of the public entity named below.

Witness my hand, this _____ day of _____, 2020.

Signature of Authorized Official

Title

Printed Name of Authorized Official

Printed Name of Political Entity

ATTACHMENT 14
Camera/Security System

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: September 1, 2020
Re: Security Camera System

Background:

As the Board is aware, the Cathodic Protection trailer, equipment and materials was recently stolen from the Kingsville PS yard. This is the second theft from this facility since 1986. Enclosed are emails sent to Officer Vivianna Ramirez as well as STWA's bond counsel. Information has been provided to the Board by email on the time and date of the theft.

This item was scheduled to be placed on the agenda by staff; however, Mr. Brandon Barrera, Board Vice-President, also requested the item to be placed on the agenda. In the past, the subject of replacing security cameras was on three consecutive agendas in early 2017. The Board decided to forgo purchasing an entirely new system using wireless components as well as upgrading the existing system by reusing the existing hard wiring.

Analysis:

As shown in previously provided photos, the resolution produced from the existing video system does not provide any identifying information on the truck used to steal the CP trailer and its contents. By the same token, however, the photos produced from the camera system of our neighbors to the east do not reveal any usable information either. Since that business was built about a year ago, their system is much more up to date than STWA's system. I specifically mentioned this to Mr. Matt Cazalas, Alarm Security and Contracting, Inc. He agreed despite improvements in camera resolution through the years, that due to lighting and distance factors, there would likely be very little chance of capturing identifying features such as a license plate or face recognition from the cameras specified in the enclosed \$4,200 system or the \$15,800 system. Mr. Cazalas recommended, if a security upgrade is being considered, to purchase the less expensive system based on the camera resolution and possible use of the system. It should be noted that both systems are stand-alone systems that do not use the internet or the Cloud for storage or access.

In addition, staff contacted Protection One – ADT, the second company providing a quote in 2017. Information has been sent to Mr. Greg Lewis since Mr. David Perkins is no longer with the company. (See enclosed emails.) As you can see from the past quotes, this system would be a monthly service which would not be stand alone and would require recurring payments.

Staff Recommendation:

Consider whether any changes to the existing system is needed.

Board Action:

Determine if any type of security system upgrade, purchase or recurring services are needed.

Summarization:

It appears there are differing opinions from the sales representatives about the capabilities of cameras as it pertains to the layout factors of STWA's facilities – four structures – distances - lighting. More information should be available by the Board meeting for review.

From: mcserrato@stwa.org
Sent: Monday, August 31, 2020 9:05 AM
To: Vivianna Ramirez (vivianna.ramirez@kingsvillepd.us)
Cc: Frances Rosales
Subject: South Texas Water Authority (STWA) August CP Trailer Theft
Attachments: CP Trailer 04172020.pdf; Polaris Camera Photo 1 of 4.pdf; Polaris Camera Photo 2 of 4.pdf; Polaris Camera Photo 3 of 4.pdf; Polaris Camera Photo 4 of 4.pdf; STWA August 2020 Stolen CP Trailer Items20200831_08430282.pdf; STWA Camera 1.pdf; STWA Camera 7.pdf; STWA Camera 8.pdf

Importance: High

Tracking:	Recipient	Read
	Vivianna Ramirez (vivianna.ramirez@kingsvillepd.us)	
	Frances Rosales	
	Frances Rosales - De Leon	Read: 8/31/2020 9:59 AM

Good Morning Officer Ramirez:

Per our conversation this morning, attached are eight (8) items plus an additional photo of the equipped cathodic protection (CP) trailer:

1. Inventory List of the trailer items, including date of purchase, description, purchase price, vendor and comment. The total cost of the trailer and equipment is \$10,702.56.
2. Photo taken from STWA camera #7, which captures the trailer going down Sage Road at 4:13:23 a.m. on Friday, August 21st. The thieves pulled the trailer onto the road from the property to the east of the office (north of Polaris) and then traveled west on Sage Rd.
3. Photo taken from STWA camera 8, which captures the trailer at 4:13:30 a.m.
4. Photo taken from camera 1 shows the trailer moving out of camera range at 4:13:34 a.m.
- 5-8. Photos taken by Polaris camera system.
9. Photo of STWA CP Bumper Hitch Trailer – 1995 Big Texas – 12 foot length – 7000 GVW – License #9008397 – VIN# 4K8PX1227S1E03658.

Please let me or Frances DeLeon, STWA Business/Risk Manager, know if there is anything else you need. Frances is working from home this week. However, you can leave a voice mail message for her by calling our main number, 361-592-9323, and her extension is 115.

Thank-you, we appreciate your assistance in this matter.

Have a good day,
Carola

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

**South Texas Water Authority
CP Trailer Theft**

7/7/1995	Bumper 12' Big Tex Trailer	\$1,145.00	Superior Trailer Sales	Original Cost per invoice
7/8/2016	Welder - Eng. Drive Gas Ranger 250GXT, 2 weld clamps, electric holder, ground clamp, helmet, cable lugs	\$3,929.09	Praxair	Original Cost per invoice
11/7/2018	Canvas cover for Welder	\$164.69	Grainger	Original Cost per invoice
1/23/2019	Welding helmet auto ADF DIG 5-14 BLK PRS	\$239.95	Praxair	Original Cost per invoice
7/8/2016	Air Compressor, 14HP, 30 gallon, Ingersol Rand	\$1,924.97	Tractor Supply	Original Cost per invoice
10/23/2018	Flat Chisel	\$11.07	Grainger	Original Cost per invoice
10/19/2018	Air Chisel Scaler, 3000 BPM, Pistol	\$360.27	Grainger	Original Cost per invoice
	Rapid set concrete mix	\$12.80	Lowes	Original Cost per invoice
3/22/2019	1 Terminal Crimp Cutter	\$23.74	Lowes	Original Cost per invoice
3/22/2019	16.5" tongue & groove pliers	\$28.49	Lowes	Original Cost per invoice
12/27/2018	13-inch tool bag	\$20.87	Lowes	Original Cost per invoice
12/6/2018	7" Term Crimper, 15" Saw	\$20.86	Lowes	Original Cost per invoice
11/9/2018	Kobalt short handle drain	\$26.98	Lowes	Original Cost per invoice
11/9/2018	17 gallon snap lid container	\$16.16	Lowes	Original Cost per invoice
11/9/2018	4 piece tarp straps	\$8.08	Lowes	Original Cost per invoice
8/16/2019	Trailer tire rims	\$31.99	Husky	Original Cost per invoice
8/16/2019	2 air hammers w/ chisel set	\$116.51	Northern Tool	Original Cost per invoice
10/6/2018	25' measuring tape	\$6.98	Lowes	Original Cost per invoice
10/6/2018	100' measuring tape	\$14.98	Lowes	Original Cost per invoice
10/6/2018	Dewalt Grinder	\$79.00	Lowes	Original Cost per invoice
5/9/2020	Grinder Disks - 10	\$29.00	McCoys	Original Cost per invoice

4/14/2020	anodes \$69.00 each - 8 were on the trailer	\$552.00	Stuart Steel	Original Cost per invoice
12/11/2019	5ts 15" rim for trailer	\$32.99	Husky	Original Cost per invoice
4/23/2012	Black Tool Box	\$369.00	All Star Trucking	Original Cost per invoice
3/5/2020	200 Northstar sure splice kit w/ wire nuts	\$430.00	CC Electric	Original Cost per invoice
7/1/2020	24 clips	\$59.76	Thompson Pipe Group	Original Cost per invoice
\$91.00 ea.	2 Standard Steel Strapping Tensioner	\$182.00	Uline	Price obtained on Internet
\$289. ea.	2 high tensile steel strapping tensioner	\$578.00	Uline	Price obtained on Internet
	General Purpose Front Brim Hard Hat	\$12.35	Grainger	Price obtained on Internet
	Brown Cowhide Welding Jacket	\$111.00	Grainger	Price obtained on Internet
	50' Locking Extension Cord, Outdoor, 13.0A, 125V AC, Orange	\$20.50	Grainger	Price obtained on Internet
	Manual Pump Grease Gun	\$27.50	Grainger	Price obtained on Internet
	Flex Hose Air-Operated Grease Gun	\$92.00	Grainger	Price obtained on Internet
	Face Shield with Repel Sweat Band	\$23.98	Tractor Supply	Price obtained on Internet

Total	\$10,702.56
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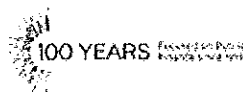
From: Noel Valdez <nvaldez@mphlegal.com>
Sent: Monday, August 31, 2020 3:19 PM
To: mcgserrato@stwa.org
Cc: Frances Rosales; Jo Ella Wagner; Bill Flickinger
Subject: RE: STWA - Use of Bond Funds to Replace Stolen Cathodic Protection Trailer and Equipment

Hi Ms. Serrato,

I'm so sorry to hear about the stolen equipment. I hope that everything else is well. You are correct, bond proceeds may be used for the project trailer and equipment. Once the insurance proceeds are received, those proceeds become replacement bond proceeds and must be used for project eligible costs.

As always, please call with any questions.

Best regards,



Noel Valdez
T 210.225.2800

From: mcgserrato@stwa.org [mailto:mcgserrato@stwa.org]
Sent: Monday, August 31, 2020 2:28 PM
To: Noel Valdez <nvaldez@mphlegal.com>
Cc: Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>; Bill Flickinger <bflickinger@wfaustin.com>
Subject: FW: STWA - Use of Bond Funds to Replace Stolen Cathodic Protection Trailer and Equipment

Good Afternoon Noel,

Recently, the trailer, mounted equipment and materials used by the cathodic protection crew was stolen. We are in the process of filing an insurance claim. The Kingsville Police Department has been contacted and a report filed. The total cost of the trailer, equipment and materials is between \$10,000 - \$11,000.

I am thinking that the trailer, etc. can be replaced using the bond funds since it is devoted to the CP project. When the insurance company reimburses STWA, the credit for the funds will be made to the balance of the available bond funds. Is this correct? Incorrect? Please advise.

It warrants mention that not all of the stolen items were originally purchased with bond funds. Attached is a detailed list of the items, including purchase date.

Thanks,
Carola

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

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Monday, August 31, 2020 2:12 PM
To: Carola Serrato (mcserrato@stwa.org) <mcserrato@stwa.org>
Subject: STWA - Use of Bond Funds to Replace Stolen Cathodic Protection Trailer and Equipment

Carola:

I received your voice-mail message. I recommend that you contact Noel Valdez, the Authority's Bond Attorney for answers to the questions you pose on using bond funds to replace the trailer and equipment and the subsequent reimbursement using available insurance proceeds. Thank you.

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: Lewis, Gregory <gclewis@adt.com>
Sent: Tuesday, September 1, 2020 4:50 PM
To: mcserrato@stwa.org
Subject: RE: STWA Camera Placement
Attachments: South Texas Water Auth CCTV Lease Purchase.pdf; South Texas Water Auth CCTV Direct Purchase.pdf

Good afternoon,

Per our conversations, here is the updated agreement/quotes for the CCTV System. The camera equipment was updated as the original quote was all analog cameras, they have been discontinued. The new ones are high definition digital hybrid cameras that work over your existing coax cable, but provide a major improvement in video quality, and the ability to zoom in live or recorded video.

Other than High Definition cameras, and a higher quality lens for the cameras mounted on the poles I also added one additional cameras for the interior that was left off the original quote.

Both quotes are identical with the exception of funding methods.

Option 1 is our lease purchase and option 2 is direct purchase option.

Both quotes provide for a full turn key system, and our full service plan.

Our service plan provides for full repair or replacement of any defective equipment at no additional charge for parts or labor.

If you wish to move forward, please sign one of the agreements and e-mail it back to me and I'll get you on the schedule, any questions please e-mail me or call me and I'll help you out.

Gregory Lewis

Sr Commercial Security Conslt.
814 Arion Pkwy, Suite 220, San Antonio, TX 78216-2837
O: 210.585.4503 M: 210.548.0759 E: gclewis@adt.com

www.adt.com/commercial

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From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Tuesday, September 1, 2020 12:05 PM
To: Lewis, Gregory <gclewis@adt.com>
Subject: STWA Camera Placement

CAUTION: This is an EXTERNAL email. Do not click links or open attachments unless you recognize the sender and know the content is safe.



* 8 9 0 9 5 7 8 1 3 *

Branch: 6690	Sales Representative: Gregory Lewis	Today's Date: 9/1/2020
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Customer Information			
Business Name:	South Texas Water Authority	Phone:	(361)592-9323
Address:	2302 E Sage Rd KINGSVILLE, TX 78363	Billing Address:	2302 E Sage Rd KINGSVILLE, TX 78363
Investment Summary			

Total Equipment and Installation Charge: \$2,032.81

Customer agrees to pay the Total Equipment and Installation Charge shown above, plus applicable taxes (collectively, the "Equipment Charges"). Simultaneously with the execution of this Agreement, Customer shall pay \$0.00 of these Equipment Charges, with a remaining balance of \$2,032.81 to be paid upon completion of the installation and as a precondition of activation of the Equipment and, if applicable, connection to the Central Station or direct connection service.

Recurring Service Charges: \$132.46 per month

In addition to the Equipment Charges, Customer agrees to pay the Recurring Service Charges shown above, plus applicable taxes (collectively, the "Service Charges") for the usage of any ADT Owned Equipment and any other recurring services selected, such Service Charges to be paid Monthly, in advance. Customer has made an advance payment of Service Charges in the amount of \$0.00 at the time of sale.

Licenses and Permit Charge: \$0.00

Customer agrees to pay the total Licenses and Permit Charge shown above (collectively, the "License and Permit Charge"). Customer shall pay \$0.00 at the time of sale.

Term Length: 60 Months

Our charges under this agreement are based on your agreement to receive and pay for the services for a full Sixty (60) month term.

