

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Kathleen Lowman, President
DATE: October 15, 2018
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, October 23, 2018
5:30 p.m.
South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

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

Agenda

1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issue is limited to a proposal to place it on the agenda for a later meeting.
3. Approval of Minutes. (Attachment 1)
4. Quarterly Report/Treasurer's Report/Payment of Bills. (Attachment 2)
5. STWA Board of Directors Meeting Schedule for 2019. (Attachment 3)
6. Update on TCEQ Enforcement Action and State Office of Administrative Hearings. (Attachment 4)
7. Update on Driscoll Pump Station LAS Chemical Feed System Addition. (Attachment 5)
8. Water Supply Contract with the City of Bishop. (Attachment 6)
9. Water Supply Contract with City of Driscoll. (Attachment 7)
10. Authorization to advertise for the purchase of a track hoe/excavator. (Attachment 8)
11. City of Corpus Christi Rate Model and True Up. (Attachment 9)

12. Kleberg County Extension Agency funding request for private water well screening.
(Attachment 10)
13. Water Supply Contract with Nueces Water Supply Corporation – Amendment to Provide Maximum Hourly Purchase Rate that when Combined with Actual Service Pump Capacity is at least 2.0 gpm per Connection or at least 1000 gpm and able to Meet Peak Hourly Demands, whichever is Less (Attachment 11)
14. Adjournment.

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

KL/CGS/fdl
Attachments

This meeting notice was posted on
STWA's website, www.stwa.org, and on
indoor and outdoor bulletin boards at
STWA's administrative offices,
2302 East Sage Road, Kingsville, Texas at
12:00 am on 10/19/18
Francis DeLeon
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
September 25, 2018
Minutes

Board Members Present:

Kathleen Lowman
Dr. Albert Ruiz
Rudy Galvan
Lupita Perez
Charles Schultz
Filiberto Treviño
Steven Vaughn

Board Members Absent:

Patsy Rodgers

Staff Present:

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

Guests Present:

None

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:31 p.m. A quorum was present.

2. Citizen Comments.

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

3. Approval of Minutes.

Mr. Galvan made a motion to approve the minutes of the September 4, 2018 Public Hearing and Regular Meeting as presented. Mr. Treviño seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

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

Treasurer's Report for period ending August 31, 2018
Revenue Fund Income Statement for period ending August 31, 2018
Tax Fund Income Statement for period ending August 31, 2018
Special Services Income Statement for period ending August 31, 2018
STWA Revenue Fund Balance Sheet – August 31, 2018
STWA Revenue Fund GL Account Summary Report as of August 31, 2018
STWA Debt Service Fund Income Statement for period ending August 31, 2018
STWA Debt Service Fund Balance Sheet August 31, 2018
STWA Debt Service Fund GL Account Summary Report as of August 31, 2018

STWA Capital Projects Fund Income Statement for period ending August 31, 2018
STWA Capital Projects Fund Balance Sheet – August 31, 2018
STWA Capital Projects Fund GL Account Summary Report as of August 31, 2018
STWA 2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor

The following outstanding invoices were presented for Board approval:

• Kleberg County Appraisal District	\$ 5,213.19
• City of Corpus Christi	\$ 130,834.29
• LNV, Inc. – Banquete PS Improvements	\$ 7,750.00
• City of Driscoll	\$ 3,600.00
• Mercer Controls, Inc.	\$ 27,580.00

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

5. Fiscal Year 2018 Budget Amendments.

Ms. Serrato reviewed the amendments to the Fiscal Year 2018 Budget. The amendments included an increase in Total Revenues of \$137,833, an increase in Total Administrative and Operations Expenditures without Capital Outlay of \$82,134, and an increase in Total Expenditures including Capital Outlay of \$93,519. Capital Acquisition also increased by \$11,385 resulting in the Net Ending Balance of \$129,992 which Ms. Serrato pointed out could potentially increase by \$25,000 from the Major Repair line item if no major repairs are experienced during the remaining week of the fiscal year. After reviewing the amendments, Mr. Vaughn made a motion to approve the Fiscal Year 2018 Budget Amendments. Mr. Schultz seconded and all voted in favor.

6. Tax Year 2018 tax roll/levy for the South Texas Water Authority's district in Kleberg County.

Ms. Serrato presented the Kleberg County tax roll/levy for Tax Year 2018 reflecting a total taxable value of \$1,139,146,245 and a total tax levy of \$988,196.28 and recommended approval of Resolution 18-14 adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2018.

7. Resolution 18-14. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2018.

Mr. Treviño made a motion to accept Resolution 18-14 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2018. Mr. Galvan seconded the motion and all voted in favor.

8. Tax year 2018 tax roll/levy for the South Texas Water Authority's district in Nueces County.

Ms. Serrato presented the Nueces County tax roll/levy for Tax Year 2018 reflecting a total taxable value of \$804,216,077 and a total tax levy of \$697,476.89 and recommended approval of Resolution 18-15 adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2018.

9. Resolution 18-15. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2018.

Mr. Treviño made a motion to accept Resolution 18-15 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2018. Mr. Galvan seconded the motion and all voted in favor.

10. STWA Investment Policies.
- a) South Texas Water Authority General Fund
 - b) South Texas Water Authority Debt Service Fund
 - c) South Texas Water Authority Capital Project Fund

Ms. Serrato informed the Board that review and approval of STWA's Investment Policies is required every year and added there have been no changes to the Policies since last year. She then recommended approval of the STWA General Fund, Debt Service Fund and Capital Project Fund Investment Policies.

11. Resolutions 18-16 through 18-18. Resolutions approving the following South Texas Water Authority Investment Policies:
- a) South Texas Water Authority General Fund
 - b) South Texas Water Authority Debt Service Fund
 - c) South Texas Water Authority Capital Project Fund

Mr. Schultz made a motion to adopt Resolutions 18-16, 18-17 and 18-18. Mr. Treviño seconded. All voted in favor.

12. Request to close office for staff Christmas luncheon and gift exchange on December 12, 2018.

Ms. Serrato requested authorization to close the office on December 12, 2018 for the annual staff Christmas luncheon from 11:30 a.m. to 2:30 p.m. Dr. Ruiz made a motion to authorize closing the office on December 12, 2018 from 11:30 a.m. to 2:30 p.m. for the annual staff Christmas luncheon and gift exchange. Ms. Perez seconded. All voted in favor.

13. Proposal for line locate services from USIC Locating Services, LLC.

Ms. Serrato stated that after the last Board Meeting she again spoke with USIC representative Neil Punt and met with their area line locator supervisor. She determined that STWA's \$25,000 estimate of \$25,000 is considerably lower than USIC's estimated \$46,000 annual cost. The

\$4,600 referred to in the estimate is 10% of USIC's annual cost. She added that she did not feel the services are worthwhile compared to the cost and risk involved. Mr. Treviño made a motion to reject the proposal. Mr. Vaughn seconded. All voted in favor.

14. Update on TCEQ Enforcement Action and State Office of Administrative Hearings.

Ms. Serrato reported that a conference call with TCEQ representatives was held on September 18, 2018. Again the TCEQ states that there is a discrepancy in the number of samples in the Quarterly Report and those reported by O&M Supervisor Jacob Hinojosa in the DLQOR forms. Discussion also included two instances of the Colorimeter II readings being 15% higher than the CL 17 analyzer readings, instances when the Total Chlorine reading was lower than Monochloramine, incomplete NAP information for the Driscoll Booster Station "Before," the "After" boosting information for Agua Dulce on August 3rd, Nitrate-Nitrate results for July rather than August and information on "corrective action" as a result of NAP triggers. An updated Quarterly Report including a Monitoring Plan with a revised D3 Table will be submitted by October 8th. No action was taken by the Board.

15. Update on Driscoll Pump Station LAS Chemical Feed System Addition.

Ms. Serrato reported that the LAS system is still operating on manual but would prefer it to work on automatic. She added that the required residuals in Kingsville are being maintained; however she still believes operation improvements are possible including SCADA communication (flowrate) between the Bishop East Pump Station, Kingsville Pump Station, Bishop West Pump Station and Ricardo Master Meter, and the Driscoll Booster Station.

16. Water Supply Contract with the City of Bishop.

Ms. Serrato stated that Bishop City Secretary Cynthia Contreras informed her that the Bishop October 24th agenda will include an item on the water supply contract. Ms. Serrato informed the Board that as decided at the last meeting if nothing is received by October 4th, Mr. Flickinger will begin working on the modifications to the water supply contract on October 5th for action by the STWA Board at the October 23rd meeting. She had nothing further to report.

17. Water Supply Contract with the City of Driscoll.

Ms. Serrato stated that she contacted Mr. John Valls who is currently acting as Interim City Administrator to verify that he received the correspondence that she sent to him at his request. He confirmed that he received it and that the council would be meeting on October 3rd and the contract would be a discussion only agenda item. She had nothing further to report.

18. Bids for Fiscal Year 2019 pickup truck.

Ms. Serrato stated STWA's outside auditor confirmed that a bid could be awarded during the September 25th meeting with the cost paid on or after October 1st to be a Fiscal Year 2019 expense. Bid packets were delivered for purchase of a ½ ton 4x4 pick truck. An alternative 4x2 bid was also solicited. The budgeted amount for the purchase is \$32,500. Packets were delivered to Access Ford, AutoNation Chevrolet and Toyota, AutoNation Ford Mazda, Beck and

Masten GMC, Caldwell Country Chevrolet, Hick's Family Nissan, Lithia Dodge, Neesen Chevy/GMC, Neesen Dodge, Sames Ford Kingsville and Mike Shaw Toyota. Bids were opened at 2:00 p.m. on September 20, 2018 and the low bid on a 4x4 was from AutoNation Ford in the amount of \$28,500 with a delivery time of 90 days. Ms. Serrato recommended adoption of Resolution 18-19 awarding the bid to AutoNation Ford.

19. Resolution 18-19. Resolution awarding the bid for the purchase of one pickup truck.

Mr. Galvan made a motion to adopt Resolution 18-19 awarding the bid for the purchase of one 4x4 ½ ton pickup truck to AutoNation Ford in the amount of \$28,500. Dr. Ruiz seconded. All voted in favor.

20. Purchase of replacement conference room chairs.

Ms. Serrato stated that the current conference room chairs were purchased with original 1981 Bond Funds as part of the start-up of the Regional Water System in June of 1984 at a cost of \$333.03 each. She asked the Board to consider authorizing staff to purchase ten chairs after October 1, 2018 if they feel funds are available. The purchase would likely require an amendment to the FY 2019 budget in April of 2019. Mr. Galvan made a motion to authorize staff to purchase ten chairs at a cost of up to \$1,000 per chair up to \$10,000. Mr. Treviño seconded. All voted in favor.

21. Personnel Evaluation of the Executive Director.

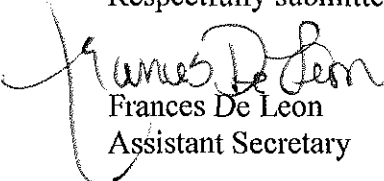
Ms. Lowman announced that the Board would convene in Closed Session at 6:08 p.m. pursuant to Section 551.074 of the Government Code to discuss the Personnel Evaluation of the Executive Director. The Board reconvened in Open Session at 6:42 p.m. No action was taken during Closed Session.

The Board commented that they would like to see procedures in place for cross-training of personnel to assure uninterrupted operations in case of unforeseen absences.

22. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:51 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

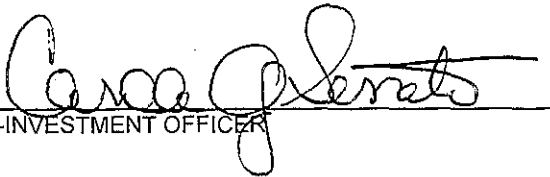
Quarterly Reports/Treasurer's Report/Payment of Bills

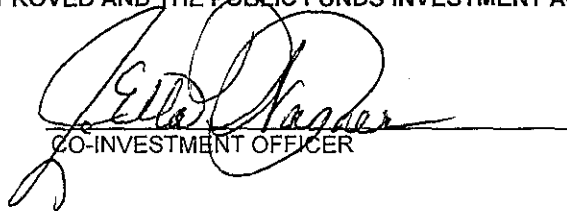
SOUTH TEXAS WATER AUTHORITY
INVESTMENT REPORT
FOR QUARTER ENDED SEPTEMBER 2018

	BEGINNING	BEGINNING	TRANSFERS	REVENUES	EXPENSES	INTEREST	ENDING	ENDING
	BOOK VALUE	MARKET VALUE					BOOK VALUE	MARKET VALUE
	1-Jul-18	1-Jul-18	FOR JULY, AUGUST & SEPTEMBER				30-Sep-18	30-Sep-18
CASH ACCOUNTS								
GENERAL ACCT - PROSPERITY BANK	167,525.32	167,525.32	(117,000.00)	657,464.40	661,792.27	180.58	46,378.03	46,378.03
GENERAL ACCT TEXPOOL 1371300002	2,215,084.73	2,215,084.73	(73,116.66)	51,508.24	0.00	10,970.38	2,204,446.69	2,204,248.29
GENERAL ACCT TEXSTAR 1111-000	1,020,930.29	1,020,921.10	0.00	0.00	0.00	4,996.99	1,025,927.28	1,025,860.59
PAYROLL ACCT - PROSPERITY BANK	33,844.41	33,844.41	100,000.00	0.00	105,162.70	28.53	28,710.24	28,710.24
OPERATIONS ACCT - PROSPERITY BANK	49,030.34	49,030.34	90,000.00	0.00	106,539.55	49.61	32,540.40	32,540.40
DEBT SERVICE ACCT TEXPOOL 1371300008	332,137.98	332,137.98	116.66	9,271.11	306,121.48	713.91	36,118.18	36,114.93
TOTAL CASH ACCOUNTS	3,818,553.07	3,818,543.88	(0.00)	718,243.75	1,179,616.00	16,940.00	3,374,120.82	3,373,852.48

	AVG. MAT. 9/30/2018	JULY RATE	JULY EARNING	AUGUST RATE	AUGUST EARNING	SEPTEMBER RATE	SEPTEMBER EARNING	TOTALS
GENERAL ACCT - PROSPERITY BANK	immediate	0.4000%	\$68.59	0.4000%	\$65.01	0.4000%	\$46.98	\$180.58
GENERAL ACCT TEXPOOL 1371300002	28 days	1.8896%	\$3,576.55	1.9205%	\$3,686.49	1.9953%	\$3,707.34	\$10,970.38
GENERAL ACCT TEXSTAR 1111-000	30 days	1.8965%	\$1,644.34	1.9225%	\$1,669.67	1.9995%	\$1,682.98	\$4,996.99
PAYROLL ACCT - PROSPERITY BANK	immediate	0.4000%	\$9.48	0.4000%	\$9.97	0.4000%	\$9.08	\$28.53
OPERATIONS ACCT - PROSPERITY BANK	immediate	0.4000%	\$18.85	0.4000%	\$13.68	0.4000%	\$17.08	\$49.61
DEBT SERVICE ACCT TEXPOOL 1371300008	28 days	1.8896%	\$529.13	1.9205%	\$127.10	1.9953%	\$57.68	\$713.91
TOTALS			\$5,846.94		\$5,571.92		\$5,521.14	\$16,940.00

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


CO-INVESTMENT OFFICER


CO-INVESTMENT OFFICER

The General Fund is out of balance by approximately \$30. Staff anticipates having a corrected treasurer's report at the meeting.