Site Location Information			
Location Name:	South Texas Water Authority		
Address:	2302 E Sage Rd KINGSVILLE, TX 78363		
Site #:	0	Phone:	(361)592-9323

System Design Information			
System Design Name:	New System Design	Job #:	
Equipment Ownership:	ADT Owned		
Warranty Period:	90 Days		

Services			

New System Design

Service Plan

ADT Protection Plan

Equipment List

Quantity	Description	Included In Service Plan
1	16 Channel ADH, TVI, CVBS, IP DVR 4TB	Yes
5	Wisenet HD+ 4MP IR bullet camera, AHD or CVBS formats are available, 2.8 mm fixed lens, true D/N, 12	Yes
1	2MP analog, indoor dome, AHD, CVI, TVI, CVBS, 2.8 mm fixed lens, true D/N, 12VDC	Yes
6	Wisenet HD+ 2MP, Full HD(1080p) 30fps IR indoor dome camera, AHD/TVI/CVI/CVBS, motorized vari-focal	Yes
1	Cctv 12Vdc 11Amp 18 Output Power Supply	Yes
1	Power Cords	Yes
1	12 VOLT 7 AMP HOUR BATTERY	Yes

Equipment & Installation Total	\$2,032.81
Estimated Taxes	\$0.00
Monthly Fee	\$132.46

Scope Of Work

Scope of work:

Contact; Carola Serrato 361-592-9323

We will replace all of the existing cameras and DVR with new HD Hybrid Cameras and NVR.

All existing wiring is to be used, this is a direct swap out camera for camera and NVR, should be a plug and play.

Program NVR for remote viewing on and off site

Program NVR for Event Record.

Camera #1: Inside dome with wide angle lens

Camera #2: Right front corner with wide angle lens

Camera #3: Right front corner with wide angle lens

Camera #4: Left rear side, wide angle lens

Camera #5: Left rear side, wide angle lens

Camera #6: Left rear side, wide angle lens

Camera #7: Varifocal mounted on pole

Camera #8: Varifocal mounted on pole

Camera #9: Varifocal mounted on pole

Camera #10 Varifocal mounted on pole

Camera #11 Varifocal mounted on pole

Camera #12 Varifocal mounted on pole

Align all cameras to match existing and then adjust camera angle and lens to provide the zoom and angles the customer requires.

Scope of work:

Contact; Carola Serrato 361-592-9323

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Camera #4: Left rear side, wide angle lens

Camera #5: Left rear side, wide angle lens

Camera #6: Left rear side, wide angle lens

Camera #7: Varifocal mounted on pole

Camera #8: Varifocal mounted on pole

Camera #9: Varifocal mounted on pole

Camera #10 Varifocal mounted on pole

Camera #11 Varifocal mounted on pole

Camera #12 Varifocal mounted on pole

Align all cameras to match existing and then adjust camera angle and lens to provide the zoom and angles the customer requires.

Inclusions/Exclusions

General Notes

All prices quoted and any other offers made in this Proposal are valid for thirty (30) days from the date of this Proposal, after which they are automatically withdrawn and this Proposal shall be void.

All prices set forth in this Proposal are based on the assumption that Customer will countersign this Proposal and this Proposal will be the operative document between the parties. If instead of countersigning this Proposal, Customer submits a different document for consideration (such as a purchase order or contract), then legal review will be necessary and the prices set forth in this Proposal will be increased accordingly.

Except in the case where the "Rough Order of Magnitude Only" box is checked above, all pages of the Proposal must be initialed and/or signed where indicated and returned. Proposals returned with missing pages, initials or signatures shall be void.

Appendices

The following appendices are incorporated into the Proposal:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Appendix 1: Warranty | <input checked="" type="checkbox"/> Appendix 6: Recurring Services Terms and Conditions |
| <input checked="" type="checkbox"/> Appendix 2: General Terms and Conditions | <input type="checkbox"/> Appendix 7: Monitoring Agreement |
| <input type="checkbox"/> Appendix 3: NASPO Terms and Conditions | <input type="checkbox"/> Appendix 8: Brivo Hosted AVC and Video Terms and Conditions |
| <input type="checkbox"/> Appendix 4: ATM Install Terms and Conditions | <input type="checkbox"/> Appendix 9: Avigilon Terms and Conditions |
| <input type="checkbox"/> Appendix 5: ATM Software Support Agreement | <input type="checkbox"/> Appendix 10: Special Provisions |

Master Agreement

Customer and ADT are not parties to a Master Agreement (or similar document). This Proposal is governed by all terms and conditions as checked in the Appendices Section.

Customer and ADT are parties to a Master Agreement (or similar document). This Proposal is governed by the terms and conditions of such Master Agreement. However, any terms and conditions, and special provisions as checked shall apply to the Proposal as well. Items listed in this Proposal as having no warranty are applicable to this Proposal as well. In the event of any conflict between the Master Agreement and the checked provisions of this Proposal and/or any "no warranty" items in this Proposal, the provisions of this Proposal shall prevail. If Customer is not the end user (that is, if there are additional parties as set forth in the "Contract Chain" above), then Appendix 10 must be included in this Proposal. If Appendix 10 is not so included, this Proposal shall be void. Such a Master Agreement (or similar document) does not apply if NASPO is checked on this Proposal.

APPENDIX 1 - WARRANTIES

EXCEPT FOR THE WARRANTIES SPECIFICALLY SET FORTH BELOW, ADT EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THOSE OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

GENERAL WARRANTY

ADT warrants that the work and services to be performed pursuant to the Proposal will be completed by qualified personnel possessing the knowledge and capability to perform such work and services, and that such work and services shall be performed by such personnel in a professional and workman like manner. Where the Proposal includes the provision of "professional" Services by ADT (services that are required to be performed by a licensed engineer, architect, or other professional), the standard of care for such Services shall be the care and skill ordinarily employed by members of the profession practicing under similar conditions at the same time and locality of the relevant Services.

LIMITED WARRANTIES

Equipment. ADT warrants equipment sold under the Proposal for a period of 90 Days.

Installations. ADT warrants installation of equipment for a period of 90 Days beginning at Substantial Completion (excluding software defects).

Software Installation. ADT warrants software installation and programming by ADT for a period of 90 Days beginning at Substantial Completion (excluding software defects).

ATM Services. ADT warrants installation of ATM equipment and other ATM-related services (excluding test and inspection services) for a period of 90 Days beginning at Substantial Completion.

As used herein, "Substantial Completion" is defined as the stage that the work is sufficiently complete so that the Customer has beneficial use of the equipment and/or premises involved in the work. For a project involving multiple phases or facilities, Substantial Completion shall be determined, and the limited warranty shall run, for each phase or facility separately. Substantial Completion excludes commissioning.

During the warranty periods set forth above, ADT will at its cost, repair or, at its option, replace, any defective part of the equipment ADT installs or service ADT performs. ADT may, at its option, use new or reconditioned parts for replacements.

We perform repair services only during our normal working hours which are 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays. IF YOU REQUEST US TO PERFORM REPAIR SERVICES OUTSIDE OF OUR NORMAL WORKING HOURS, THEN WE MAY REQUIRE YOU TO PAY FOR OUR SERVICES AT OUR THEN-CURRENT RATES FOR LABOR.

ADT Service Plan/Extended Service Plan. Subject to the limitations and exclusions set forth in this Appendix 1, if Customer has subscribed to an ADT Service Plan/Extended Service Plan, then in lieu of the Limited Warranties set forth herein, ADT shall, at its cost, perform such repairs as set forth in the ADT Service Plan/Extended Service Plan for the term of such plan.

NO WARRANTY

Software Upgrades. Purchases of Software Upgrades have no warranty from ADT. Notwithstanding anything to the contrary in the Proposal or in any Master Agreement between the parties, any liability of ADT related to software upgrades pursuant to the Proposal shall be limited to the Total Price set forth in the Proposal.

Manufacturer Software Support and Services. Purchases of manufacturer software support and services have no warranty from ADT. A purchase of manufacturer software support may entitle Customer to software version upgrades. Any labor to install and commission the software upgrades is not included unless specifically set forth in the Proposal. Notwithstanding anything to the contrary in the Proposal or in any Master Agreement between the parties, any liability of ADT related to software upgrades pursuant to the Proposal shall be limited to the Total Price set forth in the Proposal.

Sprinklers. ADT does not warrant any sprinkler services (including but not limited to installation, testing, inspection, repair and maintenance) provided by ADT ("Sprinkler Work") against failures or against defects in the materials or workmanship provided. However, if any replacement part or item of equipment installed by ADT proves defective, ADT will extend to the Customer the benefits of any warranty ADT has received from the manufacturer. Removal and reinstallation of any equipment or materials repaired or replaced under a manufacturer's warranty will be at Customer's expense and at the rates then in effect. **THERE ARE NO WARRANTIES, STATUTORY, EXPRESS OR IMPLIED, IN CONNECTION WITH THE SPRINKLER WORK PERFORMED HEREUNDER, AND THE SOLE AND EXCLUSIVE REMEDY OF THE CUSTOMER FOR FAILURES OR DEFECTS IN THE SPRINKLER WORK PERFORMED IS TO HAVE THE SPRINKLER WORK REDONE AT THE CUSTOMERS EXPENSE.**

eSRG. Consulting services performed by the ADT eSRG team carry no warranty from ADT beyond the general warranty set forth above.

Design. Design services performed by ADT carry no warranty from ADT beyond the general warranty set forth above.

Monitoring Services. Monitoring Services carry no warranty from ADT. If applicable, see Appendix 7 for additional information.

Hosted Services. Hosted Services carry no warranty from ADT. If applicable, see Appendix 8 and Appendix 9 for additional information.

EXCLUSIONS

ADT's warranty does not include:

- a. Damage or malfunction due to accident, acts of nature (including lightning strikes), improper operation, power surge/loss, misuse, neglect, unauthorized modification or repair or use in a manner for which the equipment was not intended;
- b. Consumable items such as printer print heads or access cards, and items designed to fail in order to protect the equipment (such as fuses and surge suppressors);
- c. Technician services for troubleshooting, removing or replacing any failed component not covered by this warranty which may include upgrading or otherwise modifying and fixing Customer provided computer equipment;
- d. Any installation, maintenance, repair, service, relocation or alteration to or of, or other tampering with the equipment or replacement parts performed by any person or entity other than ADT without ADT's prior written approval, or any use of replacement parts not supplied by ADT, either of which shall void and cancel all warranties with respect to the affected products and/or Services.
- e. Software defects; and/or
- f. Telephone line malfunctions or modifications to Customer's telephone service that render it incompatible with the equipment or the central station.

APPENDIX 2 – GENERAL TERMS AND CONDITIONS

1. Work and Services to Be Performed/Provided. ADT agrees to perform the work and provide the goods, software, licenses and services that are described in the Proposal. If the Proposal contains options, then ADT shall only perform those options that have been chosen by the Customer. All items to be performed pursuant to the Proposal are referred to herein as the "Services." ADT is solely responsible for choosing the manner and methods of performing the Services by its employees, agents, and/or independent contractors. Equal quality products, materials, and parts from different manufacturers may be substituted to overcome delivery problems or replacement of discontinued items. Substituted items will meet or exceed original parts specifications. Submittals, shop drawings, as-built record drawings and O&M documentation are excluded, unless specifically included in the Scope of Work or required by project specifications. Any such submittals, drawings and/or documentation shall be in Adobe Portable Document Format (PDF) only. The Proposal, when accepted by Customer, shall be considered the "Agreement" between the parties.

2. Reports. The Services may include prepared reports or other written deliverables (each, a "Report"). Customer may not necessarily agree with certain statements made, or positions taken by ADT in a Report. However, Customer acknowledges that by retaining ADT for the Services, Customer is relying on the opinions and expertise of ADT. ADT has no obligation to modify any Report to adopt a position that the Customer believes is more favorable or advantageous than prior statements made, or positions taken, by ADT. If Customer does not accept any such Report, ADT may withdraw from the engagement and Customer shall be obligated to compensate ADT for all Services (including the Report at issue) through the date of withdrawal.

3. Compensation and Payment Terms. Customer agrees to fully pay ADT any and all invoices and/or expense reimbursement requests within thirty (30) days of the date of any such invoice and/or reimbursement request. Extension of credit for billing is subject to approval of ADT's credit department and is not included in the Proposal. Any payment not received within thirty (30) days of an invoice or reimbursement request shall be subject to an additional charge at the rate of 1.5% per month of the outstanding balance due or the highest rate of interest permitted by applicable law, whichever is less. ADT may, at its discretion and without waiving any rights, elect to suspend performance of any and all work if any payment is not received within ten (10) days after the due date. In the event that any payment due ADT is collected at law or through, or under advice from, an attorney-at-law, or through a collection agency, Customer agrees to pay all costs of collection, including without limitation, all court costs and reasonable attorney's fees. If Customer opts to pay ADT for an invoice with a credit card, ADT reserves the right to add a 3% processing fee to the total cost of the work.

If the Proposal specifies fixed or lump sum pricing, the Total Price will be billed upon the completion of all Services performed.

If the Proposal specifies Time & Materials, GMP/GMAX/MACC, cost reimbursable, or cost-plus pricing, ADT will invoice Customer upon completion of all Services performed.

For ADT owned equipment, Customer shall pay ADT per the schedule set forth in the Proposal at the time and for the duration set forth in the Proposal.

4. Sales Taxes. Unless specifically itemized in the Proposal, estimated sales taxes and other taxes due to city, state, or county government applicable in the United States are not included in the Proposal. All such taxes shall be the responsibility of Customer. For services to be provided outside of the United States, all Value Added Taxes (VAT), General Service Taxes (GST), Consumption Taxes, Import/Export Duties, Withholding and any other taxes or fees due to a sovereign nation are excluded and are the responsibility of Customer.

5. Bonds. If payment and performance bonds are required by Customer in writing in advance of the execution of the Agreement by Customer, the total price set forth in the Proposal shall include an administration fee of 2.5% of what the total price would have been without such bond (excluding applicable sales tax). If such bond is not requested by Customer until after the execution of the Agreement by Customer, Contractor shall enter into a Change Order reflecting an administration fee of 2.5% of the total price of the Agreement (excluding applicable sales tax). ADT shall not be required to obtain any bonds until such Change Order has been executed by Customer.

6. Insurance. Certificates of Insurance are available upon Customer request. Upon Customer request, such COI shall name Customer and all other parties in the "Contract Chain" as additional insureds. Any customer-requested insurance beyond what ADT normally carries is excluded from the pricing in the Proposal and shall be paid for by Customer.

7. Schedule Dates. ADT shall diligently endeavor to make timely delivery and installation and otherwise to timely complete the Services according to a mutually agreed "Implementation Schedule." If no implementation schedule is developed or agreed upon, ADT shall diligently endeavor to complete the Services within a reasonable time. Except as expressly provided in the Proposal, ADT shall, under no circumstances, be deemed to be in default hereunder or be liable for damages, special, consequential, or otherwise, resulting from delays in delivery, installation, or other completion of the Services. Minor omissions or variances in performance of the Services, which do not materially and adversely affect the Customer's use of installed systems, equipment, goods, or materials, or the operation thereof, shall not be deemed to have postponed substantial or final completion. Unless otherwise arranged in writing, Services shall be performed during normal business hours (7:30 am to 4:30 pm, Monday – Friday, except holidays). Services performed outside of normal business hours will result in ADT's then current surcharges for such Services.

8. Installation / Site Conditions. For any Services to be performed on-site, ADT will arrange for such Services in accordance with specifications, drawings and instructions provided by Customer, which specifications and drawings are considered a part of this Agreement. Whenever applicable, suitable foundations, wall openings, curbing holes, pits, tunnels, culvert piping, grouting, surrounding masonry and concrete, canopies and architectural enclosures, and sun screens shall be constructed by others at Customer's cost. Unless otherwise set forth in the Scope of Work, Customer shall also provide at its own expense the power and lighting that is required for proper operation of any equipment. If, through no fault of ADT, ADT cannot proceed with the work within a reasonable time after delivery of the equipment and/or ADT's arrival at the work site, Customer shall pay ADT's actual expenses, including, but not limited to, additional service fees and any storage fees incurred by ADT in waiting to proceed or in returning to Customer's premises to perform the work. Customer shall notify ADT of any cancellations forty-eight (48) hours in advance of any scheduled service call. Failure to so notify will result in an additional service fee charged to Customer. Unless otherwise set forth in the Scope of Work, Customer shall secure and pay for any required building permits and governmental fees, licenses, and inspection necessary for the proper execution and completion of the installation of the equipment which are legally required at the time that the installation is done. Customer shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the work. In the event that ADT is required, in connection with the installation of the equipment, to do additional work either because Customer did not prepare the job site, or because the drawings, wiring, or other work done by Customer or for Customer by others, was not properly represented in the drawing supplied to ADT, ADT shall have the option of doing the additional work required to complete the job, and will charge Customer at ADT's current prevailing rates for such work, or, of abandoning the installation and being paid in full by Customer upon demand therefore. Any additional amounts so charged shall be due within ten (10) days of receipt of invoice by Customer. Customer represents to ADT that it has an interest in the real estate on which the equipment is to be installed and that has the authority to and hereby authorizes ADT to do the work as provided in this Agreement.

9. Ownership of Equipment. Ownership of any equipment installed pursuant to this Agreement shall be described in the "Transaction Type" Section of the Proposal. For an outright sale, equipment that is purchased by Customer shall become the property of Customer upon the later of installation (or delivery to Customer if the equipment is not to be installed) and payment in full as set forth in Section 3 hereof. Until the equipment becomes the property of Customer, we retain ownership of the equipment we install at your premises. For ADT owned equipment, ADT will retain ownership of all installed equipment. Upon termination of the Agreement (or portion of the Agreement pertaining to the equipment), ADT shall have the right to enter upon Customer's premises to either remove or disable such equipment. Failure to allow ADT to so remove or disable the equipment shall result in Customer being liable to ADT for: (a) ADT's reasonable charges for the equipment, and (b) reimbursement to ADT for any other costs (including reasonable attorneys' fees) incurred by ADT in seeking to gain access to remove the equipment and/or to collect such charges. ADT shall have no obligation to repair the premises after any such removal. ADT's removal, disablement or abandonment of such equipment does not constitute a waiver of ADT's right to collect any other charges due under the Agreement. If Customer has elected to finance the purchase of some or all of the equipment with a third party lender or leasing company, then title to the equipment may be held by Customer's lender/lessor as security for Customer's loan/lease obligations. The terms of Customer's agreement with the lender/lessor may require Customer to maintain insurance, may make Customer responsible for various other costs and fees, and may obligate Customer to pay the lender/lessor regardless of ADT's performance hereunder. ADT makes no recommendations on lending or leasing sources and is not responsible for Customer's selection of a lending or leasing source, or the terms of Customer's agreement with its lender/lessor, and ADT hereby disclaims any and all liability in connection with Customer's arrangements with its lender/lessor.

10. Changes to Services. Except as otherwise set forth in a separate Appendix to this Agreement, any changes to the Agreement or to the Services will be by written change order, amendment or rider signed by duly authorized representatives of Customer and ADT that describes the changes and sets and sets forth the amount of money to be added or removed from the Total Price and/or the adjustment of time to complete the Services (a "Change Order"). ADT shall have no obligation to perform any change to Services in the absence of a Change Order. Customer may not cancel any equipment specially ordered for Customer or for labor and shipping costs already incurred. Customer shall be responsible for any restocking fees and shipping and handling charges incurred by ADT as a result of any requested changes to the Services. Change Orders shall include additional terms and conditions if the nature of the changes are outside of the scope of the original Agreement.

11. Duration of Agreement. The Agreement will be effective as of the date set forth on Page 1 of the Proposal and will remain in effect until the completion of the Services. However, except as set forth in a separate Appendix to this Agreement, the Agreement may be terminated early by either party upon giving thirty (30) days written notice to the other party.

12. Disclaimer of Legal Advice. In the course of performing the Services, ADT may give advice or opinions regarding the impact of certain security and risk-related laws or regulations on the business of the Customer. However, Customer is hereby put on notice that ADT is not a law firm, it does not engage in the practice of law, and it does not render any legal advice. Customer is advised to seek its own legal counsel regarding any legal issues relating to its business, including issues relating to any Services. By entering into the Agreement, Customer specifically acknowledges this disclaimer and advice to consult with counsel set forth in this Section.

13. Confidentiality. Each party acknowledges that material and information which has or will come into its possession or knowledge in connection with this Performance or in the performance of the Services may consist of confidential and proprietary information of the other party, the disclosure of which to third parties would be damaging. Confidential information shall include any information relating to the identity of the party's customers, the nature of their relationship with their customers, the nature of the other party's business, or the rates charged by it to third parties. The parties agree not to make use of this information other than for the performance of the Agreement, to release it only to employees requiring such information and only after ensuring that such employees are aware of the terms of this Section, and not to release or disclose it to any other party other than as required by law. The parties further agree not to use any Services performed under the Agreement for advertising, portfolio, or other promotional purposes without the written consent of the other party. Confidential information shall not include any information that: (a) was, is, or becomes public information through no fault of the receiving party; (b) is in the possession of the receiving Party before the commencement of this Agreement where that party can provide written proof thereof; (c) is developed by ADT independently of the Customer; (d) must be disclosed pursuant to or as required by law or by a court or other tribunal of competent jurisdiction; (e) is disclosed to the receiving Party by a third party with a right to disclose such information; or (f) is disclosed by a party to a third party with the express written consent of the other party. This obligation of confidentiality shall survive termination of the Agreement for a period of three (3) years.

14. Intellectual Property. The parties acknowledge that one or both parties may have certain intellectual property rights that may be revealed or provided to the other party in accordance with the Agreement. Each party acknowledges that the Agreement does not grant any right or title of ownership in their respective intellectual property rights to the other unless specifically provided in the Agreement. Any intellectual property shall remain the originator's property unless otherwise provided in the Agreement.

15. Independent Contractors. ADT is an independent contractor and not an employee, agent, joint venture, or partner of Customer. Nothing in this Agreement shall be interpreted or construed to create or establish the relationship of employer and employee between the parties or any employee or agents of ADT. Since ADT is an independent contractor to Customer, ADT shall retain the right to perform work and services for other parties during the term of this Agreement. Neither party shall have the power, nor shall either party represent that it has the power, to bind the other party to or to assume or create any obligations, express, or implied, on behalf of the other party. Customer will not provide fringe benefits, including, but not limited to, life, disability, and health insurance, paid vacation, worker's compensation, or any other employee benefits, for the benefit of ADT's employees, agents, or independent contractors.

16. Indemnification. Each party agrees to indemnify, defend, and hold harmless the other party from and against any and all claims, actions, suits, liabilities, costs, and expenses (including attorney's fees) brought against either of them for or on account of bodily injury (including death) or property damage, to the extent that such claims, actions, suits, liabilities, costs, and expenses (including reasonable attorney's fees) arise out of or result from the negligent or willful acts or omissions of the indemnifying party, its employees, agents, or independent contractors, in the performance of its obligations under this Agreement. By entering into the Agreement, Customer acknowledges that the indemnity obligations in this Section were mutually negotiated.

17. Limitation of Liability. For box sales and test and inspect services, and sprinkler services (including but not limited to installation, testing, inspection, repair and maintenance), notwithstanding any contrary provision of the Agreement, Customer expressly agrees that in no event shall ADT's liability to Customer or any third party for any claim based on any legal theory in connection with any acts, omissions, errors, delays and/or interruptions relative to the Services exceed the total amount paid by Customer to ADT pursuant to the Agreement, or, in the case of recurring services, monitoring services or hosted services, the total amount paid by Customer to ADT for such Services in the preceding six (6) month period.

18. Mutual Waiver of Consequential Damages. ADT and Customer waive claims against each other for consequential damages arising out of or relating to this Agreement. This mutual waiver includes damages incurred by the Customer for loss of use, income, profit, loss by reason of facility shut down or fluctuation in facility service or operation, loss of electronic or other data, Customer claims, or other economic loss or personal injury in connection with or arising out of the existence, furnishing, functioning or use of the work, Services, goods, and/or materials provided by ADT, including any damages arising from any theft by a third party.

19. Assignment. Neither Customer nor ADT may assign this Agreement or the obligations created thereby without the prior written consent of the other party, which consent will not be unreasonably withheld. Notwithstanding the foregoing, ADT may assign this Agreement to a company under common ownership or control and may subcontract with third parties to perform any or all of its obligations under this Agreement.

20. Binding on Successors. Subject to any restrictions stated in any other provision of the Agreement, the Agreement will be binding on and will inure to the benefit of the Parties and their respective successors and permitted assigns. None of the provisions of the Agreement are intended to provide any rights or remedies to any person (including without limitation any employees, customers, or creditors of either of the parties hereto), other than the Parties and their

respective successors and permitted assigns.

21. Severability. In the event that any of the provisions of the Agreement should be held invalid or unenforceable by law, such invalidity or unenforceability will not affect the validity or enforceability of any other provision of the Agreement.

22. Entire Agreement. The Agreement contains the entire agreement between the parties with respect to the subject matter of the Agreement and supersedes any and all prior oral and/or written understandings and agreements. There are no oral or written agreements, representations, or understandings by or between the parties affecting the Agreement or related to the Services to be performed by ADT. By entering into the Agreement, each Party is relying solely on its own judgment, investigation, and advice, and such other investigation, advice, legal counsel, and technical consultation as it deems appropriate.

23. Non-Solicitation. Customer and ADT agree that ADT has made an investment in its employees and subcontractors ("Personnel") which is not easily measured or ascertained. Should Customer (or any of its subsidiaries or divisions) hire such Personnel, ADT shall be damaged in an amount that cannot be easily measured. Therefore, Customer agrees to pay to ADT as liquidated damages the amount of thirty-five percent (35%) of the annual gross salary of such Personnel (which shall be calculated by multiplying by twelve (12) the monthly salary on the last day of the Personnel's employment) in the event that Customer (or any of its subsidiaries or divisions) hires such Personnel at any time during the term of this Agreement or within three (3) years after the termination of this Agreement. The Parties agree that the liquidated damages specified in this section are a reasonable forecast of just compensation to ADT and not a penalty or punitive amount.

24. Governing Law and Attorney's Fees. The parties knowingly, expressly, and willingly, and as a matter of agreed-upon risk allocation, agree that all disputes under or relating to this Agreement or otherwise shall be decided in accordance with the substantive laws of the State where the Services are performed without regard to the conflict of laws provisions thereof. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be resolved through binding arbitration administered by the American Arbitration Association under its Construction Industry Arbitration Rules in the location closest to where the Services are performed, and judgment on the award rendered by the arbitrator(s) may be entered exclusively in the Superior Court of the County where the Services are performed, and by entering into the Agreement, Customer and ADT voluntarily consent to jurisdiction in such court. The substantially prevailing party in the arbitration shall be entitled to recover its reasonable attorneys' fees, costs (including arbitration and collection costs), and expenses incurred in connection therewith.

25. Force Majeure. ADT shall not be responsible for any delays or costs caused by acts of nature or God, including but not limited to force majeure events, or for any other cause beyond ADT's reasonable control. ADT shall be entitled to a Change Order and reimbursement for all demonstrable costs incurred due to Force Majeure and an extension of time equivalent to the delay caused by Force Majeure.

26. Customer Cooperation. Customer shall permit or arrange for reasonable access to the premises by ADT's design, installation, and maintenance personnel. Customer shall cooperate with ADT in obtaining any and all necessary consents and waivers from the owner of the Premises in connection with the Services and shall supply all supplemental equipment and facilities necessary for the installation, such as structural changes, conduits, back boxes, commercial power electrical wiring, outlets, and associated equipment, equipment room(s), and necessary operating environment as specified by the manufacturers of any goods or equipment to be installed. This pricing specified in the Agreement is based upon Customer's premises and facilities being available to allow ADT to perform continuous, uninterrupted work between 7:30 am and 4:30 pm, Monday through Friday, pursuant to a prearranged schedule. Customer shall provide free and clear access to all work areas including the removal of furniture, shelving, and other impediments. Additional labor will be billed if ADT's labor schedule is altered or unscheduled overtime is required by reason of ADT's inability to have access to the premises and facilities.