SOUTH TEXAS WATER AUTHORITY
Treasurer's Report
For Period Ending September 30, 2018

STWA Water Sales:

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$2.396571 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	11,050	\$26,482.11	\$4,711.57	\$0.00	\$0.00	\$31,193.67
Bishop	2,974	\$7,127.40	\$1,268.07	\$1,268.07	\$0.00	\$9,663.55
Agua Dulce	1,977	\$4,739.00	\$843.14	\$0.00	\$0.00	\$5,582.14
RWSC	7,399	\$17,732.23	\$3,154.83	\$0.00	\$0.00	\$20,887.06
Driscoll	3,960	\$9,489.70	\$1,688.36	\$1,688.36	-\$79.25	\$12,787.17
NCWCID #5	1,950	\$4,674.10	\$831.59	\$831.59	\$731.47	\$7,068.76
NWSC	13,666	\$32,751.80	\$5,827.04	\$0.00	\$0.00	\$38,578.84
TOTAL	42,977	\$102,996.35	\$18,324.60	\$3,788.03	\$652.22	\$125,761.20

Water Cost and Usage for Period of:	08/31/18 to	09/30/18
City of Corpus Christi Invoice for Cost of Water Purchased:		\$97,780.09
Gallons of Water Recorded by City of Corpus Christi:		40,800,000
Gallons of Water Recorded by STWA from Customer's Master Meters:		42,976,550
Water Loss Percentage:		-5.33%

Annual Usage for FY 2018	Annual
Gallons of Water Recorded by City of Corpus Christi:	542,698,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	559,370,300
Water Loss Percentage: (year to date)	-3.07%

**REVENUE FUND
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2018**

100.00%

	MONTHLY	YEAR TO DATE	2018 FINAL BUDGET	% OF 2018 FINAL BUDGET	2017 YEAR TO DATE	2017 FINAL BUDGET
REVENUES						
Water Service Revenue	102,996	1,344,221	1,330,515	101%	1,243,677	1,240,206
Handling Charge Revenue	18,325	240,964	238,500	101%	229,152	228,517
Premium Incremental Increase	3,788	46,629	46,600	100%	0	0
Surcharge - Out of District	552	6,619	6,619	100%	5,778	5,778
Interest Income	3,780	33,061	33,000	100%	13,841	13,500
Other Revenue						
Operating & Maintenance Fees	0	0	0	0%	0	0
Miscellaneous Revenues	921	29,848	29,350	102%	7,042	6,750
TOTAL REVENUES	130,362	1,701,343	1,684,584	101%	1,499,491	1,494,751
EXPENDITURES						
Water Service Expenditures:						
Bulk Water Purchases	97,780	1,290,842	1,330,515	97%	1,233,540	1,233,414
Payroll Costs						
Salaries & Wages - Reg. Employees	24,555	302,037	317,342	95%	291,179	285,123
Salaries & Wages - Part-Time	112	1,530	1,375	111%	5,800	5,851
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	1,556	18,677	19,300	97%	16,478	17,910
Stand-by Pay - STWA	100	1,300	1,300	100%	1,300	1,300
Employee Retirement Premiums	6,432	46,981	52,561	89%	35,762	36,612
Group Insurance Premium	12,935	154,766	162,178	95%	147,004	147,404
Unemployment Compensation	95	1,356	1,300	104%	189	300
Workers' Compensation	0	4,820	6,004	80%	6,624	7,252
Car Allowance	500	5,900	5,900	100%	4,800	4,800
Hospital Insurance Tax	293	3,549	3,728	95%	3,436	3,388
Supplies & Materials						
Repairs & Maintenance	32,647	102,769	120,000	86%	116,324	126,500
Meter Expense	0	12,523	12,525	100%	7,140	7,140
Tank Repairs	0	26,140	26,140	100%	7,790	7,800
Major Repairs	0	0	25,000	0%	0	25,000
Other Operating Expenditures:						
Professional Fees						
Legal	1,181	10,289	11,500	89%	27,221	30,000
Auditing	0	9,369	9,370	100%	9,550	9,155
Engineering	0	59,493	70,000	85%	59,747	60,000
Management & Consulting	0	2,778	3,500	79%	13,862	14,550
Inspection	0	2,725	2,725	100%	1,598	1,600
Leak Detection	0	55,440	55,440	100%	3,324	20,000
Consum Supplies/Materials						
Postage	0	5,834	6,500	90%	8,681	8,950
Printing/Office Supplies/Tech Support	4,969	25,623	26,500	97%	16,953	18,650
Janitorial/Site Maintenance	742	5,870	6,000	98%	3,700	4,350
Fuel/Lubricants/Repairs	4,225	31,467	35,000	90%	22,098	24,335
Chemicals/Water Samples	5,474	50,037	58,000	86%	41,489	49,900
Safety Equipment	235	1,111	1,500	74%	843	1,500
Small Tools	53	1,506	2,500	60%	787	1,000

	MONTHLY	YEAR TO DATE	2018 FINAL BUDGET	% OF 2018 FINAL BUDGET	2017 YEAR TO DATE	2017 FINAL BUDGET
Recurring Operating Costs						
Telephone/Communications	4,890	22,464	23,500	96%	23,225	23,700
Utilities	14,510	94,559	97,600	97%	107,458	108,500
D & O Liability Insurance	0	1,377	2,000	69%	1,577	2,100
Property Insurance	0	29,462	29,500	100%	33,247	33,247
General Liability	0	2,617	2,750	95%	2,247	2,750
Auto Insurance	0	2,050	2,051	100%	2,050	2,050
Travel/Training/Meetings	919	8,544	9,000	95%	6,079	6,300
Rental-Equipment/Uniforms	388	3,894	5,000	78%	2,987	3,500
Dues/Subscriptions/Publication	875	11,965	12,500	96%	9,634	9,300
Pass Through Cost	79	759	800	95%	797	780
Educational Materials	0	0	0	0%	0	0
Miscellaneous						
Miscellaneous Expenditures	1,326	5,235	6,200	84%	6,149	9,000
Total Administrative & Operations Exp.	216,872	2,417,662	2,564,604	94%	2,282,669	2,355,011
Capital Outlay						
Capital Acquisition	0	88,759	88,760	100%	97,804	114,500
Engineering	1,550	13,175	11,625	113%	0	1,000
TOTAL EXPENDITURES (w/o D.S. exp.)	218,422	2,519,596	2,664,989	95%	2,380,473	2,470,511
Excess (Deficiencies) of Revenue Over Expenditures	(88,060)	(818,253)	(980,405)	83%	(880,982)	(975,760)
OTHER FINANCE SOURCE (USES)						
Transfer to Other Funds						
Transfer from Tax Account	(20,257)	(1,088,510)	(1,086,140)	100%	(994,748)	(991,729)
Extra Ordinary Income						
Disposition of Assets (Surplus Sale)	0	(24,257)	(24,257)	100%	0	0
TOTAL OTHER FINANCING SOURCES (USES)	(20,257)	(1,112,767)	(1,110,397)	100%	(994,748)	(991,729)
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)						
	(67,803)	294,514	129,992		113,766	15,969
NET INCOME	(67,803)	294,514	129,992		113,766	15,969

**TAX FUND
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2018**

100.00%

	MONTHLY	YEAR TO DATE	2018 FINAL BUDGET	% OF 2018 FINAL BUDGET	2017 YEAR TO DATE	2017 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	1,689	1,083,766	1,083,000	100%	994,407	989,500
Delinquent Tax Revenue	2,689	38,655	38,000	102%	31,417	33,850
Penalty & Interest - Tax Accounts	1,142	23,075	22,600	102%	22,594	22,050
Miscellaneous	0	0	0	0%	0	0
TOTAL TAXES & INTEREST	5,520	1,145,496	1,143,600	100%	1,048,418	1,045,400
EXPENDITURES						
Tax Collector Fees	0	36,527	36,575	100%	35,371	35,371
Appraisal Districts	1,275	20,458	20,885	98%	18,300	18,300
TOTAL EXPENDITURES	1,275	56,986	57,460	99%	53,671	53,671
Transfer to General Fund	20,257	1,088,510	1,086,140	100%	994,747	991,729
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	(16,012)	(0)	0		0	0

**SPECIAL SERVICES
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2018**

100.00%

	MONTHLY	YEAR TO DATE	2018 FINAL BUDGET	% OF 2018 FINAL BUDGET	2017 YEAR TO DATE	2017 FINAL BUDGET
REVENUES						
Ricardo Water Supply Corporation	20,887	252,573	283,605	89%	241,759	239,400
Nueces Water Supply Corporation	20,650	271,275	266,294	102%	268,050	261,500
TOTAL REVENUES	41,537	523,848	549,899	95%	509,809	500,900
 EXPENDITURES						
Personnel	22,826	300,589	292,673	103%	283,213	283,626
Overhead	22,341	248,275	257,226	97%	211,544	213,593
TOTAL EXPENDITURES	45,167	548,864	549,899	100%	494,757	497,219
 EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES						
	(3,630)	(25,016)	0		15,052	3,681

**South Texas Water Authority
Balance Sheet
September 30, 2018**

ASSETS

Current Assets

STWA - General	\$	46,378.03	
STWA - Payroll		28,710.23	
STWA - Operations		32,540.40	
Petty Cash		150.00	
TexPool - STWA General		2,204,446.69	
Due From Capital Projects Fund		35,497.09	
Due from Debt Service Fund		33.58	
Due from D.S. -Collect Service		1,973.44	
Tax Accounts Receivable		165,274.52	
Allowance for Uncollect Taxes		(66,653.05)	
Service accts receivable		239,252.99	
Interlocal Rec-Bishop		554.66	
Interlocal Rec-Ricardo		5,423.82	
Interlocal Rec-Nueces		6,341.66	
Interlocal Rec. - Tax Assessor		283.77	
Inventory		17,836.50	
Total Assets			\$ 2,718,044.33

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Trade Accounts Payable	\$	129,515.23	
Salaries & Wages Payable		4,505.79	
Miscellaneous Payables		631.80	
Compensated Absences		17,620.65	
Deferred tax revenue		98,621.47	
Due to Debt Service Fund		539.67	
Total Liabilities			251,434.61

Fund Equity

Unassigned Fund Balance		2,179,245.44	
Assigned Fund Bal. - Inventory		17,836.50	
Current Earning		269,527.78	
Total Fund Equity			2,466,609.72
Total Liabilities & Fund Equity			\$ 2,718,044.33