27. Risk of Loss. This Section shall govern risk of loss of goods, materials and equipment notwithstanding ownership of the same pursuant to Section 9 hereof. ADT shall bear the risk of loss or damage to the goods, materials, and equipment while the same are in transit until delivery to Customer's premises. ADT shall be responsible for loss or damage to the goods, materials, and equipment during testing or installation to the extent directly caused by ADT's employees or agents, but not by others. Customer shall be responsible for security and proper storage of goods, material, and equipment after delivery to Customer's premises and shall be responsible for loss or damage. For ADT owned equipment, Customer shall keep all installed and uninstalled equipment owned by ADT insured against all risks of loss in an amount equal to the replacement cost and, at ADT's request, list ADT on the policy as the "loss payee."

28. Delays. ADT will not be responsible for delays and damages due to delays either by Customer or other contractors that impede progress and scheduling of the Services. Any such delays that cause ADT to incur more labor hours to complete the Services or overtime hours than was originally bid will be the subject of an equitable adjustment to the Contract Price and Customer shall pay the same. ADT will give appropriate notice when possible to the Customer prior to either the Customer or ADT incurring such charges. ADT shall be reimbursed for all costs incurred by ADT or its subcontractors due to work by others that alters or delays the Services, whether before, during, or after ADT has started performing the Services.

29. Hazardous Materials. Hazardous materials abatement is excluded. This includes, but is not limited to asbestos and lead and any other materials defined as being radioactive, infectious, hazardous, dangerous, or toxic by any federal, state, or local statute, regulation, or ordinance. If ADT encounters hazardous materials, it will immediately stop work in the affected area (as determined in ADT's discretion) until remediated by Customer. Customer agrees it will indemnify and hold ADT, its employees, officers, directors and affiliates harmless from and against any claim, suit or proceeding and loss or liability arising from or related to any toxic substance, pollution or contamination that ADT does not bring to or generate on the Project site to the proportionate extent such claim, suit or proceeding or loss or liability is associated with such hazardous waste, toxic substance, pollution or contamination, including but not limited to bodily injury (including death) to persons, damages to property, disposal and replacement costs for contaminated equipment and materials, fines and other remediation costs, and damage and/or loss of natural resources.

30. Systems Management, Optimization, Maintenance, and Backup. Unless ADT is specifically hired to perform security systems management, administration, optimization, maintenance or data backups and such work is specified in the Scope of Work, these tasks must be performed by others and will not be performed by ADT. Customer assumes all responsibility for performance of these mission critical tasks and assumes all responsibility for ensuring that any equipment will perform as anticipated in any of Customer's systems. Customer warrants that, if applicable, it has all necessary bandwidth (wired or wireless) to accommodate all equipment covered under this Agreement. ADT's Work does not include maintaining copies of Customer system configuration or user databases for any systems, unless Customer specifically hires ADT to do so under a Performance Optimization, Data Management and Backup, or Maintenance Program. ADT also does not keep copies of Customer system administrator passwords. If the information referenced above is lost by Customer, access to applications may not be possible, and Customer may be required to perform extensive software and or database rebuilds. Customer hereby acknowledges and accepts full responsibility for all tasks outlined in this section, and further acknowledges that ADT is not responsible for loss of data, integrity, passwords, system configuration, databases, backups, or other information.

31. Wireless Devices. Customer acknowledges and agrees that any wireless devices, including but not limited to, wireless local area network (WLAN or WiFi) networks and paths, wireless motion detectors, wireless smoke detectors, wireless door and window contacts, wireless home automation transmitters, and other wireless devices installed under this Agreement are not physically connected to the system (e.g., by electrical wire) and require a radio frequency network or path to operate. THESE WIRELESS DEVICES WILL NOT OPERATE, AND ANY ALARM WILL NOT SOUND, IF THE RADIO FREQUENCY NETWORK OR PATH IS IMPAIRED, INTERRUPTED, OR BECOMES INOPERABLE FOR ANY REASON WHATSOEVER. THESE WIRELESS DEVICES MAY USE FREQUENCIES AND SIGNAL PATHS THAT ARE NOT ENCRYPTED, AND ARE THUS SUBJECT AND VULNERABLE TO, INTERRUPTION, INTERCEPTION, INTERFERENCE, CORRUPTION, ALTERATION, BLOCKAGE, MANIPULATION, AND TAMPERING. It is Customer's sole responsibility to maintain all wireless local area network (WLAN or WiFi) networks and paths. ADT recommends that Customer regularly inspects any wireless network and wireless devices and test them weekly to help maintain continued operation. ADT also recommends that Customer carefully reads and follows the owner's manual, instructions and warnings for all equipment, including all wireless devices.

32. Notices. Any and all notices permitted or required to be given under this Agreement shall be in writing and shall be deemed duly given: (i) upon actual delivery if delivery is by hand or by nationally recognized overnight express mail; or (ii) upon receipt by the sending party of a confirmation or answer back if delivery is by email, or (iii) after three (3) days following delivery into the mail if delivery is by postage paid certified return receipt requested mail. Each such notice shall be sent to the respective party at the address indicated on the first page of this Agreement or to any other address or person that the respective party may designate by written notice delivered pursuant hereto.

33. Export Control. Customer shall not export or re-export, directly or indirectly, any: (i) product or service provided under this Agreement, (ii) technical data, (iii) software, (iv) information, or (v) items acquired under this Agreement to any country for which the United States Government (or any agency thereof) requires an export license or other approval without first obtaining any licenses, consents or permits that may be required under the applicable laws of the U.S. or other foreign jurisdictions and shall incorporate in all export shipping documents the applicable destination control statements. Customer shall, at its own expense, defend, indemnify, and save harmless ADT from and against all third-party claims, liability, loss or damage (including attorneys' fees and other defense costs), assessed against or suffered by ADT as a result of an allegation or claim of noncompliance by Customer with this Section. The obligations contained in this Section shall survive the termination or expiration of this Agreement.

34. Software. Any software provided with the Equipment or in connection with the Services is proprietary to ADT and/or ADT's supplier(s) and is licensed or sublicensed to Customer on a non-exclusive basis. Customer may not (a) disclose the Software or source code to any third parties, (b) duplicate, reproduce, or copy all or any part of the Software, or (c) use the Software on equipment other than with the designated Equipment with which it was furnished. A separate Software License Agreement or End User License Agreement between ADT and/or the software publisher may be required to use the software and/or obtain updates/upgrades.

35. Survival. Those provisions which by their sense are intended to survive the cancellation, expiration or termination of the Agreement, including, by way of example only, the indemnification and limit of liability obligations contained therein, shall survive the cancellation, expiration or termination of the Agreement for whatever reason.

36. Waiver. The waiver, by either party, of a breach or violation of any provision of this Agreement shall not operate as, or be considered, to be a waiver of any subsequent breach thereof.

APPENDIX 6 – RECURRING SERVICES TERMS AND CONDITIONS

In addition to the terms and conditions set forth in Appendix 2, this Appendix contains terms and conditions applicable to recurring services provided by ADT to Customer other than the services set forth in Appendices 7, 8 and/or 9. If the event of any conflict between Appendix 2 and this Appendix 6, the terms of this Appendix 6 shall prevail. This Appendix 6 does not apply to monitoring services and/or hosted services (see, if attached, Appendices 7, 8 and/or 9). Any terms and conditions set forth in a Master Agreement (or similar document) between the parties do not apply to recurring services.

1. Term. The initial term of this Appendix shall be for Sixty (60) Months (the "Initial Term"). The Initial Term shall begin on the date all equipment is installed and is operational, and when any necessary communications connection is completed. NOTE: Payment of all charges for installation and equipment is a precondition to the activation of the equipment and any recurring services the Customer has selected.

2. Auto Renew. Upon the expiration of the Initial Term, all selected recurring services shall automatically renew for successive terms of one (1) year each (each, a "Renewal Term"); provided that the Customer may, by providing written notice to ADT no less than thirty (30) (and no more than sixty (60)) days prior to the date of such auto renewal, cancel such auto renewal with respect to any of the selected recurring services.

3. Pricing Change. ADT may increase the charges for the recurring services after the first year of the Initial Term (but no more than once in any twelve (12) month period) by giving Customer thirty (30) days prior written notice.

4. Early Termination. In the event that the Customer terminates a recurring service during the Initial Term or during a Renewal Term, Customer shall pay to ADT, in addition to all other charges due prior to termination, the charges remaining to be paid for the unexpired portion of the Initial Term or Renewal Term (as the case may be) for such recurring service. Customer acknowledges and agrees that this amount is an agreed upon early termination charge in the nature of liquidated damages, and is not a penalty.

(REMAINDER OF PAGE INTENTIONALLY BLANK - SIGNATURES ON FOLLOWING PAGE)

Acceptance

NOTICE: Our charges under this agreement are based on your agreement to receive and pay for the services for a full Sixty (60) month term.

IF THIS AGREEMENT IS TERMINATED BY YOU PRIOR TO THE END OF THE THEN-CURRENT TERM, EXCEPT AS OTHERWISE PROVIDED HEREIN, YOU AGREE TO PAY US THE SERVICE CHARGES THAT WOULD HAVE BEEN PAYABLE BY YOU FOR THE REMAINING TERM OF THE AGREEMENT BUT FOR THE EARLY TERMINATION HEREOF.

Agreed and accepted as of the date set forth above. All checked items and options, and the attachments represented by such checked items and options are a part of this Proposal which, once fully executed, shall also be referred to herein as the "Agreement."

Customer Authorized Representative	Printed Name	Title	Date
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ADT Representative	Printed Name	Title	Date
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ADT Authorized Manager	Printed Name	Title	Date
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* 8 9 0 9 5 7 8 1 3 *

Branch:	6690	Sales Representative:	Gregory Lewis	Today's Date:	9/1/2020
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Customer Information

Business Name:	South Texas Water Authority	Phone:	(361)592-9323
Address:	2302 E Sage Rd KINGSVILLE, TX 78363	Billing Address:	2302 E Sage Rd KINGSVILLE, TX 78363

Investment Summary

Total Equipment and Installation Charge: \$5,295.62

Customer agrees to pay the Total Equipment and Installation Charge shown above, plus applicable taxes (collectively, the "Equipment Charges"). Simultaneously with the execution of this Agreement, Customer shall pay \$0.00 of these Equipment Charges, with a remaining balance of \$5,295.62 to be paid upon completion of the installation and as a precondition of activation of the Equipment and, if applicable, connection to the Central Station or direct connection service.

Recurring Service Charges: \$35.10 per month

In addition to the Equipment Charges, Customer agrees to pay the Recurring Service Charges shown above, plus applicable taxes (collectively, the "Service Charges") for the usage of any ADT Owned Equipment and any other recurring services selected, such Service Charges to be paid Monthly, in advance. Customer has made an advance payment of Service Charges in the amount of \$0.00 at the time of sale.

Licenses and Permit Charge: \$0.00

Customer agrees to pay the total Licenses and Permit Charge shown above (collectively, the "License and Permit Charge"). Customer shall pay \$0.00 at the time of sale.

Term Length: 60 Months

Our charges under this agreement are based on your agreement to receive and pay for the services for a full Sixty (60) month term.

Site Location Information

Location Name:	South Texas Water Authority		
Address:	2302 E Sage Rd KINGSVILLE, TX 78363		
Site #:	0	Phone:	(361)592-9323

System Design Information

System Design Name:	New System Design	Job #:	
Equipment Ownership:	Customer Owned		
Warranty Period:	90 Days		

Services

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New System Design

Service Plan ADT Protection Plan

Equipment List		
Quantity	Description	Included in Service Plan
1	16 Channel ADH, TVI, CVBS, IP DVR 4TB	Yes
5	Wisenet HD+ 4MP IR bullet camera, AHD or CVBS formats are available, 2.8 mm fixed lens, true D/N, 12	Yes
1	2MP analog, indoor dome, AHD, CVI, TVI, CVBS, 2.8 mm fixed lens, true D/N, 12VDC	Yes
6	Wisenet HD+ 2MP, Full HD(1080p) 30fps IR indoor dome camera, AHD/TVI/CVI/CVBS, motorized vari-focal	Yes
1	Cctv 12Vdc 11Amp 18 Output Power Supply	Yes
1	Power Cords	Yes
1	12 VOLT 7 AMP HOUR BATTERY	Yes

Equipment & Installation Total	\$5,295.62
Estimated Taxes	\$0.00
Monthly Fee	\$35.10

Scope Of Work

Scope of work:

Contact; Carola Serrato 361-592-9323

We will replace all of the existing cameras and DVR with new HD Hybrid Cameras and NVR.

All existing wiring is to be used, this is a direct swap out camera for camera and NVR, should be a plug and play.

Program NVR for remote viewing on and off site

Program NVR for Event Record.

Camera #1: Inside dome with wide angle lens

Camera #2: Right front corner with wide angle lens

Camera #3: Right front corner with wide angle lens

Camera #4: Left rear side, wide angle lens

Camera #5: Left rear side, wide angle lens

Camera #6: Left rear side, wide angle lens

Camera #7: Varifocal mounted on pole

Camera #8: Varifocal mounted on pole

Camera #9: Varifocal mounted on pole

Camera #10 Varifocal mounted on pole

Camera #11 Varifocal mounted on pole

Camera #12 Varifocal mounted on pole

Align all cameras to match existing and then adjust camera angle and lens to provide the zoom and angles the customer requires.

Scope of work:

Contact; Carola Serrato 361-592-9323

We will replace all of the existing cameras and DVR with new HD Hybrid Cameras and NVR.

All existing wiring is to be used, this is a direct swap out camera for camera and NVR, should be a plug and play.

Program NVR for remote viewing on and off site

Program NVR for Event Record.

Camera #1: Inside dome with wide angle lens

Camera #2: Right front corner with wide angle lens

Camera #3: Right front corner with wide angle lens

Camera #4: Left rear side, wide angle lens

Camera #5: Left rear side, wide angle lens

Camera #6: Left rear side, wide angle lens

Camera #7: Varifocal mounted on pole

Camera #8: Varifocal mounted on pole

Camera #9: Varifocal mounted on pole

Camera #10 Varifocal mounted on pole

Camera #11 Varifocal mounted on pole

Camera #12 Varifocal mounted on pole

Align all cameras to match existing and then adjust camera angle and lens to provide the zoom and angles the customer requires.

Inclusions/Exclusions

General Notes

All prices quoted and any other offers made in this Proposal are valid for thirty (30) days from the date of this Proposal, after which they are automatically withdrawn and this Proposal shall be void.

All prices set forth in this Proposal are based on the assumption that Customer will countersign this Proposal and this Proposal will be the operative document between the parties. If instead of countersigning this Proposal, Customer submits a different document for consideration (such as a purchase order or contract), then legal review will be necessary and the prices set forth in this Proposal will be increased accordingly.

Except in the case where the "Rough Order of Magnitude Only" box is checked above, all pages of the Proposal must be initialed and/or signed where indicated and returned. Proposals returned with missing pages, initials or signatures shall be void.

Appendices

The following appendices are incorporated into the Proposal:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Appendix 1: Warranty | <input checked="" type="checkbox"/> Appendix 6: Recurring Services Terms and Conditions |
| <input checked="" type="checkbox"/> Appendix 2: General Terms and Conditions | <input type="checkbox"/> Appendix 7: Monitoring Agreement |
| <input type="checkbox"/> Appendix 3: NASPO Terms and Conditions | <input type="checkbox"/> Appendix 8: Brivo Hosted AVC and Video Terms and Conditions |
| <input type="checkbox"/> Appendix 4: ATM Install Terms and Conditions | <input type="checkbox"/> Appendix 9: Avigilon Terms and Conditions |
| <input type="checkbox"/> Appendix 5: ATM Software Support Agreement | <input type="checkbox"/> Appendix 10: Special Provisions |

Master Agreement

Customer and ADT are not parties to a Master Agreement (or similar document). This Proposal is governed by all terms and conditions as checked in the Appendices Section.

Customer and ADT are parties to a Master Agreement (or similar document). This Proposal is governed by the terms and conditions of such Master Agreement. However, any terms and conditions, and special provisions as checked shall apply to the Proposal as well. Items listed in this Proposal as having no warranty are applicable to this Proposal as well. In the event of any conflict between the Master Agreement and the checked provisions of this Proposal and/or any "no warranty" items in this Proposal, the provisions of this Proposal shall prevail. If Customer is not the end user (that is, if there are additional parties as set forth in the "Contract Chain" above), then Appendix 10 must be included in this Proposal. If Appendix 10 is not so included, this Proposal shall be void. Such a Master Agreement (or similar document) does not apply if NASPO is checked on this Proposal.

APPENDIX 1 - WARRANTIES

EXCEPT FOR THE WARRANTIES SPECIFICALLY SET FORTH BELOW, ADT EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THOSE OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

GENERAL WARRANTY

ADT warrants that the work and services to be performed pursuant to the Proposal will be completed by qualified personnel possessing the knowledge and capability to perform such work and services, and that such work and services shall be performed by such personnel in a professional and workman like manner. Where the Proposal includes the provision of "professional" Services by ADT (services that are required to be performed by a licensed engineer, architect, or other professional), the standard of care for such Services shall be the care and skill ordinarily employed by members of the profession practicing under similar conditions at the same time and locality of the relevant Services.

LIMITED WARRANTIES

Equipment. ADT warrants equipment sold under the Proposal for a period of 90 Days.

Installations. ADT warrants installation of equipment for a period of 90 Days beginning at Substantial Completion (excluding software defects).

Software Installation. ADT warrants software installation and programming by ADT for a period of 90 Days beginning at Substantial Completion (excluding software defects).

ATM Services. ADT warrants installation of ATM equipment and other ATM-related services (excluding test and inspection services) for a period of 90 Days beginning at Substantial Completion.

As used herein, "Substantial Completion" is defined as the stage that the work is sufficiently complete so that the Customer has beneficial use of the equipment and/or premises involved in the work. For a project involving multiple phases or facilities, Substantial Completion shall be determined, and the limited warranty shall run, for each phase or facility separately. Substantial Completion excludes commissioning.

During the warranty periods set forth above, ADT will at its cost, repair or, at its option, replace, any defective part of the equipment ADT installs or service ADT performs. ADT may, at its option, use new or reconditioned parts for replacements.

We perform repair services only during our normal working hours which are 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays. IF YOU REQUEST US TO PERFORM REPAIR SERVICES OUTSIDE OF OUR NORMAL WORKING HOURS, THEN WE MAY REQUIRE YOU TO PAY FOR OUR SERVICES AT OUR THEN-CURRENT RATES FOR LABOR.

ADT Service Plan/Extended Service Plan. Subject to the limitations and exclusions set forth in this Appendix 1, if Customer has subscribed to an ADT Service Plan/Extended Service Plan, then in lieu of the Limited Warranties set forth herein, ADT shall, at its cost, perform such repairs as set forth in the ADT Service Plan/Extended Service Plan for the term of such plan.

NO WARRANTY

Software Upgrades. Purchases of Software Upgrades have no warranty from ADT. Notwithstanding anything to the contrary in the Proposal or in any Master Agreement between the parties, any liability of ADT related to software upgrades pursuant to the Proposal shall be limited to the Total Price set forth in the Proposal.

Manufacturer Software Support and Services. Purchases of manufacturer software support and services have no warranty from ADT. A purchase of manufacturer software support may entitle Customer to software version upgrades. Any labor to install and commission the software upgrades is not included unless specifically set forth in the Proposal. Notwithstanding anything to the contrary in the Proposal or in any Master Agreement between the parties, any liability of ADT related to software upgrades pursuant to the Proposal shall be limited to the Total Price set forth in the Proposal.

Sprinklers. ADT does not warrant any sprinkler services (including but not limited to installation, testing, inspection, repair and maintenance) provided by ADT ("Sprinkler Work") against failures or against defects in the materials or workmanship provided. However, if any replacement part or item of equipment installed by ADT proves defective, ADT will extend to the Customer the benefits of any warranty ADT has received from the manufacturer. Removal and reinstallation of any equipment or materials repaired or replaced under a manufacturer's warranty will be at Customer's expense and at the rates then in effect. THERE ARE NO WARRANTIES, STATUTORY, EXPRESS OR IMPLIED, IN CONNECTION WITH THE SPRINKLER WORK PERFORMED HEREUNDER, AND THE SOLE AND EXCLUSIVE REMEDY OF THE CUSTOMER FOR FAILURES OR DEFECTS IN THE SPRINKLER WORK PERFORMED IS TO HAVE THE SPRINKLER WORK REDONE AT THE CUSTOMERS EXPENSE.

eSRG. Consulting services performed by the ADT eSRG team carry no warranty from ADT beyond the general warranty set forth above.

Design. Design services performed by ADT carry no warranty from ADT beyond the general warranty set forth above.

Monitoring Services. Monitoring Services carry no warranty from ADT. If applicable, see Appendix 7 for additional information.

Hosted Services. Hosted Services carry no warranty from ADT. If applicable, see Appendix 8 and Appendix 9 for additional information.

EXCLUSIONS

ADT's warranty does not include:

- a. Damage or malfunction due to accident, acts of nature (including lightning strikes), improper operation, power surge/loss, misuse, neglect, unauthorized modification or repair or use in a manner for which the equipment was not intended;
- b. Consumable items such as printer print heads or access cards, and items designed to fail in order to protect the equipment (such as fuses and surge suppressors);
- c. Technician services for troubleshooting, removing or replacing any failed component not covered by this warranty which may include upgrading or otherwise modifying and fixing Customer provided computer equipment;
- d. Any installation, maintenance, repair, service, relocation or alteration to or of, or other tampering with the equipment or replacement parts performed by any person or entity other than ADT without ADT's prior written approval, or any use of replacement parts not supplied by ADT, either of which shall void and cancel all warranties with respect to the affected products and/or Services.
- e. Software defects; and/or
- f. Telephone line malfunctions or modifications to Customer's telephone service that render it incompatible with the equipment or the central station.

APPENDIX 2 – GENERAL TERMS AND CONDITIONS

1. Work and Services to Be Performed/Provided. ADT agrees to perform the work and provide the goods, software, licenses and services that are described in the Proposal. If the Proposal contains options, then ADT shall only perform those options that have been chosen by the Customer. All items to be performed pursuant to the Proposal are referred to herein as the "Services." ADT is solely responsible for choosing the manner and methods of performing the Services by its employees, agents, and/or independent contractors. Equal quality products, materials, and parts from different manufacturers may be substituted to overcome delivery problems or replacement of discontinued items. Substituted items will meet or exceed original parts specifications. Submittals, shop drawings, as-built record drawings and O&M documentation are excluded, unless specifically included in the Scope of Work or required by project specifications. Any such submittals, drawings and/or documentation shall be in Adobe Portable Document Format (PDF) only. The Proposal, when accepted by Customer, shall be considered the "Agreement" between the parties.

2. Reports. The Services may include prepared reports or other written deliverables (each, a "Report"). Customer may not necessarily agree with certain statements made, or positions taken by ADT in a Report. However, Customer acknowledges that by retaining ADT for the Services, Customer is relying on the opinions and expertise of ADT. ADT has no obligation to modify any Report to adopt a position that the Customer believes is more favorable or advantageous than prior statements made, or positions taken, by ADT. If Customer does not accept any such Report, ADT may withdraw from the engagement and Customer shall be obligated to compensate ADT for all Services (including the Report at issue) through the date of withdrawal.

3. Compensation and Payment Terms. Customer agrees to fully pay ADT any and all invoices and/or expense reimbursement requests within thirty (30) days of the date of any such invoice and/or reimbursement request. Extension of credit for billing is subject to approval of ADT's credit department and is not included in the Proposal. Any payment not received within thirty (30) days of an invoice or reimbursement request shall be subject to an additional charge at the rate of 1.5% per month of the outstanding balance due or the highest rate of interest permitted by applicable law, whichever is less. ADT may, at its discretion and without waiving any rights, elect to suspend performance of any and all work if any payment is not received within ten (10) days after the due date. In the event that any payment due ADT is collected at law or through, or under advice from, an attorney-at-law, or through a collection agency, Customer agrees to pay all costs of collection, including without limitation, all court costs and reasonable attorney's fees. If Customer opts to pay ADT for an invoice with a credit card, ADT reserves the right to add a 3% processing fee to the total cost of the work.

If the Proposal specifies fixed or lump sum pricing, the Total Price will be billed upon the completion of all Services performed.

If the Proposal specifies Time & Materials, GMP/GMAX/MACC, cost reimbursable, or cost-plus pricing, ADT will invoice Customer upon completion of all Services performed.

For ADT owned equipment, Customer shall pay ADT per the schedule set forth in the Proposal at the time and for the duration set forth in the Proposal.

4. Sales Taxes. Unless specifically itemized in the Proposal, estimated sales taxes and other taxes due to city, state, or county government applicable in the United States are not included in the Proposal. All such taxes shall be the responsibility of Customer. For services to be provided outside of the United States, all Value Added Taxes (VAT), General Service Taxes (GST), Consumption Taxes, Import/Export Duties, Withholding and any other taxes or fees due to a sovereign nation are excluded and are the responsibility of Customer.

5. Bonds. If payment and performance bonds are required by Customer in writing in advance of the execution of the Agreement by Customer, the total price set forth in the Proposal shall include an administration fee of 2.5% of what the total price would have been without such bond (excluding applicable sales tax). If such bond is not requested by Customer until after the execution of the Agreement by Customer, Contractor shall enter into a Change Order reflecting an administration fee of 2.5% of the total price of the Agreement (excluding applicable sales tax). ADT shall not be required to obtain any bonds until such Change Order has been executed by Customer.

6. Insurance. Certificates of Insurance are available upon Customer request. Upon Customer request, such COI shall name Customer and all other parties in the "Contract Chain" as additional insureds. Any customer-requested insurance beyond what ADT normally carries is excluded from the pricing in the Proposal and shall be paid for by Customer.

7. Schedule Dates. ADT shall diligently endeavor to make timely delivery and installation and otherwise to timely complete the Services according to a mutually agreed "Implementation Schedule." If no implementation schedule is developed or agreed upon, ADT shall diligently endeavor to complete the Services within a reasonable time. Except as expressly provided in the Proposal, ADT shall, under no circumstances, be deemed to be in default hereunder or be liable for damages, special, consequential, or otherwise, resulting from delays in delivery, installation, or other completion of the Services. Minor omissions or variances in performance of the Services, which do not materially and adversely affect the Customer's use of installed systems, equipment, goods, or materials, or the operation thereof, shall not be deemed to have postponed substantial or final completion. Unless otherwise arranged in writing, Services shall be performed during normal business hours (7:30 am to 4:30 pm, Monday – Friday, except holidays). Services performed outside of normal business hours will result in ADT's then current surcharges for such Services.