South Texas Water Authority
GI Account Summary Report
As of: September 30, 2018

<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	293,522.74	\$ 230,326.98	\$ (477,471.69)	\$ (247,144.71)	\$ 46,378.03
STWA - Payroll	23,612.89	35,009.08	(29,911.74)	5,097.34	28,710.23
STWA - Operations	21,970.85	50,017.08	(39,447.53)	10,569.55	32,540.40
Petty Cash	150.00	0.00	0.00	0.00	150.00
Transfers	0.00	158,000.00	(158,000.00)	0.00	0.00
TexPool - STWA General	2,266,815.84	10,630.85	(73,000.00)	(62,369.15)	2,204,446.69
Due From Capital Projects Fund	35,497.09	0.00	0.00	0.00	35,497.09
Due from Debt Service Fund	30.87	2.71	0.00	2.71	33.58
Due from D.S. -Collect Service	1,557.57	415.87	0.00	415.87	1,973.44
Tax Accounts Receivable	165,274.52	0.00	0.00	0.00	165,274.52
Allowance for Uncollect Taxes	(66,653.05)	0.00	0.00	0.00	(66,653.05)
Service accts receivable	225,975.15	156,035.36	(142,757.52)	13,277.84	239,252.99
Interlocal Rec-Bishop	0.00	554.66	0.00	554.66	554.66
Interlocal Rec-Ricardo	3,021.98	5,274.68	(2,872.84)	2,401.84	5,423.82
Interlocal Rec-Nueces	11,433.69	6,192.52	(11,284.55)	(5,092.03)	6,341.66
Interlocal Rec. - Tax Assessor	1,688.73	283.77	(1,688.73)	(1,404.96)	283.77
Inventory	17,836.50	0.00	0.00	0.00	17,836.50
Total Assets	3,001,735.37	652,743.56	(936,434.60)	(283,691.04)	2,718,044.33
Current Liabilities					
Trade Accounts Payable	(325,857.06)	407,704.64	(211,362.81)	196,341.83	(129,515.23)
Salaries & Wages Payable	(4,505.79)	4,505.79	(4,505.79)	0.00	(4,505.79)
Hospital Ins Tax Payable	0.00	1,216.50	(1,216.50)	0.00	0.00
Withholding Taxes Payable	0.00	3,941.43	(3,941.43)	0.00	0.00
Emply Retire Prem Payable	0.00	10,552.50	(10,552.50)	0.00	0.00
Unemployment Comp. Pbl.	(64.54)	159.68	(95.14)	64.54	0.00
Miscellaneous Payables	(650.80)	9,930.10	(9,911.10)	19.00	(631.80)
Compensated Absences	(17,620.65)	0.00	0.00	0.00	(17,620.65)
Deferred tax revenue	(98,621.47)	0.00	0.00	0.00	(98,621.47)
Due to Debt Service Fund	(359.78)	0.00	(179.89)	(179.89)	(539.67)
Total Liabilities	(447,680.09)	438,010.64	(241,765.16)	196,245.48	(251,434.61)
Fund Equity					
Unassigned Fund Balance	(2,179,245.44)	0.00	0.00	0.00	(2,179,245.44)
Assigned Fund Bal. - Inventory	(17,836.50)	0.00	0.00	0.00	(17,836.50)
Total Fund Equity	(2,197,081.94)	0.00	0.00	0.00	(2,197,081.94)
Totals	356,973.34	\$ 1,090,754.20	\$ (1,178,199.76)	\$ (87,445.56)	\$ 269,527.78

**DEBT SERVICE FUND
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2018**

100.00%

	MONTHLY	YEAR TO DATE	2018 FINAL BUDGET	% OF 2018 FINAL BUDGET	2017 YEAR TO DATE	2017 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	551	353,464	353,210	100%	356,210	354,529
Delinquent Tax Revenue	867	12,268	12,125	101%	9,144	10,400
Penalty & Interest - Tax Accounts	351	6,647	6,500	102%	5,521	5,675
Out-of-District Surcharge	180	2,159	2,159	100%	2,070	2,070
Interest on Temporary Investments	58	3,263	3,550	92%	1,438	1,450
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL TAXES & INTEREST	2,006	377,801	377,544	100%	374,383	374,124
OTHER FINANCING SOURCES						
Excess Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCE SOURCES	0	0	0		0	374,124
TOTAL REVENUE AND OTHER FINANCE SOURCES	2,006	377,801	377,544	100%	374,383	374,124
EXPENDITURES						
Fiscal Agent Fees	0	200	200	100%	200	200
Bond Interest Expense	0	126,750	126,750	100%	131,050	131,050
Bond Principal Payments	0	220,000	220,000	100%	215,000	215,000
Tax Collector Fees	0	11,966	11,966	100%	12,670	12,676
Appraisal District Fees	416	6,835	6,836	100%	6,555	6,555
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	416	365,751	365,752	100%	365,475	365,481
EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES	1,590	12,050	11,792		8,908	8,643

**STWA Debt Service Fund
Balance Sheet
September 30, 2018**

ASSETS

Current Assets

Debt Service Acct. - TexPool	\$ 36,118.18
Due from General	539.67
Taxes Receivable	30,280.69
Allowance for Uncollectibles	(8,581.46)

Total Current Assets 58,357.08

Other Assets

Total Other Assets 0.00

Total Assets \$ 58,357.08

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Deferred Tax Revenue	\$ 21,610.10
Due to General Fund	2,007.03

Total Current Liabilities 23,617.13

Long-Term Liabilities

Total Long-Term Liabilities 0.00

Total Liabilities 23,617.13

Funds Equity

Fund Balance	22,690.35
Net Income	12,049.60

Total Funds Equity 34,739.95

Total Liabilities & Funds Equity \$ 58,357.08

STWA Debt Service Fund
 GI Account Summary Report
 As of: September 30, 2018

<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	33,863.72	\$ 2,254.46	\$ 0.00	\$ 2,254.46	\$ 36,118.18
12200	Due from General	359.78	179.89	0.00	179.89	539.67
13100	Due from Other Government	690.06	0.00	(690.06)	(690.06)	0.00
13300	Taxes Receivable	30,016.34	779.19	(514.84)	264.35	30,280.69
13301	Allowance for Uncollectibles	(8,581.46)	0.00	0.00	0.00	(8,581.46)
21700	Deferred Tax Revenue	(21,610.10)	0.00	0.00	0.00	(21,610.10)
24000	Due to General Fund	(1,588.45)	0.00	(418.58)	(418.58)	(2,007.03)
39100	Fund Balance	(22,690.35)	0.00	0.00	0.00	(22,690.35)
Totals		<u>10,459.54</u>	<u>\$ 3,213.54</u>	<u>\$ (1,623.48)</u>	<u>\$ 1,590.06</u>	<u>\$ 12,049.60</u>

**CAPITAL PROJECTS FUND
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2018**

100.00%

	MONTHLY	YEAR TO DATE	2018 FINAL BUDGET	% OF 2018 FINAL BUDGET	2017 YEAR TO DATE	2017 FINAL BUDGET
REVENUES						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	1,683	17,651	17,300	102%	10,604	11,750
TOTAL REVENUE AND OTHER FINANCE SOURCES	1,683	17,651	17,300	102%	10,604	11,750
 EXPENDITURES						
Right of Way Acquisition	0	0	0	0%	0	0
Engineering Fees	0	5,400	5,400	100%	103,126	125,000
Construction Costs	0	228,484	228,484	100%	401,813	678,066
Pipeline Condition Assessment	0	0	0	0%	5,295	5,295
Legal & Administrative Fees	0	0	0	0%	0	0
Cost of Bond Issuance	0	0	0	0%	0	0
Miscellaneous Fees	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	0	233,884	233,884	100%	510,234	808,361
 EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES						
	1,683	(216,233)	(216,584)		(499,630)	(796,611)

**STWA Capital Projects Fund
Balance Sheet
September 30, 2018**

ASSETS

Current Assets

TexSTAR - Construction Fund	\$ 1,025,927.28	
Total Current Assets		1,025,927.28

Property and Equipment

Total Property and Equipment		0.00
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Other Assets

Total Other Assets		0.00
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Total Assets		\$ 1,025,927.28

LIABILITIES AND FUNDS EQUITY

Current Liabilities

Due to General Fund	\$ 35,497.09	
Total Current Liabilities		35,497.09

Long-Term Liabilities

Total Long-Term Liabilities		0.00
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Total Liabilities		35,497.09
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Fund Balance

Fund Balance	1,206,663.20	
Net Income	(216,233.01)	
Total Fund Balance		990,430.19

Total Liabilities & Fund Balance		\$ 1,025,927.28

STWA Capital Projects Fund
 GI Account Summary Report
 As of: September 30, 2018

<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	1,024,244.30	\$ 1,682.98	\$ 0.00	\$ 1,682.98	\$ 1,025,927.28
2400	Due to General Fund	(35,497.09)	0.00	0.00	0.00	(35,497.09)
39100	Fund Balance	(1,206,663.20)	0.00	0.00	0.00	(1,206,663.20)
Totals		<u>(217,915.99)</u>	<u>\$ 1,682.98</u>	<u>\$ 0.00</u>	<u>\$ 1,682.98</u>	<u>\$ (216,233.01)</u>

**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	Percent Expended	Amount Expended	Amount Remaining
TOTAL PROPOSITION #1:	\$1,900,000.00				
Construction: Lewis Construction		\$1,035,100.00		\$1,035,100.00	
Change Order #1		\$4,320.85		\$4,320.85	
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>	100.00%	<u>\$1,079,090.18</u>	
ROW Acquisition:		<u>\$60,541.31</u>	100.00%	<u>\$60,541.31</u>	
		\$1,139,631.49		\$1,139,631.49	\$760,368.51
HDR Pipeline Condition Assessment		\$105,900.00	100.00%	\$105,900.00	
HDR LAS Booster -Driscoll		\$71,100.00	100.00%	\$71,100.00	
LAS Booster - Construction		\$369,000.00			
Change Order #1		\$45,586.84			
Change Order #2		\$1,705.00			
Change Order #3		\$10,650.00			
		<u>\$426,941.84</u>	100.00%	\$426,941.84	
Rock Engineering		\$1,051.00		\$1,051.00	
Rock Engineering		\$2,026.00		\$2,026.00	
				<u>\$430,018.84</u>	
Non-Construction Related Costs:		<u>\$36,076.45</u>	100.00%	<u>\$36,076.45</u>	<u>\$0.00</u>
TOTAL Proposition #1	\$1,900,000.00	\$1,782,726.78		\$1,782,726.78	\$116,222.22

Proposition #2: KINGSVILLE PUMP STATION

56.25%

	Engineer Estimate	Contract Amount	Percent Expended	Amount Expended	Amount Remaining
ROW Acquisition:					
Construction Related Costs:					
Ground Storage Tank - PreLoad	\$1,894,460.00	\$1,248,602.55 *	100.00%	\$1,206,897.95	
Final - Payment #8				<u>\$41,704.60</u>	
				\$1,248,602.55	\$645,857.45
New Pumps - ACP	\$327,378.00	\$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	100.00%	\$327,472.75	-\$94.75
Emergency Generator	\$0.00	\$123,586.38	100.00%	\$123,586.39	-\$123,586.39
Engineering Costs:	\$560,500.00				
Engineering - GST*		\$234,800.00	100.00%	\$234,800.00	
Engineering - GST additional work by HDR		\$48,000.00	100.00%	\$48,000.00	
Engineering - Pump Station		\$91,600.00	100.00%	\$91,600.00	
Rock Engineering, Inc.				\$1,121.00	
LNV - Generator		\$30,000.00	100.00%	<u>\$30,000.00</u>	
				\$405,521.00	\$154,979.00
Non-Construction Related Costs:	<u>\$122,500.00</u>	<u>\$60,404.85</u>		<u>\$60,404.85</u>	<u>\$62,095.15</u>
TOTAL Proposition #2	\$2,904,838.00	\$2,164,466.53		\$2,165,587.54	\$739,250.46

*Reduced by Change Order #1

Proposition #3: BISHOP FACILITY

7.21%

	Engineer Estimate	Contract Amount	Percent Expended	Amount Expended	Amount Remaining
Construction: Mercer	\$277,100.00	\$109,900.00	100.00%	\$117,596.50	\$159,503.50
Change Order: Painting building		\$3,996.00			
Change to WYE		<u>\$3,700.00</u>			
		\$117,596.00			
Construction Related Costs:	\$69,300.00	\$52,200.00	100.00%	\$52,200.00	\$17,100.00
LNV Engineering					
Non-Construction Related Costs:	<u>\$28,600.00</u>	<u>\$13,330.35</u>	100.00%	<u>\$13,330.35</u>	<u>\$15,269.65</u>
TOTAL Proposition #3	\$375,000.00	\$183,126.35		\$183,126.85	\$191,873.15

TOTAL **\$1,047,345.83**

OUTSTANDING INVOICES FOR BOARD APPROVAL

INV DATE	VENDOR	INV #	DESCRIPTION	STATUS	AMOUNT
9/1/2018	Walker Partners	15624	TCEQ Order	pending	\$888.00
9/30/2018	Willatt & Flickinger, PLLC		September legal	pending	\$1,181.40
10/2/2018	Kleberg County Treasurer		Tax Year 2018 per parcel fees	pending	\$24,780.00
10/5/2018	LNV	29016	Banquete Pump Station	pending	\$1,550.00
10/12/2018	City of Corpus Christi		September water usage	pending	<u>\$97,780.09</u>
					\$126,179.49

Invoice



Walker Partners
engineers * surveyors
823 Washington Avenue, Suite 100
Waco, TX 76701

Phone:(254) 714-1402 / Fax:(254) 714-0402

www.walkerpartners.com

TBPE No. 8053 | TBPLS No. 10032500

RECEIVED

SEP 24 2018

SOUTH TEXAS WATER AUTHORITY

Carola Serrato
South Texas Water Authority
P. O. Box 1701
Kingsville, TX 78364

August 31, 2018

Invoice No: 0300652.00 - 15624

Project Manager: Aaron D. Archer, P.E.

Project 0300652.00 South Texas Water Authority - TCEQ Order

Engineering/Surveying Services through August 28, 2018

Phase 0000 Lump Sum Fee

Billing Phase	Lump Sum Fee	% Comp.	Earned	Prior Amount	Current Amount
30 Preliminary Design	29,600.00	92.00	27,232.00	26,344.00	888.00
Total Fee	29,600.00		27,232.00	26,344.00	888.00
	Total				888.00

Sub-total \$888.00

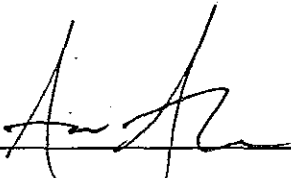
Total this Invoice \$888.00

POSTED
9/28/18

Billings to Date

	Current	Prior	Total	Received	A/R Balance
Lump Sum Fee	888.00	26,344.00	27,232.00		
Totals	888.00	26,344.00	27,232.00	26,344.00	888.00

Authorized By:



Aaron D. Archer, P.E.