8. Installation / Site Conditions. For any Services to be performed on-site, ADT will arrange for such Services in accordance with specifications, drawings and instructions provided by Customer, which specifications and drawings are considered a part of this Agreement. Whenever applicable, suitable foundations, wall openings, curbing holes, pits, tunnels, culvert piping, grouting, surrounding masonry and concrete, canopies and architectural enclosures, and sun screens shall be constructed by others at Customer's cost. Unless otherwise set forth in the Scope of Work, Customer shall also provide at its own expense the power and lighting that is required for proper operation of any equipment. If, through no fault of ADT, ADT cannot proceed with the work within a reasonable time after delivery of the equipment and/or ADT's arrival at the work site, Customer shall pay ADT's actual expenses, including, but not limited to, additional service fees and any storage fees incurred by ADT in waiting to proceed or in returning to Customer's premises to perform the work. Customer shall notify ADT of any cancellations forty-eight (48) hours in advance of any scheduled service call. Failure to so notify will result in an additional service fee charged to Customer. Unless otherwise set forth in the Scope of Work, Customer shall secure and pay for any required building permits and governmental fees, licenses, and inspection necessary for the proper execution and completion of the installation of the equipment which are legally required at the time that the installation is done. Customer shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the work. In the event that ADT is required, in connection with the installation of the equipment, to do additional work either because Customer did not prepare the job site, or because the drawings, wiring, or other work done by Customer or for Customer by others, was not properly represented in the drawing supplied to ADT, ADT shall have the option of doing the additional work required to complete the job, and will charge Customer at ADT's current prevailing rates for such work, or, of abandoning the installation and being paid in full by Customer upon demand therefore. Any additional amounts so charged shall be due within ten (10) days of receipt of invoice by Customer. Customer represents to ADT that it has an interest in the real estate on which the equipment is to be installed and that has the authority to and hereby authorizes ADT to do the work as provided in this Agreement.

9. Ownership of Equipment. Ownership of any equipment installed pursuant to this Agreement shall be described in the "Transaction Type" Section of the Proposal. For an outright sale, equipment that is purchased by Customer shall become the property of Customer upon the later of installation (or delivery to Customer if the equipment is not to be installed) and payment in full as set forth in Section 3 hereof. Until the equipment becomes the property of Customer, we retain ownership of the equipment we install at your premises. For ADT owned equipment, ADT will retain ownership of all installed equipment. Upon termination of the Agreement (or portion of the Agreement pertaining to the equipment), ADT shall have the right to enter upon Customer's premises to either remove or disable such equipment. Failure to allow ADT to so remove or disable the equipment shall result in Customer being liable to ADT for: (a) ADT's reasonable charges for the equipment, and (b) reimbursement to ADT for any other costs (including reasonable attorneys' fees) incurred by ADT in seeking to gain access to remove the equipment and/or to collect such charges. ADT shall have no obligation to repair the premises after any such removal. ADT's removal, disablement or abandonment of such equipment does not constitute a waiver of ADT's right to collect any other charges due under the Agreement. If Customer has elected to finance the purchase of some or all of the equipment with a third party lender or leasing company, then title to the equipment may be held by Customer's lender/lessor as security for Customer's loan/lease obligations. The terms of Customer's agreement with the lender/lessor may require Customer to maintain insurance, may make Customer responsible for various other costs and fees, and may obligate Customer to pay the lender/lessor regardless of ADT's performance hereunder. ADT makes no recommendations on lending or leasing sources and is not responsible for Customer's selection of a lending or leasing source, or the terms of Customer's agreement with its lender/lessor, and ADT hereby disclaims any and all liability in connection with Customer's arrangements with its lender/lessor.

10. Changes to Services. Except as otherwise set forth in a separate Appendix to this Agreement, any changes to the Agreement or to the Services will be by written change order, amendment or rider signed by duly authorized representatives of Customer and ADT that describes the changes and sets and sets forth the amount of money to be added or removed from the Total Price and/or the adjustment of time to complete the Services (a "Change Order"). ADT shall have no obligation to perform any change to Services in the absence of a Change Order. Customer may not cancel any equipment specially ordered for Customer or for labor and shipping costs already incurred. Customer shall be responsible for any restocking fees and shipping and handling charges incurred by ADT as a result of any requested changes to the Services. Change Orders shall include additional terms and conditions if the nature of the changes are outside of the scope of the original Agreement.

11. Duration of Agreement. The Agreement will be effective as of the date set forth on Page 1 of the Proposal and will remain in effect until the completion of the Services. However, except as set forth in a separate Appendix to this Agreement, the Agreement may be terminated early by either party upon giving thirty (30) days written notice to the other party.

12. Disclaimer of Legal Advice. In the course of performing the Services, ADT may give advice or opinions regarding the impact of certain security and risk-related laws or regulations on the business of the Customer. However, Customer is hereby put on notice that ADT is not a law firm, it does not engage in the practice of law, and it does not render any legal advice. Customer is advised to seek its own legal counsel regarding any legal issues relating to its business, including issues relating to any Services. By entering into the Agreement, Customer specifically acknowledges this disclaimer and advice to consult with counsel set forth in this Section.

13. Confidentiality. Each party acknowledges that material and information which has or will come into its possession or knowledge in connection with this Performance or in the performance of the Services may consist of confidential and proprietary information of the other party, the disclosure of which to third parties would be damaging. Confidential information shall include any information relating to the identity of the party's customers, the nature of their relationship with their customers, the nature of the other party's business, or the rates charged by it to third parties. The parties agree not to make use of this information other than for the performance of the Agreement, to release it only to employees requiring such information and only after ensuring that such employees are aware of the terms of this Section, and not to release or disclose it to any other party other than as required by law. The parties further agree not to use any Services performed under the Agreement for advertising, portfolio, or other promotional purposes without the written consent of the other party. Confidential information shall not include any information that: (a) was, is, or becomes public information through no fault of the receiving party; (b) is in the possession of the receiving Party before the commencement of this Agreement where that party can provide written proof thereof; (c) is developed by ADT independently of the Customer; (d) must be disclosed pursuant to or as required by law or by a court or other tribunal of competent jurisdiction; (e) is disclosed to the receiving Party by a third party with a right to disclose such information; or (f) is disclosed by a party to a third party with the express written consent of the other party. This obligation of confidentiality shall survive termination of the Agreement for a period of three (3) years.

14. Intellectual Property. The parties acknowledge that one or both parties may have certain intellectual property rights that may be revealed or provided to the other party in accordance with the Agreement. Each party acknowledges that the Agreement does not grant any right or title of ownership in their respective intellectual property rights to the other unless specifically provided in the Agreement. Any intellectual property shall remain the originator's property unless otherwise provided in the Agreement.

15. Independent Contractors. ADT is an independent contractor and not an employee, agent, joint venture, or partner of Customer. Nothing in this Agreement shall be interpreted or construed to create or establish the relationship of employer and employee between the parties or any employee or agents of ADT. Since ADT is an independent contractor to Customer, ADT shall retain the right to perform work and services for other parties during the term of this Agreement. Neither party shall have the power, nor shall either party represent that it has the power, to bind the other party to or to assume or create any obligations, express, or implied, on behalf of the other party. Customer will not provide fringe benefits, including, but not limited to, life, disability, and health insurance, paid vacation, worker's compensation, or any other employee benefits, for the benefit of ADT's employees, agents, or independent contractors.

16. Indemnification. Each party agrees to indemnify, defend, and hold harmless the other party from and against any and all claims, actions, suits, liabilities, costs, and expenses (including attorney's fees) brought against either of them for or on account of bodily injury (including death) or property damage, to the extent that such claims, actions, suits, liabilities, costs, and expenses (including reasonable attorney's fees) arise out of or result from the negligent or willful acts or omissions of the indemnifying party, its employees, agents, or independent contractors, in the performance of its obligations under this Agreement. By entering into the Agreement, Customer acknowledges that the indemnity obligations in this Section were mutually negotiated.

17. Limitation of Liability. For box sales and test and inspect services, and sprinkler services (including but not limited to installation, testing, inspection, repair and maintenance), notwithstanding any contrary provision of the Agreement, Customer expressly agrees that in no event shall ADT's liability to Customer or any third party for any claim based on any legal theory in connection with any acts, omissions, errors, delays and/or interruptions relative to the Services exceed the total amount paid by Customer to ADT pursuant to the Agreement, or, in the case of recurring services, monitoring services or hosted services, the total amount paid by Customer to ADT for such Services in the preceding six (6) month period.

18. Mutual Waiver of Consequential Damages. ADT and Customer waive claims against each other for consequential damages arising out of or relating to this Agreement. This mutual waiver includes damages incurred by the Customer for loss of use, income, profit, loss by reason of facility shut down or fluctuation in facility service or operation, loss of electronic or other data, Customer claims, or other economic loss or personal injury in connection with or arising out of the existence, furnishing, functioning or use of the work, Services, goods, and/or materials provided by ADT, including any damages arising from any theft by a third party.

19. Assignment. Neither Customer nor ADT may assign this Agreement or the obligations created thereby without the prior written consent of the other party, which consent will not be unreasonably withheld. Notwithstanding the foregoing, ADT may assign this Agreement to a company under common ownership or control and may subcontract with third parties to perform any or all of its obligations under this Agreement.

20. Binding on Successors. Subject to any restrictions stated in any other provision of the Agreement, the Agreement will be binding on and will inure to the benefit of the Parties and their respective successors and permitted assigns. None of the provisions of the Agreement are intended to provide any rights or remedies to any person (including without limitation any employees, customers, or creditors of either of the parties hereto), other than the Parties and their

respective successors and permitted assigns.

21. Severability. In the event that any of the provisions of the Agreement should be held invalid or unenforceable by law, such invalidity or unenforceability will not affect the validity or enforceability of any other provision of the Agreement.

22. Entire Agreement. The Agreement contains the entire agreement between the parties with respect to the subject matter of the Agreement and supersedes any and all prior oral and/or written understandings and agreements. There are no oral or written agreements, representations, or understandings by or between the parties affecting the Agreement or related to the Services to be performed by ADT. By entering into the Agreement, each Party is relying solely on its own judgment, investigation, and advice, and such other investigation, advice, legal counsel, and technical consultation as it deems appropriate.

23. Non-Solicitation. Customer and ADT agree that ADT has made an investment in its employees and subcontractors ("Personnel") which is not easily measured or ascertained. Should Customer (or any of its subsidiaries or divisions) hire such Personnel, ADT shall be damaged in an amount that cannot be easily measured. Therefore, Customer agrees to pay to ADT as liquidated damages the amount of thirty-five percent (35%) of the annual gross salary of such Personnel (which shall be calculated by multiplying by twelve (12) the monthly salary on the last day of the Personnel's employment) in the event that Customer (or any of its subsidiaries or divisions) hires such Personnel at any time during the term of this Agreement or within three (3) years after the termination of this Agreement. The Parties agree that the liquidated damages specified in this section are a reasonable forecast of just compensation to ADT and not a penalty or punitive amount.

24. Governing Law and Attorney's Fees. The parties knowingly, expressly, and willingly, and as a matter of agreed-upon risk allocation, agree that all disputes under or relating to this Agreement or otherwise shall be decided in accordance with the substantive laws of the State where the Services are performed without regard to the conflict of laws provisions thereof. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be resolved through binding arbitration administered by the American Arbitration Association under its Construction Industry Arbitration Rules in the location closest to where the Services are performed, and judgment on the award rendered by the arbitrator(s) may be entered exclusively in the Superior Court of the County where the Services are performed, and by entering into the Agreement, Customer and ADT voluntarily consent to jurisdiction in such court. The substantially prevailing party in the arbitration shall be entitled to recover its reasonable attorneys' fees, costs (including arbitration and collection costs), and expenses incurred in connection therewith.

25. Force Majeure. ADT shall not be responsible for any delays or costs caused by acts of nature or God, including but not limited to force majeure events, or for any other cause beyond ADT's reasonable control. ADT shall be entitled to a Change Order and reimbursement for all demonstrable costs incurred due to Force Majeure and an extension of time equivalent to the delay caused by Force Majeure.

26. Customer Cooperation. Customer shall permit or arrange for reasonable access to the premises by ADT's design, installation, and maintenance personnel. Customer shall cooperate with ADT in obtaining any and all necessary consents and waivers from the owner of the Premises in connection with the Services and shall supply all supplemental equipment and facilities necessary for the installation, such as structural changes, conduits, back boxes, commercial power electrical wiring, outlets, and associated equipment, equipment room(s), and necessary operating environment as specified by the manufacturers of any goods or equipment to be installed. This pricing specified in the Agreement is based upon Customer's premises and facilities being available to allow ADT to perform continuous, uninterrupted work between 7:30 am and 4:30 pm, Monday through Friday, pursuant to a prearranged schedule. Customer shall provide free and clear access to all work areas including the removal of furniture, shelving, and other impediments. Additional labor will be billed if ADT's labor schedule is altered or unscheduled overtime is required by reason of ADT's inability to have access to the premises and facilities.

27. Risk of Loss. This Section shall govern risk of loss of goods, materials and equipment notwithstanding ownership of the same pursuant to Section 9 hereof. ADT shall bear the risk of loss or damage to the goods, materials, and equipment while the same are in transit until delivery to Customer's premises. ADT shall be responsible for loss or damage to the goods, materials, and equipment during testing or installation to the extent directly caused by ADT's employees or agents, but not by others. Customer shall be responsible for security and proper storage of goods, material, and equipment after delivery to Customer's premises and shall be responsible for loss or damage. For ADT owned equipment, Customer shall keep all installed and uninstalled equipment owned by ADT insured against all risks of loss in an amount equal to the replacement cost and, at ADT's request, list ADT on the policy as the "loss payee."

28. Delays. ADT will not be responsible for delays and damages due to delays either by Customer or other contractors that impede progress and scheduling of the Services. Any such delays that cause ADT to incur more labor hours to complete the Services or overtime hours than was originally bid will be the subject of an equitable adjustment to the Contract Price and Customer shall pay the same. ADT will give appropriate notice when possible to the Customer prior to either the Customer or ADT incurring such charges. ADT shall be reimbursed for all costs incurred by ADT or its subcontractors due to work by others that alters or delays the Services, whether before, during, or after ADT has started performing the Services.