Date:

9/19/18

WILLATT & FLICKINGER, PLLC
ATTORNEYS AT LAW

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

September 30, 2018

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

FOR PROFESSIONAL SERVICES RENDERED since the date of last billing:

GENERAL

BILL FLICKINGER

- 09/08/18 Receive and review email from Carola Serrato to John Valls on status of contract negotiations with the City of Driscoll. (0.2 Hours).
- 09/14/18 Telephone conference with Carola Serrato on status of City of Driscoll and City of Bishop Contracts and on preparation for next Board meeting. (0.3 Hours).
- 09/18/18 Prepare for and participate in conference call with TCEQ on Enforcement Order. (1.2 Hours). Telephone conference with Carola Serrato on same. (0.2 Hours).
- 09/20/18 Conference call with Carola Serrato, Aaron Archer and Jacob Hinojosa on amending quarterly report for TCEQ in connection with Enforcement Order. (0.8 Hours).
- 09/21/18 Receive, review and respond to email from Carola Serrato on draft memo to Board on recent TCEQ conference call and emails. (0.3 Hours).
- 09/24/18 Complete preparation for and participate in conference call with TCEQ on amendment to last quarterly report and on compliance sampling points. (0.5 Hours). Telephone conference with Carola Serrato and Jacob Hinojosa on today's call with the TCEQ. (0.2 Hours).
- 09/25/18 Telephone conference with Carola Serrato on status of City of Bishop contract. (0.2 Hours).

Attorney BF: 3.9 Hours

POSTED

September 30, 2018

Page 2

Attorney BF: 3.9 Hours @ \$300.00 per hour	\$1,170.00
Attorney MM: 0 Hours @ \$300.00 per hour	
Legal Assistant AN: 0 Hours @ \$95.00 per hour	

CLIENT EXPENSES

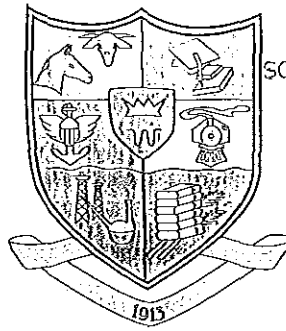
52 Photocopies @ \$.20 each	\$10.40
2 Color Photocopies @ \$.50 each	\$1.00

Total Client Expenses	\$11.40
-----------------------	---------

TOTAL AMOUNT DUE	\$1,181.40
------------------	------------

RECEIVED

OCT 04 2018



SOUTH TEXAS WATER AUTHORITY

MELISSA T. DE LA GARZA, PCC
Kleberg County Tax Assessor-Collector

P. O. Box 1457

Phone: 361-595-8541

Phone: 361-595-8542

Fax: 361-595-8546

COUNTY of KLEBERG
KINGSVILLE, TEXAS
78364-1457

October 2, 2018

South Texas Water Authority
Mrs. Carola G. Serrato
P O Box 1701
Kingsville, TX 78364

Re: 2018 Annual Collection Fee

Dear Mrs. Serrato:

The 2018 tax roll lists 16,520 accounts for the South Texas Water Authority. The total fee due by November 15, 2018 is \$24,780.00 which is \$1.50 cents per account.

Please make check payable to Kleberg County Treasurer.

If you have any questions, please call me.

Respectfully,

Melissa T. De La Garza, PCC
Tax Assessor-Collector

MTD/ea

POSTED



October 5, 2018

Project No: 160470.000.2
Invoice No: 29016

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

Project 160470.000.2 Pump Station Improvements

Professional Services for the period ending September 30, 2018

Fee

Billing Phase	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Engineering Design	15,500.00	100.00	15,500.00	13,950.00	1,550.00
Bidding	1,500.00	0.00	0.00	0.00	0.00
Construction Administration	3,500.00	0.00	0.00	0.00	0.00
Surveying	1,500.00	100.00	1,500.00	1,500.00	0.00
Total Fee	22,000.00		17,000.00	15,450.00	1,550.00
Total Fee					1,550.00
Total this Invoice					<u>1,550.00</u>

sent via email: cserrato@stwa.org; jwagner@stwa.org; fvrosales@stwa.org

POSTED

We reserve the right to process checks electronically by transmitting the amount of the check, routing number, account number and check serial number to your financial institution.

REMIT TO: LNV, INC. • 801 NAVIGATION, STE 300 • CORPUS CHRISTI, TX 78408 • P361.883.1984 • F361.883.1986 • TERMS: DUE UPON RECEIPT



**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: 10/12/2018
Due Date: 11/2/2018
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: 1612997

QUESTIONS ABOUT YOUR BILL?

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

IMPORTANT MESSAGES

The payment address and customer account number changed for all customers in December 2017. Please use the remit to address and account number on the bottom portion of the utility bill. Include the bottom portion of the utility bill with your mailed payment. Include the account number only when making your online bill payments. Thank you.

ACCOUNT SUMMARY

PREVIOUS BALANCE	\$286,875.38
TOTAL PAID SINCE LAST BILL	-\$286,875.38
NEW CHARGES	
WATER	\$58,040.89
RWCA \$0.974/TGAL	\$39,739.20
TOTAL WATER	\$97,780.09
NEW CHARGES DUE BY 11/2/2018:	\$97,780.09
AMOUNT DUE	\$97,780.09

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

POSTED

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



**CITY OF
CORPUS
CHRISTI**

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



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

Account Number	Due Date	Amount Due
20004093	11/2/2018	\$97,780.09

AMOUNT DUE IF PAID AFTER 11/2/2018 \$102,669.09

AMOUNT ENCLOSED \$

MAKE CHECKS PAYABLE TO: CITY OF CORPUS CHRISTI

When making payment in person, please bring this stub.

Working to Serve YOU Better.



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

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



200040930097780092



**CITY OF
CORPUS
CHRISTI**

Monthly Statement of Utility Services
City of Corpus Christi
P.O. Box 9257 • Corpus Christi, TX 78409-9257
(361) 826-CITY • www.cctexas.com

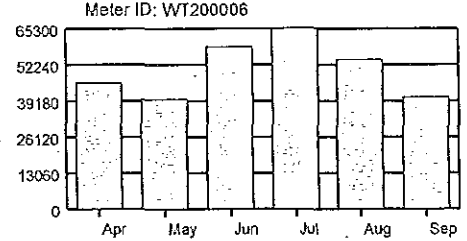
Account Name: SOUTH TX WATER AUTH
Account Number: 20004093
Statement Date: 10/12/2018
Due Date: 11/2/2018
Page: Page 2 of 2

METER INFORMATION

SERVICE PERIOD: 8/31/2018 - 9/30/2018 31 days

Meter ID	Service Type	Current Read	Previous Read	Consumption 9/30/2018
WT200006	WA	4449700	4408900	40800

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.

***** ★ *****



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-17	\$0.426386	\$2.4362	\$2.8626	\$0.426386	\$2.312247	\$2.738633	-\$0.1239
Nov-17	\$0.426386	\$2.4380	\$2.8644	\$0.426386	\$2.316174	\$2.742560	-\$0.1218
Dec-17	\$0.426386	\$2.4383	\$2.8647	\$0.426386	\$2.349496	\$2.775882	-\$0.0888
Jan-18	\$0.426386	\$2.4381	\$2.8645	\$0.426386	\$2.397528	\$2.823914	-\$0.0405
Feb-18	\$0.426386	\$2.4398	\$2.8662	\$0.426386	\$2.400483	\$2.826869	-\$0.0393
Mar-18	\$0.426386	\$2.4376	\$2.8640	\$0.426386	\$2.396127	\$2.822513	-\$0.0415
Apr-18	\$0.426386	\$2.4359	\$2.8623	\$0.426386	\$2.394525	\$2.820911	-\$0.0414
May-18	\$0.426386	\$2.4358	\$2.8622	\$0.426386	\$2.396732	\$2.823118	-\$0.0391
Jun-18	\$0.426386	\$2.4350	\$2.8614	\$0.426386	\$2.390820	\$2.817206	-\$0.0442
Jul-18	\$0.426386	\$2.4335	\$2.8599	\$0.426386	\$2.389603	\$2.815989	-\$0.0439
Aug-18	\$0.426386	\$2.4330	\$2.8594	\$0.426386	\$2.391852	\$2.818238	-\$0.0412
Sep-18	\$0.426386	\$2.4360	\$2.8624	\$0.426386	\$2.396571	\$2.822957	-\$0.0394
Avg Cost	\$0.426386	\$2.4364	\$2.8628	\$0.426386	\$2.377680	\$2.804066	-\$0.0588

ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE

All

Customers	Budgeted	Actual	Difference	NWSC	Budgeted	Actual	Difference
Oct-17	43,106,064	49,257,770	6,151,706	Oct-17	11,406,490	13,839,280	2,432,790
Nov-17	39,010,208	41,240,370	2,230,162	Nov-17	10,288,004	12,528,080	2,240,076
Dec-17	38,272,268	37,196,850	-1,075,418	Dec-17	10,329,528	11,526,840	1,197,312
Jan-18	39,270,789	41,006,500	1,735,711	Jan-18	10,835,370	13,263,230	2,427,860
Feb-18	35,570,793	38,505,650	2,934,857	Feb-18	9,334,104	11,186,170	1,852,066
Mar-18	39,754,343	42,148,523	2,394,180	Mar-18	10,296,803	13,521,510	3,224,707
Apr-18	43,693,987	47,151,371	3,457,384	Apr-18	11,536,949	13,717,040	2,180,091
May-18	44,073,875	56,026,230	11,952,355	May-18	12,015,101	16,634,320	4,619,219
Jun-18	46,279,865	54,082,960	7,803,095	Jun-18	12,879,697	16,440,950	3,561,253
Jul-18	50,891,700	61,490,850	10,599,150	Jul-18	14,328,969	17,980,660	3,651,691
Aug-18	52,856,325	60,667,220	7,810,895	Aug-18	14,308,455	17,149,050	2,840,595
Sep-18	43,581,741	42,976,550	-605,191	Sep-18	12,438,360	13,666,110	1,227,750
TOTAL	516,361,957	571,750,844	55,388,887	TOTAL	139,997,830	171,453,240	31,455,410

Kingsville

	Budgeted	Actual	Difference	RWSC	Budgeted	Actual	Difference
Oct-17	10,188,919	13,323,000	3,134,081	Oct-17	8,892,000	8,533,000	-359,000
Nov-17	10,188,919	8,716,000	-1,472,919	Nov-17	7,675,200	7,776,000	100,800
Dec-17	10,188,919	6,734,000	-3,454,919	Dec-17	7,091,800	7,006,000	-85,800
Jan-18	10,188,919	7,519,000	-2,669,919	Jan-18	7,211,600	6,986,000	-225,600
Feb-18	10,188,919	8,188,000	-2,000,919	Feb-18	6,276,600	5,462,000	-814,600
Mar-18	10,188,919	9,466,000	-722,919	Mar-18	8,122,200	6,669,000	-1,453,200
Apr-18	10,188,919	11,438,000	1,249,081	Apr-18	9,168,400	7,887,000	-1,281,400
May-18	10,188,919	13,274,000	3,085,081	May-18	9,261,200	10,058,000	796,800
Jun-18	10,188,919	14,132,000	3,943,081	Jun-18	10,412,600	8,670,000	-1,742,600
Jul-18	10,188,919	21,078,000	10,889,081	Jul-18	11,164,600	9,307,000	-1,857,600
Aug-18	10,188,919	13,425,000	3,236,081	Aug-18	11,785,400	10,208,000	-1,577,400
Sep-18	10,188,919	11,050,000	861,081	Sep-18	8,403,600	7,399,000	-1,004,600
TOTAL	122,267,026	138,343,000	16,075,974	TOTAL	105,465,200	95,961,000	-9,504,200

Bishop	Budgeted	Actual	Difference
Oct-17	5,417,400	5,521,000	103,600
Nov-17	4,275,800	4,247,000	-28,800
Dec-17	4,314,400	4,005,000	-309,400
Jan-18	4,635,200	4,873,000	237,800
Feb-18	3,702,800	6,598,000	2,895,200
Mar-18	4,623,400	4,135,333	-488,067
Apr-18	5,871,600	5,380,111	-491,489
May-18	5,176,600	6,264,000	1,087,400
Jun-18	4,661,600	5,656,000	994,400
Jul-18	6,609,800	3,734,000	-2,875,800
Aug-18	8,080,400	10,581,000	2,500,600
Sep-18	5,338,000	2,974,000	-2,364,000
TOTAL	62,707,000	63,968,444	1,261,444

Banquete	Budgeted	Actual	Difference
Oct-17	2,393,856	2,107,860	-285,996
Nov-17	2,168,468	1,979,060	-189,408
Dec-17	2,078,142	2,033,820	-44,322
Jan-18	2,037,054	2,288,560	251,506
Feb-18	1,971,256	1,929,340	-41,916
Mar-18	2,043,050	2,270,690	227,640
Apr-18	2,106,092	2,277,260	171,168
May-18	2,278,536	2,324,680	46,144
Jun-18	2,477,094	1,910,140	-566,954
Jul-18	2,533,790	1,913,790	-620,000
Aug-18	2,561,114	2,158,260	-402,854
Sep-18	2,232,010	1,950,330	-281,680
TOTAL	26,880,462	25,143,790	-1,736,672

Driscoll	Budgeted	Actual	Difference
Oct-17	2,440,991	3,788,900	1,347,909
Nov-17	2,318,365	3,995,000	1,676,635
Dec-17	2,240,349	3,669,100	1,428,751
Jan-18	2,422,620	3,925,000	1,502,380
Feb-18	2,237,900	3,316,400	1,078,500
Mar-18	2,467,160	3,731,100	1,263,940
Apr-18	2,610,900	4,109,200	1,498,300
May-18	2,832,220	4,611,200	1,778,980
Jun-18	3,105,320	4,143,500	1,038,180
Jul-18	3,369,200	4,882,100	1,512,900
Aug-18	3,091,193	4,373,900	1,282,707
Sep-18	2,683,790	3,959,700	1,275,910
TOTAL	31,820,009	48,505,100	16,685,091

Agua Dulce	Budgeted	Actual	Difference
Oct-17	2,366,408	2,144,730	-221,678
Nov-17	2,095,452	1,999,230	-96,222
Dec-17	2,029,130	2,222,090	192,960
Jan-18	1,940,026	2,151,710	211,684
Feb-18	1,859,214	1,825,740	-33,474
Mar-18	2,012,811	2,354,890	342,079
Apr-18	2,211,127	2,342,760	131,633
May-18	2,321,299	2,860,030	538,731
Jun-18	2,554,636	3,130,370	575,734
Jul-18	2,696,422	2,595,300	-101,122
Aug-18	2,840,844	2,772,010	-68,834
Sep-18	2,297,062	1,977,410	-319,652
TOTAL	27,224,431	28,376,270	1,151,839

Kingsville Actual Usage vs. Bell Chart Volume

	Target Volume	Actual Volume	Difference
Oct-17	12,451,513	13,323,000	871,487
Nov-17	7,362,963	8,716,000	1,353,037
Dec-17	5,893,607	6,734,000	840,393
Jan-18	4,650,000	7,519,000	2,869,000
Feb-18	6,760,471	8,188,000	1,427,529
Mar-18	8,319,028	9,466,000	1,146,972
Apr-18	10,906,161	11,438,000	531,839
May-18	12,497,858	13,274,000	776,142
Jun-18	14,240,055	14,132,000	-108,055
Jul-18	15,711,155	21,078,000	5,366,845
Aug-18	15,911,986	13,425,000	-2,486,986
Sep-18	13,866,300	11,050,000	-2,816,300
TOTAL	128,571,097	138,343,000	9,771,903

Net Revenue per Thousand (1,000) Gallons

Kingsville				NWSC			
	Actual	Net Rev	Per 1000g		Actual	Net Rev	Per 1000g
Oct-17	13,323,000	\$4,456.79	\$0.3345	Oct-17	13,839,280	\$3,919.47	\$0.2832
Nov-17	8,716,000	\$2,145.93	\$0.2462	Nov-17	12,528,080	\$3,932.40	\$0.3139
Dec-17	6,734,000	\$1,213.48	\$0.1802	Dec-17	11,526,840	\$3,182.96	\$0.2761
Jan-18	7,519,000	\$2,137.00	\$0.2842	Jan-18	13,263,230	\$3,938.08	\$0.2969
Feb-18	8,188,000	\$2,309.87	\$0.2821	Feb-18	11,186,170	\$2,841.79	\$0.2540
Mar-18	9,466,000	\$2,968.91	\$0.3136	Mar-18	13,521,510	\$3,919.29	\$0.2899
Apr-18	11,438,000	\$3,691.61	\$0.3227	Apr-18	13,717,040	\$4,004.40	\$0.2919
May-18	13,274,000	\$4,354.30	\$0.3280	May-18	16,634,320	\$4,999.22	\$0.3005
Jun-18	14,132,000	\$4,865.13	\$0.3443	Jun-18	16,440,950	\$5,061.77	\$0.3079
Jul-18	21,078,000	\$7,708.98	\$0.3657	Jul-18	17,980,660	\$5,562.55	\$0.3094
Aug-18	13,425,000	\$4,310.27	\$0.3211	Aug-18	17,149,050	\$5,316.95	\$0.3100
Sep-18	0		#DIV/0!	Sep-18	0		#DIV/0!
TOTAL	127,293,000	\$40,162.27	\$0.3155	TOTAL	157,787,130	\$46,678.88	\$0.2958
Bishop				RWSC			
	Actual	Net Rev	Per 1000g		Actual	Net Rev	Per 1000g
Oct-17	5,521,000	\$1,015.42	\$0.1839	Oct-17	8,533,000	\$538.11	\$0.0631
Nov-17	4,247,000	\$425.49	\$0.1002	Nov-17	7,776,000	\$1,907.85	\$0.2454
Dec-17	4,005,000	\$608.07	\$0.1518	Dec-17	7,006,000	\$1,660.87	\$0.2371
Jan-18	4,873,000	\$1,017.40	\$0.2088	Jan-18	6,986,000	\$1,612.65	\$0.2308
Feb-18	6,598,000	\$594.49	\$0.0901	Feb-18	5,462,000	\$1,038.33	\$0.1901
Mar-18	4,135,333	\$671.87	\$0.1625	Mar-18	6,669,000	\$1,430.82	\$0.2145
Apr-18	5,380,111	\$1,283.20	\$0.2385	Apr-18	7,887,000	\$1,814.00	\$0.2300
May-18	6,264,000	\$1,534.13	\$0.2449	May-18	10,058,000	\$2,515.11	\$0.2501
Jun-18	5,656,000	\$1,316.38	\$0.2327	Jun-18	8,670,000	\$2,172.74	\$0.2506
Jul-18	3,734,000	\$424.97	\$0.1138	Jul-18	9,307,000	\$2,350.92	\$0.2526
Aug-18	10,581,000	\$2,000.23	\$0.1890	Aug-18	10,208,000	\$2,717.19	\$0.2662
Sep-18	0		#DIV/0!	Sep-18	0		#DIV/0!
TOTAL	60,994,444	\$10,891.65	\$0.1786	TOTAL	88,562,000	\$19,758.59	\$0.2231
Driscoll				Banquete			
	Actual	Net Rev	Per 1000g		Actual	Net Rev	Per 1000g
Oct-17	3,788,900	\$847.98	\$0.2238	Oct-17	2,107,860	\$243.69	\$0.1156
Nov-17	3,995,000	\$979.64	\$0.2452	Nov-17	1,979,060	\$386.16	\$0.1951
Dec-17	3,669,100	\$945.70	\$0.2577	Dec-17	2,033,820	\$295.27	\$0.1452
Jan-18	3,925,000	\$1,090.72	\$0.2779	Jan-18	2,288,560	\$473.32	\$0.2068
Feb-18	3,316,400	\$672.03	\$0.2026	Feb-18	1,929,340	\$330.66	\$0.1714
Mar-18	3,731,100	\$925.87	\$0.2481	Mar-18	2,270,690	\$500.04	\$0.2202
Apr-18	4,109,200	\$1,146.87	\$0.2791	Apr-18	2,277,260	\$489.09	\$0.2148
May-18	4,611,200	\$1,276.16	\$0.2768	May-18	2,324,680	\$521.72	\$0.2244
Jun-18	4,143,500	\$1,195.94	\$0.2886	Jun-18	1,910,140	\$421.37	\$0.2206
Jul-18	4,882,100	\$1,251.22	\$0.2563	Jul-18	1,913,790	\$442.17	\$0.2310
Aug-18	4,373,900	\$1,155.72	\$0.2642	Aug-18	2,158,260	\$468.18	\$0.2169
Sep-18	0		#DIV/0!	Sep-18	0		#DIV/0!
TOTAL	44,545,400	\$11,487.85	\$0.2579	TOTAL	23,193,460	\$4,571.67	\$0.1971

Agua Dulce	Actual	Net Rev	Per 1000g
Oct-17	2,144,730	\$475.40	\$0.2217
Nov-17	1,999,230	\$477.13	\$0.2387
Dec-17	2,222,090	\$387.81	\$0.1745
Jan-18	2,151,710	\$512.72	\$0.2383
Feb-18	1,825,740	\$318.93	\$0.1747
Mar-18	2,354,890	\$545.11	\$0.2315
Apr-18	2,342,760	\$577.58	\$0.2465
May-18	2,860,030	\$727.20	\$0.2543
Jun-18	3,130,370	\$745.94	\$0.2383
Jul-18	2,595,300	\$619.52	\$0.2387
Aug-18	2,772,010	\$685.75	\$0.2474
Sep-18	0		#DIV/0!
TOTAL	26,398,860	\$6,073.09	\$0.2301

All Customers	Actual	Net Rev	Per 1000g
Oct-17	49,257,770	\$11,496.86	\$0.2334
Nov-17	41,240,370	\$10,254.60	\$0.2487
Dec-17	37,196,850	\$8,294.16	\$0.2230
Jan-18	41,006,500	\$10,781.89	\$0.2629
Feb-18	38,505,650	\$8,106.10	\$0.2105
Mar-18	42,148,523	\$10,961.91	\$0.2601
Apr-18	47,151,371	\$13,006.75	\$0.2759
May-18	56,026,230	\$15,927.84	\$0.2843
Jun-18	54,082,960	\$15,779.27	\$0.2918
Jul-18	61,490,850	\$18,360.33	\$0.2986
Aug-18	60,667,220	\$16,654.29	\$0.2745
Sep-18	0		#DIV/0!
TOTAL	528,774,294	\$139,624.00	\$0.2641

INTER-OFFICE MEMO

TO: Carola G. Serrato, Executive Director
FROM: Jacob Hinojosa, O&M Supervisor
DATE: October 19, 2018
RE: Maintenance & Technical Report

During the week of September 17, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Mowed pump stations.
- Check on pump stations due to SCADA failure
- Took Bac-T water samples.
- Unloaded trash from trailers at the landfill
- One employee attended a basic water class in Kingsville.
- AEP replaced fuses to main power line for Driscoll Pump Station.
- Picked up safety equipment from Northern Safety.
- Unit #4 serviced for transmission problems.
- Installed pressure gauge on Agua Dulce GST.
- Delivered chlorine to pump stations.
- Trouble-shooted Agua Dulce emergency generator transfer switch.

During the week of September 24, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Participated in conference call with TCEQ on STWA Enforcement Order.
- Trouble-shooted beacon light for Unit #2.
- Tested meter at Bishop West Pump Station.
- Mowed grass at office.
- Picked up Unit #6 from shop.
- Conducted tool inventory on trucks.
- Picked up Unit #4 from shop.
- Took Unit #8 for oil change.
- Trouble-shooted MOV at Agua Dulce Pump Station. PLC dumped out the program. Mercer Controls had to reinstall it.

- Cleaned out Driscoll Booster LAS building.

During the week of October 1, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Made adjustment on chlorine at Bishop East Pump Station.
- Took Unit #8 to get tires.
- Mercer Controls made adjustment on antennas at stations.
- Took Haul Truck to get oil change.
- Dropped off Unit #4 to get new alternator.
- Picked up booster pump for the Driscoll Disinfection Booster Station – original chlorine pump.
- Checked colorimeter verification.
- Got new tires for Unit #5.

During the week of October 8, 2018, the following work was completed.

- Safety Meeting for all Field Techs.
- Exercised generators, downloaded GPS reports and performed line locates.
- Took residuals for the Driscoll Booster Station project.
- Met with Stevens Plant personnel to go over STWA's SCADA system.
- Mowed grass at Kingsville Pump Station.
- Picked up Unit #4 from shop.
- Checked psi at Stevens Plant.

ATTACHMENT 3
2019 Meeting Schedule

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 15, 2018
Re: STWA Board of Directors Meeting Schedule for 2019

Background:

At this time, staff is requesting that the Board review the meeting dates for 2019. Enclosed is a calendar with the suggested meeting dates as well as identifying STWA recognized holidays.

Analysis:

For Fiscal Year 2019, the appraisal districts' July 25th deadline falls on a Thursday—two (2) days after the regular meeting would ordinarily be held. Staff requests that the meeting be postponed by a week to July 30th. According to contract language the Authority will need to provide time for our wholesale customers to review and comment on the budget. The July 30th agenda would include items related to sending the proposed budget to the Wholesale Customers, a review and consideration of the calculated effective tax rate as well as publishing of the public hearing notice to consider the proposed tax rate. By sending the budget after the July 30th meeting, the public hearing could be held on September 3rd (the day after Labor Day) and the budget and tax rates could be adopted within the Nueces County Tax Office's deadline which is typically the second week of September.

Staff Recommendation:

Enclosed is a calendar with the recommended dates for January 2019 through December 2019 – using a rectangle to mark those dates. The circled dates are STWA observed holidays. The dates attempt to comply with the fourth Tuesday of the month schedule. As in the past, the November and December meeting has been combined. Staff has suggested two (2) options for the December meeting due to the proximity of the Thanksgiving Holidays.

Board Action:

Determine whether the following schedule is acceptable:

- January 22, 2019
- February 26, 2019
- March 26, 2019
- April 23, 2019
- May 28, 2019
- June 25, 2019
- July 30, 2019
- September 3, 2019
- September 24, 2019
- October 22, 2019
- December 3, 2019 or December 10, 2019.

Summarization:

Staff appreciates the Board's consideration of this schedule and hopes it will assist the Board Members and staff in establishing quorums.