29. Hazardous Materials. Hazardous materials abatement is excluded. This includes, but is not limited to asbestos and lead and any other materials defined as being radioactive, infectious, hazardous, dangerous, or toxic by any federal, state, or local statute, regulation, or ordinance. If ADT encounters hazardous materials, it will immediately stop work in the affected area (as determined in ADT's discretion) until remediated by Customer. Customer agrees it will indemnify and hold ADT, its employees, officers, directors and affiliates harmless from and against any claim, suit or proceeding and loss or liability arising from or related to any toxic substance, pollution or contamination that ADT does not bring to or generate on the Project site to the proportionate extent such claim, suit or proceeding or loss or liability is associated with such hazardous waste, toxic substance, pollution or contamination, including but not limited to bodily injury (including death) to persons, damages to property, disposal and replacement costs for contaminated equipment and materials, fines and other remediation costs, and damage and/or loss of natural resources.

30. Systems Management, Optimization, Maintenance, and Backup. Unless ADT is specifically hired to perform security systems management, administration, optimization, maintenance or data backups and such work is specified in the Scope of Work, these tasks must be performed by others and will not be performed by ADT. Customer assumes all responsibility for performance of these mission critical tasks and assumes all responsibility for ensuring that any equipment will perform as anticipated in any of Customer's systems. Customer warrants that, if applicable, it has all necessary bandwidth (wired or wireless) to accommodate all equipment covered under this Agreement. ADT's Work does not include maintaining copies of Customer system configuration or user databases for any systems, unless Customer specifically hires ADT to do so under a Performance Optimization, Data Management and Backup, or Maintenance Program. ADT also does not keep copies of Customer system administrator passwords. If the information referenced above is lost by Customer, access to applications may not be possible, and Customer may be required to perform extensive software and or database rebuilds. Customer hereby acknowledges and accepts full responsibility for all tasks outlined in this section, and further acknowledges that ADT is not responsible for loss of data, integrity, passwords, system configuration, databases, backups, or other information.

31. Wireless Devices. Customer acknowledges and agrees that any wireless devices, including but not limited to, wireless local area network (WLAN or WiFi) networks and paths, wireless motion detectors, wireless smoke detectors, wireless door and window contacts, wireless home automation transmitters, and other wireless devices installed under this Agreement are not physically connected to the system (e.g., by electrical wire) and require a radio frequency network or path to operate. THESE WIRELESS DEVICES WILL NOT OPERATE, AND ANY ALARM WILL NOT SOUND, IF THE RADIO FREQUENCY NETWORK OR PATH IS IMPAIRED, INTERRUPTED, OR BECOMES INOPERABLE FOR ANY REASON WHATSOEVER. THESE WIRELESS DEVICES MAY USE FREQUENCIES AND SIGNAL PATHS THAT ARE NOT ENCRYPTED, AND ARE THUS SUBJECT AND VULNERABLE TO, INTERRUPTION, INTERCEPTION, INTERFERENCE, CORRUPTION, ALTERATION, BLOCKAGE, MANIPULATION, AND TAMPERING. It is Customer's sole responsibility to maintain all wireless local area network (WLAN or WiFi) networks and paths. ADT recommends that Customer regularly inspects any wireless network and wireless devices and test them weekly to help maintain continued operation. ADT also recommends that Customer carefully reads and follows the owner's manual, instructions and warnings for all equipment, including all wireless devices.

32. Notices. Any and all notices permitted or required to be given under this Agreement shall be in writing and shall be deemed duly given: (i) upon actual delivery if delivery is by hand or by nationally recognized overnight express mail; or (ii) upon receipt by the sending party of a confirmation or answer back if delivery is by email, or (iii) after three (3) days following delivery into the mail if delivery is by postage paid certified return receipt requested mail. Each such notice shall be sent to the respective party at the address indicated on the first page of this Agreement or to any other address or person that the respective party may designate by written notice delivered pursuant hereto.

33. Export Control. Customer shall not export or re-export, directly or indirectly, any: (i) product or service provided under this Agreement, (ii) technical data, (iii) software, (iv) information, or (v) items acquired under this Agreement to any country for which the United States Government (or any agency thereof) requires an export license or other approval without first obtaining any licenses, consents or permits that may be required under the applicable laws of the U.S. or other foreign jurisdictions and shall incorporate in all export shipping documents the applicable destination control statements. Customer shall, at its own expense, defend, indemnify, and save harmless ADT from and against all third-party claims, liability, loss or damage (including attorneys' fees and other defense costs), assessed against or suffered by ADT as a result of an allegation or claim of noncompliance by Customer with this Section. The obligations contained in this Section shall survive the termination or expiration of this Agreement.

34. Software. Any software provided with the Equipment or in connection with the Services is proprietary to ADT and/or ADT's supplier(s) and is licensed or sublicensed to Customer on a non-exclusive basis. Customer may not (a) disclose the Software or source code to any third parties, (b) duplicate, reproduce, or copy all or any part of the Software, or (c) use the Software on equipment other than with the designated Equipment with which it was furnished. A separate Software License Agreement or End User License Agreement between ADT and/or the software publisher may be required to use the software and/or obtain updates/upgrades.

35. Survival. Those provisions which by their sense are intended to survive the cancellation, expiration or termination of the Agreement, including, by way of example only, the indemnification and limit of liability obligations contained therein, shall survive the cancellation, expiration or termination of the Agreement for whatever reason.

36. Waiver. The waiver, by either party, of a breach or violation of any provision of this Agreement shall not operate as, or be considered, to be a waiver of any subsequent breach thereof.

APPENDIX 6 – RECURRING SERVICES TERMS AND CONDITIONS

In addition to the terms and conditions set forth in Appendix 2, this Appendix contains terms and conditions applicable to recurring services provided by ADT to Customer other than the services set forth in Appendices 7, 8 and/or 9. If the event of any conflict between Appendix 2 and this Appendix 6, the terms of this Appendix 6 shall prevail. This Appendix 6 does not apply to monitoring services and/or hosted services (see, if attached, Appendices 7, 8 and/or 9). Any terms and conditions set forth in a Master Agreement (or similar document) between the parties do not apply to recurring services.

1. Term. The initial term of this Appendix shall be for Sixty (60) Months (the "Initial Term"). The Initial Term shall begin on the date all equipment is installed and is operational, and when any necessary communications connection is completed. NOTE: Payment of all charges for installation and equipment is a precondition to the activation of the equipment and any recurring services the Customer has selected.

2. Auto Renew. Upon the expiration of the Initial Term, all selected recurring services shall automatically renew for successive terms of one (1) year each (each, a "Renewal Term"); provided that the Customer may, by providing written notice to ADT no less than thirty (30) (and no more than sixty (60)) days prior to the date of such auto renewal, cancel such auto renewal with respect to any of the selected recurring services.

3. Pricing Change. ADT may increase the charges for the recurring services after the first year of the Initial Term (but no more than once in any twelve (12) month period) by giving Customer thirty (30) days prior written notice.

4. Early Termination. In the event that the Customer terminates a recurring service during the Initial Term or during a Renewal Term, Customer shall pay to ADT, in addition to all other charges due prior to termination, the charges remaining to be paid for the unexpired portion of the Initial Term or Renewal Term (as the case may be) for such recurring service. Customer acknowledges and agrees that this amount is an agreed upon early termination charge in the nature of liquidated damages, and is not a penalty.

(REMAINDER OF PAGE INTENTIONALLY BLANK - SIGNATURES ON FOLLOWING PAGE)

Acceptance

NOTICE: Our charges under this agreement are based on your agreement to receive and pay for the services for a full Sixty (60) month term.

IF THIS AGREEMENT IS TERMINATED BY YOU PRIOR TO THE END OF THE THEN-CURRENT TERM, EXCEPT AS OTHERWISE PROVIDED HEREIN, YOU AGREE TO PAY US THE SERVICE CHARGES THAT WOULD HAVE BEEN PAYABLE BY YOU FOR THE REMAINING TERM OF THE AGREEMENT BUT FOR THE EARLY TERMINATION HEREOF.

Agreed and accepted as of the date set forth above. All checked items and options, and the attachments represented by such checked items and options are a part of this Proposal which, once fully executed, shall also be referred to herein as the "Agreement."

Customer Authorized Representative	Printed Name	Title	Date

ADT Representative	Printed Name	Title	Date

ADT Authorized Manager	Printed Name	Title	Date

From: mcserrato@stwa.org
Sent: Tuesday, September 1, 2020 12:05 PM
To: Gregory Lewis (gclewis@adt.com)
Subject: STWA Camera Placement
Attachments: STWA Camera Placement Schematic March 1 2017.pdf

Greg,

As we discussed, this is the simple schematic showing the placement of the cameras on/in STWA's office building which we were able to locate using Google Earth while we spoke.

As you can see, there are six cameras facing in different directions on a pole on the north side of the building. There is an employee entrance on the north side close to that pole. The north and west sides of the lot are where the majority of equipment, vehicles and materials are stored.

Three cameras are on the west side of the building. These cameras are facing a pump station and another storage building on the west side of our office building. There is also another employee entrance on this side of the office.

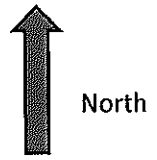
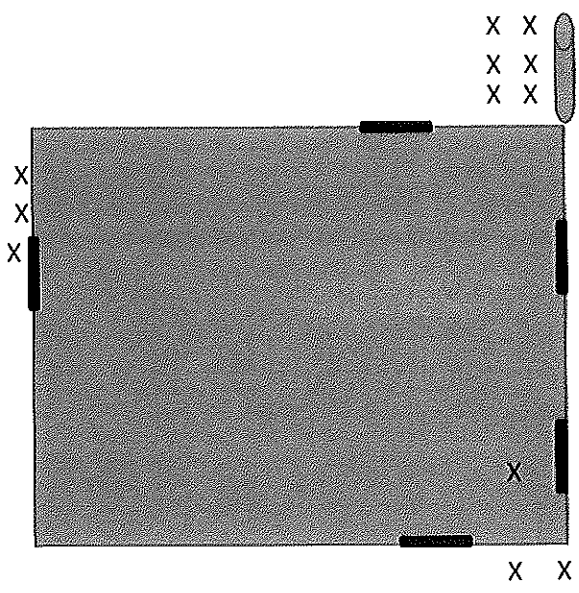
Two cameras are on the south side of the office building and are positioned at a drive-way for the drive through window.

On the east side of the building there is one camera located in the customer entry which is both audio and video.

Please let me know if you need more information.

Carola

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



mcgserrato@stwa.org

From: mcgserrato@stwa.org
Sent: Monday, August 31, 2020 3:19 PM
To: Gregory Lewis (gclewis@adt.com)
Cc: Frances Rosales
Subject: Protection 1 - ADT Proposals - STWA March 2017
Attachments: Protection 1 Security Camera Proposals March 201720200831_15123749.pdf

Mr. Lewis,

Per our conversation this afternoon, attached is a pdf file with two (2) proposals provided by a Protection 1 representative that is no longer active with your company.

STWA is looking to update the proposals.

Please contact me if you need additional information.

As we discussed, our facility experienced a recent theft and the majority of the cameras are intended to capture yard activity. Although, there is a camera in our front entry that is both a video and audio unit.

Carola

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

Security Cameras



A Proposal for

SOUTH TEXAS WATER AUTHORITY:

*Presented By: David Perkins
361-246-8165*

Presented On March 30, 2017

Protection One Proposal: SOUTH TEXAS WATER AUTHORITY
Presented by: David Perkins 361-246-8165

Equipment and Investment Summary

Site Information

Customer: SOUTH TEXAS WATER AUTHORITY
Address: 111 EAST SAGE ROAD
City, State Zip: KINGSVILLE, TX 78363
Bus. Phone: 3615929323

Billing Information

SOUTH TEXAS WATER AUTHORITY
P.O. BOX 1701
KINGSVILLE, TX 78363
3615929323

Equipment List For: CCTV

<u>Quantity</u>	<u>Description</u>
1	TDVR 16Ch Hd/ Ana/ Ip 4Sata 3Tb
11	Outdoor Turbo Bullet 3.6Mm IR

Sub Total Installation Cost:	\$3,800.00
Estimated Install Taxes:	\$0.00
SubTotal Monthly Charge:	\$35.00

<u>Total Estimated Install Taxes:</u>	\$0.00
<u>Total Installation Cost:</u>	\$3,800.00
<u>Total Monthly Charges:</u>	\$35.00*

* Plus applicable Tax



A Proposal for

SOUTH TEXAS WATER AUTHORITY:

*Presented By: David Perkins
361-246-8165*

Presented On March 30, 2017

Carola Serrato

From: David Perkins <DavidPerkins@protection1.com>
Sent: Thursday, March 30, 2017 12:19 PM
To: Carola Serrato
Subject: RE: Maintenance Contract and Security Alarm Quote
Attachments: SOUTH TEXAS WATER AUTHORITY_ALARM SYSTEM TAKE OVER.doc; SOUTH TEXAS WATER AUTHORITY_CCTV WITH MONTHLY SERVICE PLAN.doc

Here are both the proposals. We do have a service plan available. If you have any questions let me know I can stop by this afternoon or tomorrow.

David Perkins

Commercial Security Consultant
2014 Installer of the Year
2013 Call Center Excellence & Culture Award Winner
2012 SDM Dealer of the Year
9-time SAMMY Award Winner
Phone: [361.452.5803](tel:361.452.5803)
Mobile: [361.246.8165](tel:361.246.8165)
5541 Bear Lane, 204-206
Corpus Christi, TX 78405
[Email](#) | [Website](#)

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From: Carola Serrato [<mailto:cserrato@stwa.org>]
Sent: Thursday, March 30, 2017 12:04 PM
To: David Perkins <DavidPerkins@protection1.com>
Subject: Maintenance Contract and Security Alarm Quote

David,

One of the Board Members requested more information on the security camera system. He asked if your company provides maintenance contracts and if so what would be the cost.

Also, I may have missed the earlier quote; but, did you provide one for the Security Alarm system with the additional features?