2019

January

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

ATTACHMENT 4

TCEQ Enforcement Action

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 16, 2018
Re: Texas Commission on Environmental Quality (TCEQ) Enforcement Action

Background:

In response to the September TCEQ conference call and subsequent TCEQ email, an updated Quarterly Report was submitted on October 8th. Included with the October 8th report was a slightly modified Monitoring Plan with a revised D3 Table changing the sample sites to conform to TCEQ's recent suggestions. Staff anticipates that the October 8th report will be discussed during the October 24th conference call. Staff also understands, based on the TCEQ staff's statements, that approval of the revised Monitoring Plan would be provided in a relatively speedy manner.

With regards to additional FMT training, I have been contacted by the TCEQ FMT staff and a conference call is scheduled for October 30th. In addition, a TCEQ subcontractor has contacted me regarding the training module covering cross connections. (See attached emails.) I will be discussing schedules with O&M Supervisor Jacob Hinojosa and Field Foreman Dony Cantu. However, as mentioned in my email to Mr. Phillip Givens, Superior Management, this time of year may present problems with staff being on leave. It is my preference to have 100% attendance.

Analysis:

I believe the revised October 8th report included all of the information requested by TCEQ. In addition, staff believes with the review of STWA's system schematics, the revised D3 Table, and TCEQ staff's recognizing which samples are STWA's compliance sites that previous questions pertaining to reconciliation of numbers between DLQOR reports and Order Quarterly Reports should now be resolved.

Staff Recommendation:

Keep the Board updated on this matter.

Board Action:

Provide feedback to staff and consultants.

Summarization:

As reported almost a year ago when TCEQ approved STWA's Monitoring Plan, there is a marked difference between the previous monitoring and sampling sites. This recent change, however, is only a small change requiring utilizing a different site, eliminating one site and the addition of one more sample per week.

mcserrato@stwa.org

From: phillipgivens@superiormanagementtexas.com
Sent: Tuesday, October 16, 2018 7:26 AM
To: mcserrato@stwa.org
Cc: 'TRWA FMT STAFF'; 'Dony Cantu'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: RE: Cross Connection Control-Training Assignment

Great! Just let me know when you are ready to schedule the appointments and we can discuss at that time what works best.

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Friday, October 12, 2018 10:49 AM
To: phillipgivens@superiormanagementtexas.com
Cc: 'TRWA FMT STAFF' <trwafmtstaff@trwa.org>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: RE: Cross Connection Control-Training Assignment

Phillip,

My response to Rita's email yesterday listed available time for a conference call during the week of October 22nd. I have not met with our O&M Supervisor and Field Foreman to discuss dates. However, I can confirm that it would not be possible to have all field personnel taking the class on the same day. The previous FMT training was schedule to allow for about ½ of the crew to receive the training each time. You mentioned that this module is an 8-hour class.

I can also state unless it is absolutely necessary that it would be helpful for the two days of training not to be back to back.

In addition, typically the second week of a month is not a good time due to the meter reading/billing cycle of the two (2) WSCs that STWA manages.

Also, as the end of the year approaches, there will be more employees taking leave – including myself – we have a use it or lose it policy.

After reviewing the agenda provided, I thought it would be helpful to explain when this subject was suggested to the FMT staff that I specified it would be due to the services that STWA provides to those two WSCs. I mention this as it could relate to the Enforcement Authority item in the agenda.

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

From: phillipgivens@superiormanagementtexas.com <phillipgivens@superiormanagementtexas.com>
Sent: Friday, October 12, 2018 10:19 AM
To: mcserrato@stwa.org

Cc: TRWA FMT STAFF <trwafmtstaff@trwa.org>
Subject: Cross Connection Control-Training Assignment

Hello Carola

As we discussed today, my contact information is below. I received an assignment to provide the requested training related to the development and management of an effective Cross Connection Control Program.

As I understand our conversation, you will not be ready to discuss scheduling an appointment until about 2 weeks to allow time for coordination with your staff and you will contact me when you are ready to proceed with scheduling an appointment.

For your information, a copy of the Agenda is provided below. Please let me know if you have any questions. Thanks!

Phillip Givens 713-557-0808

How to Develop and Manage an Effective Cross-Connection Control Program
(CCCP)

DAM 12-Agenda

Start time	DAM Section or activity	
8:00	Introductions and Sign-In Section Priority Survey Pre-Test	(10 minutes) (5 minutes) (10 minutes)
8:25	Presentation	(20 minutes)
8:45	Break (5 minutes)	
8:50	Section 1—The Basics: Backflow, Hazards, Devices, and Case Studies Yellow Pages Workshop Exercise	(60 minutes)
9:50	Section 2—Designing a Program that Fits	(40 minutes)
10:30	Break (10 minutes)	
10:40	Section 3—Involving Stakeholders: Communication, Coordination, and Cooperation Stakeholder Workshop Exercise	(30 minutes)
11:10	Section 4—Establishing Enforcement Authority	(40 minutes)
11:50	Lunch (60 minutes)	
12:50	Section 5—Customer Service Inspections CSI Workshop Exercise	(60 minutes)
1:50	Section 6—Developing and Implementing an Incident Action Plan Backflow Incident Workshop Activity	(60 minutes)
2:50	Break (10 minutes)	
3:00	Section 7—Certifications, Licensing and Testing License Search Workshop Exercise	(30 minutes)
3:30	Section 8—Managing, Budgeting and Recordkeeping	(40 minutes)
4:10	Break (10 minutes)	
4:20	Post-Test Discuss Post-Test answers Go over Follow-Up Forms Complete Course Evaluation Form	(10 minutes) (10 minutes) (10 minutes) (10 minutes)
5:00	Adjourn	

*Phillip Givens, TCEQ FMT Assistance Contractor
Superior Management
Rate Analysis, Strategic Planning,*

Asset Management, Compliance Assistance

Email: phillipgivens@superiormanagementtexas.com

Website: www.superiormanagementtexas.com

Mobile: 713-557-0808

Fax: 281-886-0558

mcgserrato@stwa.org

Subject: discussion of future training at STWA
Location: Kenny's office

Start: Tue 10/30/2018 10:00 AM
End: Tue 10/30/2018 11:00 AM

Recurrence: (none)

Meeting Status: Accepted

Organizer: Rita Setser

The purpose of this call is to discuss future training at STWA in coordination with TCEQ's TOP team.

Carola- we will call you so you do not need to call in via a conference line.

Thanks,
Rita

mcserrato@stwa.org

From: Rita Setser <Rita.Setser@Tceq.Texas.Gov>
Sent: Tuesday, October 16, 2018 11:12 AM
To: mcserrato@stwa.org
Subject: RE: Follow-up DAM training for STWA

Ok!. I will send out a meeting invite and if something comes up on your end, just let me know and we will work around your schedule.

Thanks,
Rita

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Tuesday, October 16, 2018 11:07 AM
To: Rita Setser <Rita.Setser@Tceq.Texas.Gov>
Subject: RE: Follow-up DAM training for STWA

At this time, October 30th is clear.

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

From: Rita Setser <Rita.Setser@Tceq.Texas.Gov>
Sent: Tuesday, October 16, 2018 10:58 AM
To: mcserrato@stwa.org
Subject: RE: Follow-up DAM training for STWA

Hello Carola,

I'm trying to find a day that works for everyone to discuss future training with you, and it looks like it might be best to look at the last few days of October. Please let me know your availability for October 30th. The call should not even last an hour.

Thanks,
Rita

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Thursday, October 11, 2018 11:38 AM
To: Rita Setser <Rita.Setser@Tceq.Texas.Gov>
Cc: Kenneth Dykes <Kenneth.Dykes@tceq.texas.gov>; FMT <FMT@tceq.texas.gov>; David Simons <David.Simons@tceq.texas.gov>
Subject: RE: Follow-up DAM training for STWA

Next week is not a good week; we are generating the STWA Board Meeting Agenda and Packet for the Oct 23rd meeting. The following week is better. My preference is not on the 23rd. I am not available in the early afternoons of the 22nd and then again on the 24th; otherwise, the remaining days/mornings should be good.

Carola

From: Rita Setser <Rita.Setser@Tceq.Texas.Gov>

Sent: Thursday, October 11, 2018 10:10 AM

To: mcserrato@stwa.org

Cc: Kenneth Dykes <Kenneth.Dykes@tceq.texas.gov>; FMT <FMT@tceq.texas.gov>; David Simons <David.Simons@tceq.texas.gov>

Subject: Follow-up DAM training for STWA

Good morning Carola,

As per your request, I sent a referral to Texas Rural Water Association (TRWA) for DAM 12 training at your system. TRWA will be contacting you soon to schedule this assistance. Next week I will be meeting with Kenny Dykes and David Simons of the Texas Optimization Program (TOP) to discuss the other follow up assistance you requested. We plan to call you to learn more about your goals for future training before scheduling. Can you let us know when you are available for a phone call next week or the follow week?

Thank you,

Rita Setser
Response and Capacity Development Team
TCEQ Water Supply Division
Phone: 512-239-4599

ATTACHMENT 5

Driscoll LAS Project

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 18, 2018
Re: Driscoll Disinfection Booster Station – Conversion to Chloramination System

Background:

Daily samples associated with the Driscoll Disinfection Booster Station continue to be collected. Most recently, a few of the residuals downstream of the booster station on CR 16 have been lower than usual and resulted in a Total Chlorine level that was very close to the Free Chlorine level. Samples collected later on those days showed an increased level with the typical Total Chlorine and Monochloramine results much closer. These results would typically indicate that chlorine was being injected without LAS being injected simultaneously. However, the daily chemical usage readings clearly show that both chemicals are being consumed. Staff interprets that information as the LAS system working sporadically and not always injecting at the same time chlorine is used.

Analysis:

As reported in a recent weekly update, staff has checked on pressure leaving the ON Stevens Water Treatment Plant as well as the pressure on the 42" line at the Driscoll Booster Station. There appear to be some spikes that could possibly prevent the LAS system from working. However, as reported in previous meetings, the hoses on the LAS system continue to exhibit very small leaks despite replacing fittings. The Board may also recall staff indicating that it may be necessary to enlist the advice of a different consultant on the issues with the booster station. As such, EI2 was contacted to examine the system and offer suggestions on possible reasons for the latest residual results. Enclosed is a meeting date confirmation with Mr. Blake Roy, EI2 for next Wednesday, October 24th. As a reminder, EI2 is the company that corrected the problems on the disinfection system installed on the new Kingsville ground storage tank when the subcontractor on the project was unable to install the system as required.

Staff Recommendation:

Staff will keep the Board updated on this matter. Meanwhile, the residuals prior to injection at the Kingsville Meter Run continue to comply with the 0.50 mg/l of Total Chlorine.

Board Action:

Provide feedback to staff.

Summarization:

Before an alternative system to communicate between the Driscoll Disinfection Booster Station and downstream valves can be designed and/or installed, staff needs to be certain that the LAS pumps/booster is able to operate under all conditions.

mcserrato@stwa.org

Subject: EI2 - Visit to Driscoll Disinfection Booster Station
Location: Corner of 4th and West Ave E.
Start: Wed 10/24/2018 11:00 AM
End: Wed 10/24/2018 12:00 PM
Recurrence: (none)
Meeting Status: Accepted
Organizer: Blake Roye

Meeting reminder for next Wed to review the Driscoll PS chemical feed system.

Thanks,
Blake

From: Blake Roye
Sent: Wednesday, October 17, 2018 9:56 PM
To: 'mcserrato@stwa.org'
Cc: 'Dony Cantu'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'; James Fuller (james@EI2Hou.com)
Subject: RE: EI2 - Visit to Driscoll Disinfection Booster Station

Thanks Carola,

I will send out a meeting reminder for next Wed in a separate email. We are anticipating being there around 11AM on Wed 10/24 and will notify Mr. Cantu ahead of time.

Thanks,

Blake Roye
Environmental Improvements, Inc.
Manufacturers' Representative
o: 713-461-1111 | c: 832-600-4568 | f: 713-461-1821
blake@ei2hou.com

From: mcserrato@stwa.org [<mailto:mcserrato@stwa.org>]
Sent: Wednesday, October 17, 2018 12:05 PM
To: Blake Roye
Cc: 'Dony Cantu'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: EI2 - Visit to Driscoll Disinfection Booster Station

Blake,

Thank-you for your return call regarding the Driscoll Disinfection Booster Station.

Per our conversation, you indicated that you should be available next Wednesday, October 24th, on your return trip from McAllen.

Our O&M Supervisor Jacob Hinojosa, will be off next week. However, our Field Foreman, Dony Cantu, should be available. His cell number is 361-675-0632.

Or you can always call me at 361-592-9323, extension 112. I should be available that day with the exception of a TCEQ conference call at 1 p.m.

Again, thank-you for your return call and I look forward to your visit next Wednesday.

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

ATTACHMENT 6

Bishop Water Supply Contract

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 16, 2018
Re: City of Bishop - Revised Wholesale Water Supply Contract

Background:

Enclosed please find the most recent correspondence pertaining to the Wholesale Water Supply Contract between the City of Bishop and South Texas Water Authority. Per the Board's instruction, Mr. Bill Flickinger, Willatt and Flickinger, drafted the revisions per the discussion and verbal agreements reached during the July 31st Board meeting attended by Mayor Tem Miller and Bishop City Secretary Cynthia Contreras. As you can see, the revised contract has been provided via email to Mayor Miller, Ms. Contreras, and the City's legal counsel, Mr. Gerald Benadum. You will note that Mr. Benadum has stated he had not been able to work on the anticipated changes.