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

Protection One Proposal: SOUTH TEXAS WATER AUTHORITY
Presented by: David Perkins 361-246-8165

Equipment and Investment Summary

	<u>Site Information</u>	<u>Billing Information</u>
Customer:	SOUTH TEXAS WATER AUTHORITY	SOUTH TEXAS WATER AUTHORITY
Address:	111 EAST SAGE ROAD	P.O. BOX 1701
City, State Zip:	KINGSVILLE, TX 78363	KINGSVILLE, TX 78363
Bus. Phone:	3615929323	3615929323

Equipment List For: SEM

<u>Quantity</u>	<u>Description</u>
1	System Enhancement Module-Verizon for Vista 10P-15P-20P (LTE)
1	Pro1 Large Fix-Eng Keypad (Hardwire)
1	Universal Replacement Kit for 320P1 upgrade pak-board only

Sub Total Installation Cost:	\$99.00
Estimated Install Taxes:	\$0.00
SubTotal Monthly Charge:	\$39.95

<u>Total Estimated Install Taxes:</u>	\$0.00
<u>Total Installation Cost:</u>	\$99.00
<u>Total Monthly Charges:</u>	\$39.95*

* Plus applicable Tax

39.95
flat

mcgserrato@stwa.org

From: mcgserrato@stwa.org
Sent: Monday, August 31, 2020 2:37 PM
To: 'Matt Cazalas'
Subject: RE: Camera System
Attachments: DVR vs NVR systems20200831_14305579.pdf

Thanks, Matt.

I can call tomorrow. I did find the attached article about DVR vs NVR. I think the article covers the pros and cons of each system. But, I still have some questions as the systems pertain to STWA's exact situation.

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

From: Matt Cazalas <mattcazalas@alarmsecurity.com>
Sent: Monday, August 31, 2020 2:17 PM
To: mcgserrato@stwa.org
Subject: Re: Camera System

Mrs. Serrato,

If you can call me tomorrow morning like 10:00AM that would be great. I will be expecting your call.

Matt Cazalas
Sales
Alarm Security & Contracting, Inc.
1706 SPID
Corpus Christi, TX 78416
361-857-5615 office
361-853-7779 fax
361-533-3474 cell
mattcazalas@alarmsecurity.com
www.alarmsecurity.com



On Mon, Aug 31, 2020 at 1:48 PM <mcgserrato@stwa.org> wrote:

Matt,

Thank-you. This is very helpful. But, it has been too long for me to recall the differences between the two systems. Would you be available for a phone call this afternoon?

Carola

Carola G. Serrato

Executive Director

South Texas Water Authority

2302 East Sage Rd

Kingsville, Texas 78363

361-592-9323 x112

From: Matt Cazalas <mattcazalas@alarmsecurity.com>

Sent: Monday, August 31, 2020 1:25 PM

To: mogserrato@stwa.org

Subject: Camera System

Good afternoon,

Here are the quotes we sent a while back. I have updated dates but do not see any other adjustments needed. Please let me know if you have any questions.

Thank you,

Matt Cazalas
Sales
Alarm Security & Contracting, Inc.

1706 SPID

Corpus Christi, TX 78416

361-857-5615 office

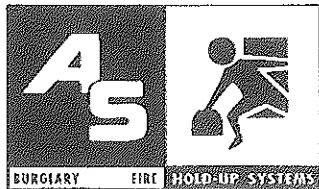
361-853-7779 fax

361-533-3474 cell

mattcazalas@alarmsecurity.com

www.alarmsecurity.com





ALARM SECURITY & CONTRACTING, INC.

P. O. Box 71389
Corpus Christi, Texas 78467-1389

1802 So. Padre Island Dr.
Corpus Christi, Texas 78416

(361) 857-5615

VISIT OUR WEBSITE AT www.alarmsecurityonline.com

(UPDATED)

DATE: August 31, 2020

Carola Serrato
South Texas Water Authority
2302 E. Sage Road
Kingsville, TX 78363

Mrs. Serrato,

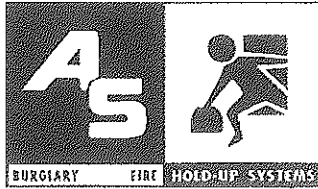
Please see below our proposal for upgrading your camera system to the new 2 megapixel AHD platform as discussed. This quote includes replacing recorder, connections, & all existing cameras.

1-DVR 16 Channel AHD HD
1-Hard Drive 2TB
1-Power Supply 20AMP
11-Exterior Bullet Camera W/IR 2MP AHD 2.8-12mm
1-Interior Dome Camera W/IR 2MP AHD 2.8-12mm
12-Power Leads
24-BNC Connectors
1-NVR Networking & Setup Remote Viewing
1-Network Cable
1-Installation

System Completed: \$4,229.00 + Tax

This proposal is valid for 90 days.

Thank You,
Matt Cazalas – Alarm Security & Contracting Inc.



ALARM SECURITY & CONTRACTING, INC.

P. O. Box 71389
Corpus Christi, Texas 78467-1389

1802 So. Padre Island Dr.
Corpus Christi, Texas 78416

(361) 857-5615

VISIT OUR WEBSITE AT www.alarmsecurityonline.com

(UPDATED)

DATE: August 31, 2020

Carola Serrato
South Texas Water Authority
PO BOX 1701
Kingsville, TX 78364

Mrs. Serrato,

Please see below our proposal for installation of camera system at your building. This quote does not include any outdoor enclosures or trenching if/where needed.

1-NVR 16 Channel 1080P HD
2-Hard Drive 4TB
3-WDS Wireless Bridge Link
3-POE Switch 8 Port
12-Bullet Camera W/IR 2MP HDIP 2.8-12mm
1-Monitor 21.5" LED
1-HDMI Cable 6ft
30-RJ45 Connectors
1-DVR Networking & Set Up Remote Viewing
1-Network Cable
3-Power Strips
2000' Cat 5 E Wire
1-Misc Conduit & Fittings
12-Single Gang Boxes
12-Cover Plates
1-Skyjacker Wall Plate
1-Installation

System Completed: \$15,766.00 + Tax

This proposal is valid for 90 days.

Thank You,
Matt Cazalas – Alarm Security & Contracting Inc.

FOR YOUR INFORMATION

ERCOT MONITORING REPORT

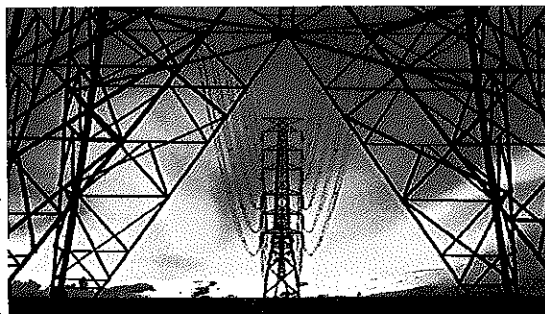
IN THIS ISSUE:

2% Rule	1
Energy Use Up 1% This Year	2
Issues Arising From Electric Vehicles	3

ERCOT Stakeholders Consider Controversial Market Feature

In July, a contentious issue arose and came before ERCOT's Technical Advisory Committee (TAC) that would impact both the degree to which certain power plants operate in ERCOT and the price that consumers ultimately pay for electricity.

ERCOT operates a complex computer system called Security-Constrained Economic Dispatch, or SCED, that considers the system's load, the ability of the transmission system to carry power throughout the ERCOT system, and power plants' offers to sell power, in arriving at the combination of power plants that can provide the lowest-priced solution to the system's energy needs.



Most issues at ERCOT come down to a party's request to change some aspects of ERCOT's rules—in most cases, the ERCOT

Protocols. This issue was different, and addressed the so-called 2% rule, which is not found in the ERCOT protocols, but is instead an informal desk procedure applied by ERCOT system operators. To understand the 2% rule, an overview of how ERCOT directs power plants to run would be helpful.

One of the many variables considered by SCED are what are known as shift factors—a mathematical representation of how power flows over the different elements of the transmission system. One way to think of a shift factor is as a measure of how impactful the

(Continued on page 2)

QUESTIONS ABOUT ERCOT?

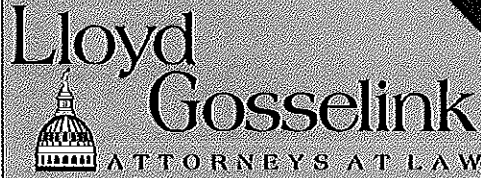
Chris Brewster, an attorney with Lloyd Gosselink, represents cities at ERCOT on a daily basis and participates in ERCOT matters on your behalf.

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.

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.



Market Feature, continued...

injection of power into the system is on congestion at a given point.

Finally, we arrive at the 2% rule. The 2% rule stops SCED from continue to deploy ever-more costly resources in an attempt to solve a transmission constraint if the resource has only a minimal impact on the constraint—if it has less than a 2% shift factor. The rationale behind this is that dispatching an expensive resource to resolve the congestion under these circumstances is simply an additional cost to consumers and is not a cost-effective way to manage congestion on the system. The 2% rule has been applied since the start of our current market design.

The Independent Market Monitor (IMM) is a “watchdog” over the electric market and that was created by the Legislature. The IMM’s role is to watch the wholesale electric market for signs of market manipulation and market power abuse, and make recommendations about ERCOT’s wholesale market design. This summer, the IMM has advocated for the removal of the 2% rule as being consistent with sound market design. As she has

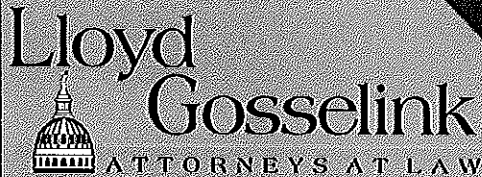
argued, the 2% rule is an artificial constraint on an otherwise well-designed market that allows wholesale prices to fluctuate with demand on the system. One aspect of that demand is the ability of certain resources to resolve congestion.

In our view, the 2% rule is an important feature of the wholesale market that protects customers from very high energy market prices that would otherwise serve little function. At least *in theory*, allowing wholesale prices to increase to their fullest, unrestrained extent is consistent with free-market principles. But in the case of the 2% rule, that theory is not entirely applicable—for constraints to which it applies, dispatching more and more power plants to resolve congestion, without regard for cost-benefit, makes little practical sense. The rule represents a real-world, practical compromise, and has worked in our market for many years.

For these reasons, we continue to support the 2%. This issue was brought up at the August TAC meeting, but was tabled for further consideration at a future meeting. We expect another substantive discussion on it to occur in September.

Energy Use Up 1% This Year, Even with Pandemic

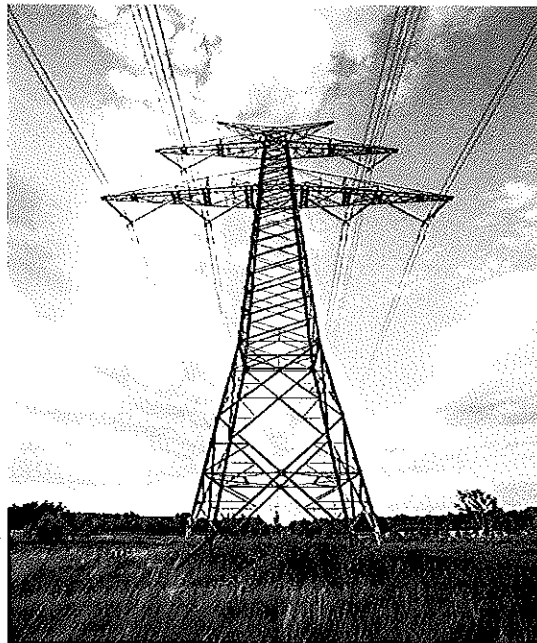
As we are all aware, the COVID-19 pandemic continues to have a dampening impact on Texas’s economy. Despite this, however, at a recent ERCOT Board of Directors meeting, ERCOT reported that June 2020 energy usage on the system was 1% higher than at the same time last year. In fact, on July 13, ERCOT reached a new record peak demand of 73,962 MWs during the 4:00 p.m. hour. West Texas has seen even higher relative loads and has exceeded its previous record peak demand by 9% on a day in July.



PUC Considers Issues Arising from Electric Vehicles

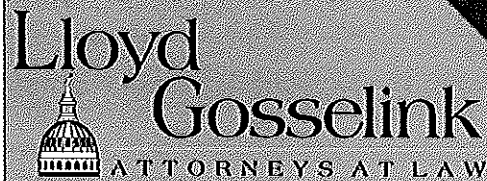
In recent years, electric industry regulators nationwide have contended with issues arising from electric vehicles (EVs). The Texas PUC has opened a project to consider these questions—Project No. 49125—and has sought comments from interested parties on a variety of issues. EVs present challenges and opportunity to Texas’s entire utility framework. By potentially shifting a portion of the state’s very large energy needs arising from transportation onto the electric system and away from gasoline, the increasing usage of EVs has caused the PUC to consider what changes to our system need to be made to accommodate this technology.

The Oncor Cities Steering Committee (OCSC) filed comments in this Project in August, and generally urged that EV charging stations be treated as any other electricity use. In our view, the current Texas deregulated market model can accommodate increased usage of EVs with little regulatory change. Specifically, we argued that EV charging stations should not be owned and operated by electric utilities (like Oncor and CenterPoint) but instead should be left to third parties, much in the manner of how current gas stations are owned and operated—with difficult and risky decisions about EV charging



stations, such as where to locate them, and what kind to offer, being made by the private market. In reaching this conclusion, we determined that ownership and operation of an EV charging station is not a retail sale of electricity, and, as a result, any entity could own and operate one. We finally argued that the distribution infrastructure associated with an EV charging station should be paid for in the same manner as any distribution investment now—with the distribution connection paid in a shared manner between a Contribution in Aid of Construction (CIAC), funding by the EV charging station owner, and the utility’s rates generally. There is no reason to treat EV charging stations differently, and the existing model will work well.

At this point Project No. 49125 is at an informal stage, with the PUC asking questions for parties comments, and with no rule yet proposed. We expect the project carry forward in the coming months, and may ultimately develop into a formal rulemaking proceeding. OCSC will continue monitor the project and filed comments as appropriate.



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