Analysis:

Staff and legal counsel believe the changes in the attached modified contract reflect the changes agreed upon during the July 31st meeting. The Board will recall agreeing to the City purchasing 46% of its needs in the initial year and increasing the amount by 1% each subsequent year until reaching 50% in the fifth year. The Board will also recall that the term of the contract would be the same term as included in the contract between the City of Kingsville and STWA. Finally, the contract does not include language that the City added referring to purchasing water at a more economical rate from another source.

Staff Recommendation:

Staff has discussed the matter with legal counsel. He recommends approving the enclosed contract and providing notice to the City of the Board's action. It is anticipated that the City will be considering the matter during their meeting the following evening, Wednesday, October 24th.

Board Action:

Approve the attached, revised Agreement.

Summarization:

Approving the revised contract is consistent with the timeline described in last month's memo on this subject. Furthermore, approval of the revised contract is consistent with the Board's July 31st assurance.

From: bishopcitysecretary@corpus.twcbc.com
Sent: Tuesday, October 16, 2018 12:56 PM
To: mcserrato@stwa.org
Cc: 'Jacob Hinojosa'; 'Kathleen Lowman'; 'Patsy Rodgers'; Bill Flickinger; 'Dony Cantu'; 'Chuck Schultz'; 'Filiberto Trevino'; 'Lupita Perez'; 'Rudy Galvan'; Tem Miller; 'Jo Ella Wagner'; 'Steven C. Vaughn'; 'Frances Rosales'; 'Alberto Ruiz'
Subject: Re: Revised Wholesale Water Supply Contract - City of Bishop - STWA

Good Afternoon Carola,

Thank you so much for working on the proposed draft for the water supply contract. I will forward the draft to Mayor Miller, City Council and Mr. Benadum. This agreement will be placed on the agenda for October 24, 2018 with approval from Mayor Miller. We look forward to finalizing the agreement also.

Respectfully,

--

Cynthia L. Contreras
City Secretary
City of Bishop
361-584-2567 ext. 106
bishopcitysecretary@corpus.twcbc.com

---- mcserrato@stwa.org wrote:

- > Good Morning Cynthia,
- >
- >
- >
- > This weekend I received the attached contract from South Texas Water
- > Authority's attorney, Bill Flickinger. The contract will be presented to the
- > South Texas Water Authority Board next Tuesday, October 22, 2018, as a
- > posted agenda item. According to our previous telephone conversation, you
- > indicated that the Wholesale Water Supply Contract would be a posted agenda
- > item for the Council's meeting on Wednesday, October 23, 2018.
- >
- >
- >
- > Although STWA expected to receive this information from the City, as you are
- > aware, Mayor Miller and you visited with the STWA Board during the July 31st
- > meeting and verbal agreements were reached regarding revisions to the draft
- > contract. You indicated that the City would make the arrangements for
- > amending the draft Agreement. Approximately a month later, Mr. Flickinger
- > was contacted by Mr. Gerald Benadum requesting information. Mr. Flickinger
- > provided responses on August 24, 2018 and again on August 30, 2018. However,
- > since those dates, there has been no additional contact from Mr. Benadum.
- >
- >
- >

> As such, the South Texas Water Authority Board of Directors authorized Mr.
> Flickinger to draft a new redline draft for the City Council's
> consideration. The attached redline draft shows all proposed changes from
> the prior draft that was dated November 29, 2017 which I provided to Mayor
> Miller as an attachment to a letter dated December 7, 2017.

>
>
>

> This information has been provided directly to Mr. Benadum by email from Mr.
> Flickinger. Mr. Flickinger's email states that he tried to incorporate the
> revisions which the City had indicated would be acceptable. Mr.
> Flickinger's email also states that the exhibits are not available at this
> time; but, he will continue to work on those and provide them when they are
> complete.

>
>
>

> As before, STWA looks forward to working with the City on finalizing this
> matter. Please contact me if you require any additional information.

>
>
>

> Have a good day,

>

> Carola

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> Carola G. Serrato

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> Executive Director

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> South Texas Water Authority

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> PO Box 1701

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> Kingsville, Texas 78364

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> 361-592-9323 x112

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mcgserrato@stwa.org

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Saturday, October 13, 2018 1:22 PM
To: Carola Serrato (mcgserrato@stwa.org)
Cc: Allison Nix
Subject: FW: Bishop / STWA Contract

Carola,

Please see the email response copied below that I received from Jerry Benadum minutes ago.

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: gerald benadum <glbenadum@att.net>
Sent: Saturday, October 13, 2018 1:18 PM
To: Bill Flickinger <bflickinger@wfaustin.com>
Subject: Re: Bishop / STWA Contract

Bill, I apologize for the long delay. I have been more incapacitated with illness than I had anticipated, and have been delayed in getting back to this project. I seem to be getting a little better the past few days and, coincidentally with receiving your message, I have plans to work on this contract within the next couple of days. I'll get back to you soon. I expect this subject to be on the City Council agenda for October 24.
Have a good weekend

Jerry
Gerald L Benadum
Sent from my iPhone

On Oct 13, 2018, at 12:50 PM, Bill Flickinger <bflickinger@wfaustin.com> wrote:

Dear Jerry:

I previously sent to you the emails copied below (sent on August 24, 2018 and August 30, 2018) regarding the draft Water Supply Contract between South Texas Water Authority and the City of Bishop. I have not received any response from you since August 30, 2018.

In order to expedite the negotiation process, the South Texas Water Authority Board of Directors authorized me to create a new redline draft for the City Council's consideration. As indicated on the attached, this redline draft shows all proposed changes from the prior draft that was dated November 29, 2017 and submitted to the Mayor of Bishop by Carola Serrato with her cover letter dated December 7, 2017. I have attempted to incorporate in the attached redline the changes that I understand the City had indicated would likely be acceptable to the City. The exhibits are not included with this draft. I will continue to work on the exhibits and will forward them when they are complete.

The attached draft has not been formally approved by the Board of Directors of South Texas Water Authority but will be considered at its meeting on October 22, 2018. Any response you can provide prior to that meeting would be greatly appreciated.

Thank you.

Very truly yours,

Bill Flickinger

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

Phone: (512) 476-6604

Facsimile: (512) 469-9148

Email: bflickinger@wfaustin.com

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From: Bill Flickinger

Sent: Thursday, August 30, 2018 4:09 PM

To: 'gerald benadum' <gbenadum@att.net>

Cc: Ken Fields <kfields@mmjw-law.com>; Cynthia Contreras <bishopcitysecretary@corpus.twcbc.com>; Carola Serrato <mogserrato@stwa.org> <mogserrato@stwa.org>

Subject: RE: Bishop / STWA Contract

Dear Jerry:

I am providing the attachments from my 8/24/18 email for your reference and use. 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: gerald benadum <gfbenadum@att.net>
Sent: Thursday, August 30, 2018 4:00 PM
To: Bill Flickinger <bflickinger@wfaustin.com>
Cc: Ken Fields <kfields@mmjw-law.com>; Cynthia Contreras <bishopcitysecretary@corpus.twcbc.com>; Carola Serrato <mcserrato@stwa.org> <mcserrato@stwa.org>
Subject: Re: Bishop / STWA Contract

Bill, thanks for today's email. I did not receive the email of 8-24-18. I've been ill this week, but will try to turn my attention to this Contract within the next few days.
Jerry

Gerald Benadum
gfbenadum@att.net

On Aug 30, 2018, at 2:22 PM, Bill Flickinger <bflickinger@wfaustin.com> wrote:

Dear Jerry:

Can you please confirm that you received my prior email of 8/24/18 copied below? I want to be sure it made it to you. Thank you.

Very truly yours,

Bill Flickinger

Willatt & Flickinger, pllc
Attorneys at Law

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

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

Email: bflickinger@wfaustin.com

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From: Bill Flickinger
Sent: Friday, August 24, 2018 4:17 PM
To: 'gerald benadum' <gbenadum@att.net>
Cc: Ken Fields <kfields@mmjw-law.com>; Cynthia Contreras <bishopcitysecretary@corpus.twcabc.com>; Carola Serrato (<mogserrato@stwa.org> <mogserrato@stwa.org>
Subject: RE: Bishop / STWA Contract

Dear Jerry:

I am responding to your email copied below.

The most recent draft of the contract provided by STWA is the 11/29/17 draft that was sent to the Mayor on December 7, 2017 with a cover letter signed by Carola G. Serrato, Executive Director. You were copied by mail on that letter. The enclosures to that letter included STWA's redline dated 11/29/17 and a clean version of that redline.

I am attaching to this email the 11/29/17 redline draft and a clean version of that same draft. These are the same documents enclosed with the December 7, 2017 letter.

I recommend that you begin with the clean version attached and produce a redline showing changes from that draft. Both attachments are in Word.

Please confirm receipt of this email so that I know it has reached you. If there is any assistance I can provide that will help expedite the process, please let me know.

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: gerald benadum <gbenadum@att.net>
Sent: Thursday, August 23, 2018 4:53 PM
To: Bill Flickinger <bflickinger@wfaustin.com>
Cc: Ken Fields <kfields@mmjw-law.com>; Cynthia Contreras <bishopcitysecretary@corpus.twcbc.com>
Subject: Bishop / STWA Contract

Bill, I will be drafting the proposed revised Contract between Bishop and STWA. Cynthia has informed me of the changes that have been informally agreed upon.

I am not certain that I have the latest version you submitted. Please send that to me.

Thanks.

Jerry

Gerald Benadum
gbenadum@att.net

<STWA BF Redline Draft 101318 Revised Bishop Water Supply Contract.doc>

(Note: This redline shows all changes made to STWA's draft dated 11/29/17 and which was sent to the Mayor of the City of Bishop with Carola Serrato's letter dated 12/7/17)

WATER SUPPLY CONTRACT

THE STATE OF TEXAS §
 §
COUNTY OF KLEBERG §

This Contract is by and between the South Texas Water Authority, a governmental agency, conservation and reclamation District and body politic and corporate, having been created under Chapter 436 Acts of the 66th Legislature, Regular Session, 1979, of the laws of the State of Texas, all pursuant to Article XVI, Section 59 of the Texas Constitution (hereinafter called the "Authority") and the City of Bishop, Texas, a general law city in Nueces County, Texas (hereinafter called the "Wholesale Customer"), and is as follows.

RECITALS

WHEREAS, the Authority owns a water transmission line extending from the City of Corpus Christi O.N. Stevens Water Treatment Plant to the Authority's offices at 111 E. Sage Road, Kingsville, Texas 78363; and

WHEREAS, the Authority has entered into that certain Water Supply Agreement by and between the Authority and the City of Corpus Christi dated October 14, 1980, pursuant to which the Authority purchases water for resale to its customers; and

WHEREAS, the Authority is willing to sell, and the Wholesale Customer is willing to buy, water available to the Authority from the City of Corpus Christi.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained the Authority and the Wholesale Customer agree as follows:

SECTION 1. DEFINITIONS. Terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

(A) "Corpus Christi Water Supply Agreement" shall mean the Water Supply Agreement by and between the Authority and the City of Corpus Christi dated October 14, 1980, as amended and supplemented from time to time and as modified by the Settlement Agreement and Mutual Release between the Authority, San Patricio Municipal Water District and the City of Corpus Christi effective as of August 13, 2013.

- (B) "Fiscal year" shall mean the twelve month period beginning on October 1 and ending September 30 or such other twelve month period as designated by the Authority.
- (C) "Maintenance and Operating Expenses" shall mean all costs of the Authority for operation, maintenance, repair and replacement of the System to the point of delivery for each Wholesale Customer, including, but not limited to, accounting, administration, engineering, and legal expenses and a reasonable reserve to pay for any extraordinary or nonrecurring expenses of operation or maintenance of the System and for replacements and repairs if such expenses should become necessary. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply or other services for the System. Maintenance and Operating Expenses shall not include any costs or expenses incurred by the Authority in connection with Special Services.
- (D) "Maintenance and Operations Tax" shall mean the ad valorem tax levied by the Authority in accordance with Chapter 49 of the Texas Water Code as authorized by the election of August 11, 2001, at a rate not to exceed \$0.12 per \$100 taxable value.
- (E) "Special Services" shall mean services provided by the Authority to a Wholesale Customer or other entity for the operation, maintenance or management of any facilities or operations of such party that are not part of the Authority's System.
- (F) "System" shall mean the Authority's existing water supply and distribution system, together with all future extensions, improvements, enlargements and additions thereto, and all replacements thereof.
- (G) "System Operating Charge" shall mean the monthly charge, per 1,000 gallons described in Section 8 consisting of the "pass through charge" for the purchase of water from the City of Corpus Christi and the "handling charge" to pay Maintenance and Operating Expenses.
- (H) "Wholesale Customers" shall mean the Cities of Agua Dulce, Bishop, Driscoll and Kingsville, Nueces County Water Control and Improvement District No. 5, Nueces Water Supply Corporation and Ricardo Water Supply Corporation, and any other future contracting parties that purchase water from the Authority for municipal, industrial or agricultural purposes.

SECTION 2. QUANTITY. The Authority agrees to sell and deliver to Wholesale Customer at the delivery point hereinafter specified, and Wholesale Customer agrees to purchase and take at said delivery point, all water required by Wholesale Customer during the period of this Agreement for its own use and for distribution to all customers served by Wholesale Customer's water distribution system at a maximum authorized daily purchase rate which, together with the actual production capacity of the Wholesale Customer's system, is at least 0.6 gallon per minute per connection in the Wholesale Customer's water distribution system. The word "connection" as used in this paragraph shall have the same meaning as in Texas Administrative Code Title 30, Part 1, Chapter 290, Subchapter D, Section 290.38(14) in an amount up to 0.6 gpm per connection.

The Authority will use its best efforts to remain in the position to furnish water sufficient for the reasonable demands of Wholesale Customer, but its obligations shall be limited to the quantity of water available to it under its contract with the City of Corpus Christi. If the Authority determines that it is not able to furnish the Wholesale Customer with the foregoing amount of water, the Wholesale Customer shall be authorized to obtain water in an amount equal to that which the Authority cannot provide from any other source.

SECTION 3. QUALITY. The water which will be delivered to the Wholesale Customer by the Authority will be as received from the City of Corpus Christi, as changed by the transportation process. The Authority may add additional disinfection. The Wholesale Customer has satisfied itself that this water will be suited for its needs.

SECTION 4. POINTS OF DELIVERY AND TITLE. Attached hereto as Exhibit "A" is a schematic diagram involving the transfer of water from the Authority to the Wholesale Customer's distribution system. The Point of Delivery of the water by the Authority to the Wholesale Customer shall be the outlet of the Authority's meter located immediately before the water enters the Wholesale Customer's 125,000 gallon ground storage tank shown on Exhibit "A" attached hereto, and any other points of delivery mutually agreed upon by the Wholesale Customer and the Authority. The Wholesale Customer shall provide and maintain a clean air gap between the Authority's system and the Wholesale Customer's distribution system immediately downstream from the Point of Delivery shown on Exhibit "A," and any other points of delivery mutually agreed upon by the Wholesale Customer and the Authority.

The two pumps shown on Exhibit "A" have been replaced by the Authority pursuant to a letter of agreement between Wholesale Customer and the Authority, a copy of which is attached hereto as Exhibit "B." The Authority has executed the Utility Conveyance Agreement required by the letter agreement, conveying the two pumps and appurtenances described in the contract documents and technical specifications for Bishop Westside Water Treatment Plant renovations and modifications for the South Texas Water Authority prepared by LNV Engineering, March 2014, all the facilities shown on Exhibit "A" are owned by Wholesale Customer, and Wholesale Customer is responsible for the operation and maintenance of those facilities.

Wholesale Customer no longer uses what used to be its east side delivery facility, a copy of which is attached hereto as Exhibit "C." All the facilities shown on Exhibit "C" except for the building, the SCADA system and any equipment previously used to serve the City are owned by Nueces Water Supply Corporation by the Authority, and the Authority is responsible for the operation and maintenance of those facilities. The building, SCADA system and any equipment previously used to serve the City are owned by the Authority and the Authority is responsible for the operation and maintenance of those facilities. Those facilities owned by Nueces Water Supply Corporation and the Authority stand on land owned by Wholesale Customer. Therefore, Wholesale Customer will execute a license agreements, in favor of Nueces Water Supply Corporation and the Authority and their assigns, substantially in the form of those attached as Exhibits "D," and "E," authorizing the Authority to use of that land for those its delivery facilities. The Authority agrees to cooperate with the City on the possible use of the east side

delivery facilities by the City as an emergency supply, so long as all costs associated with such use, including but not limited to repairs and upgrades are paid by the City and subject to any regulatory approvals or requirements.

Title to all water supplied hereunder shall remain in the Authority to the Point of Delivery, and upon passing through the Authority's meter or meters installed at the specified Point of Delivery such title to the water shall pass to the Wholesale Customer. Each of the parties hereto shall be responsible for and agrees to save and hold the other party harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, delivery and disposal of said water while title remains in such party.

SECTION 5. MEASURING EQUIPMENT.

(A) Authority shall furnish, install, operate and maintain at its own expense the necessary metering equipment of standard type for measuring properly the quantity of water delivered under this agreement. Such metering equipment shall be located on the Authority's supply main at a location already designated by Authority. Such meter or meters and other equipment so installed shall remain the property of Authority. The reading, calibration and adjustment of the meter equipment shall be done only by the employees or agents of the Authority. However, the Wholesale Customer shall have access to such metering equipment at all reasonable times. For the purpose of this Agreement, the original record or reading of the main meter shall be the journal or other record book of the Authority in its office in which the records of the employees or agents of the Authority who take the reading are or may be transcribed. Upon written request of Wholesale Customer, the Authority will give the Wholesale Customer a copy of such journal or record book, or permit the representative designated by Wholesale Customer Council's resolution to have access to the same in the office of the Authority during reasonable business hours.

(B) Not more than once in each calendar year, on a date as near the end of the Authority's fiscal year as practical, the Authority shall calibrate its main meter or meters and present to the Wholesale Customer accuracy certification. This calibration shall be performed in the presence of a representative of Wholesale Customer, and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary, and if the check meter hereinafter provided for has been installed, the same shall also be calibrated in the presence of a representative of the Wholesale Customer and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary. The Authority shall give Wholesale Customer notice of the time when any such calibration is to be made. If a representative of Wholesale Customer is not present at the time set, the Authority may proceed with calibration and adjustment in the absence of any representative of the Wholesale Customer.

(C) If either party at any time observes a variation between a main delivery meter and the check meter, if any such check meter shall be installed, such party will promptly notify the other party, and the meters shall then be adjusted to accuracy. Each party shall give the other party

forty-eight (48) hours' notice of the time of any test of meter so that the other party may conveniently have a representative present.

(D) If, upon any test, the percentage of inaccuracy of metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half ($\frac{1}{2}$) of the time elapsed since the last date of calibration, but in no event farther back than a period of six (6) months. If, for any reason, the main meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered, through the period such meter is out of service or out of repair, shall be estimated and agreed upon by the parties thereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter if the same has been installed and is accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of error is ascertainable by calibration tests of mathematical calculation, or (ii) by estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter was registering accurately.

(E) The Wholesale Customer may, at its option and its own expense, install and operate a check meter to check the meter installed by the Authority, but the measurement of water for the purpose of this agreement shall be solely by the Authority's meter, except in the cases hereinabove specifically provided to the contrary. Such check meter shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the Authority, but the reading, calibration and adjustment thereof shall be made only by the Wholesale Customer, except during any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration, and adjustment thereof shall be made by the Authority with like effect as if such check meter had been furnished or installed by the Authority.

SECTION 6. MEASUREMENT AND UNIT OF MEASUREMENT. The volume of water that is billed to the Wholesale Customer shall be the amount of water delivered through the points of delivery described in the exhibits attached to this Agreement minus the amount of water delivered by the Authority through those points of delivery that is delivered to other customers, as shown in the exhibits attached to this Agreement. The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

SECTION 7. DELIVERY PRESSURE. The water shall be delivered by the Authority at the point of delivery at the Wholesale Customer's system at "0" pressure.

SECTION 8. PRICES AND TERMS.

(A) System Operating Charge. The System Operating Charge shall be billed monthly as a price per 1000 gallons of water purchased by the Wholesale Customer. The System Operating Charge shall consist of the sum of (1) a "pass through charge" to recover the cost of water purchased pursuant to the Corpus Christi Water Supply Agreement at a rate equal to the cost of water, per 1000

gallons, from the City of Corpus Christi, and (2) a "handling charge" which shall be a rate equal to the estimated annual Maintenance and Operating Expenses per 1000 gallons, less the amount of Maintenance and Operations Tax revenues budgeted for payment of Maintenance and Operating Expenses. Maintenance and Operating Expenses shall not include any management fees or similar expenses related to Special Services. All rates charged for Maintenance and Operating Expenses shall be set to recover the cost of service, based on generally accepted rate making principles, including those set forth in Chapters I, II, III, IV and V.1 in the American Water Works Association ("AWWA") Manual M1 (Sixth Edition) on water rates. The amount of the Maintenance and Operations Tax shall be determined by the board of directors of the Authority in its sole discretion.

Wholesale Customer shall be responsible for the cost of operation, maintenance, repair and replacement of the facilities located after the point of delivery.

Each year after the Authority receives its audit, the Authority will conduct a "true-up" for the year to which the audit applies; i.e., the prior year, using audited costs to determine if there was any over-recovery or under-recovery of costs during that year. Any over-recovery or under-recovery of costs will be carried over as a credit or debit, as appropriate, to the costs included in the budget that are considered to determine the price for the following year. (There will be a one-year delay in each "true-up").

(B) Authority Budget. The Authority's fiscal year shall be from October 1 through September 30 of each year, or such other period as the Authority, after sixty (60) days written notice to the Wholesale Customer, shall adopt. Not later than the forty-fifth (45th) day before the beginning of the Authority's next fiscal year, commencing with the Authority's fiscal year in which this Agreement becomes effective, the Authority shall provide the Wholesale Customer with a copy of the Authority's proposed budget for the following fiscal year, showing the budgeted total annual rate, and the components thereof, to be paid by the Wholesale Customer to the Authority for the fiscal year of the Authority to which the budget applies for sale and purchase of water under this Agreement. The Wholesale Customer shall have thirty (30) days to review and provide written comment on the proposed budget. The Authority shall adopt its fiscal year budget as soon as practicable following the expiration of such thirty (30) day period and shall deliver to the Wholesale Customer a copy of the fiscal year budget within five (5) days after the adoption thereof.

(C) Unconditional Obligation to Pay - The Wholesale Customer shall be obligated to pay, each month, the payments required by this Agreement, without offset or counterclaim. This covenant shall be for the benefit of the holders of the Authority's bonds, secured in whole or in part from the revenues of the System, if as and when any bonds are outstanding.

(D) Billing and Payment - The Authority shall bill the Wholesale Customer monthly for the amounts due the Authority hereunder for the preceding billing period which bill shall disclose the nature of the amounts due. Such monthly bills shall be normally delivered to the Wholesale Customer within ten business days after the end of each calendar month. All such bills shall be paid by the Wholesale Customer at the office of the Authority in Kingsville, Texas by the dates

provided in Section 2251.021, Texas Government Code, but, if there is a bona-fide dispute over an invoice, Wholesale Customer may withhold payment of the disputed amount subject to the requirements of Chapter 2251 of the Texas Government Code. Wholesale Customer shall pay interest to the Authority on any overdue payments in accordance with Section 2251.025, Texas Government Code.

(In the event any such payment is not made within sixty days from date such payment becomes due, the Authority may, at its option, discontinue the delivery of water to the Wholesale Customer until the amount then due the Authority is paid in full with interest as above specified.

SECTION 9. SPECIAL CONDITIONS.

(A) Wholesale Customer represents and covenants that the water supply to be obtained pursuant to this Contract is essential and necessary to the operation of its waterworks system, and that all payments to be made hereunder by it will constitute reasonable and necessary "operating expenses" of Wholesale Customer's waterworks system, and that all such payments will constitute reasonable and necessary operating expenses of Wholesale Customer's waterworks system under any and all revenue bond issues of Wholesale Customer, with the effect that the Wholesale Customer's obligation to make payments from its waterworks revenues under this Contract shall have priority over its obligations to make payments of the principal of and interest on any and all of its revenue bonds.

(B) Wholesale Customer agrees to fix and collect such rates and charges for water and services to be supplied by its waterworks system as will make possible the prompt payment of all expenses of operating and maintaining its waterworks system, including all payments contracted hereunder, and the prompt payment of the principal of and interest on its obligations payable from the revenues of its waterworks system.

(C) During any period of time when, in the judgment of the Authority, there is a critical shortage of water in the sources of supply available to Authority, which makes it impractical or inadvisable for Authority to deliver to the Wholesale Customer and its other customers with whom it has water supply contracts the full amounts of water required to be delivered thereunder, the water deemed available by the Authority from its sources of supply, shall be rationed to the Wholesale Customer and the other customers during each month of such period of time, in accordance with the "Drought Contingency Plan for the South Texas Water Authority" adopted on May 28, 2013, as it may be amended from time to time. Such rationing shall also be subject to the requirements of Section 10 of this Contract.

(D) The Wholesale Customer is participating in the Federal Flood Insurance Program and will continue to do so during the term of this Contract.

SECTION 10. CORPUS CHRISTI CONTRACT AND DROUGHT CONTINGENCY PLAN. The Wholesale Customer acknowledges that it is required by Sec. 11.1272, Water Code, to develop a drought contingency plan consistent with the appropriate approved regional water

plan. Wholesale Customer also acknowledges that the Corpus Christi Water Supply Agreement requires that, if the City of Corpus Christi implements any measures under its Water Conservation and Drought Contingency Plan, the Authority shall within thirty (30) days of notice of the implementation of any restrictions, surcharges or rationing by the City of Corpus Christi, impose similar restrictions, surcharges or rationing measures on its Wholesale Customers. Any contract for the resale of water furnished by the Authority shall contain a similar condition.

Accordingly, the Wholesale Customer agrees that it will adopt a water conservation plan and drought contingency plan consistent with those of the City of Corpus Christi, as the latter may be amended from time to time.

Wholesale Customer understands and agrees that all Wholesale Customers shall be subject to and bound by the same provisions regarding priorities of user of water and that, therefore, should there be a shortage in the basic supply of water, from the City of Corpus Christi or otherwise, which requires the restriction or curtailing of any Wholesale Customer of water (a/k/a rationing of water), the Authority will limit and restrict all of its Wholesale Customers, to the same extent and on a pro rata basis, and will require its Wholesale Customers to treat all of their customers equally.

SECTION 11. FORCE MAJEURE. In case by reason of force majeure either party hereto shall be rendered unable wholly or partially to carry out its obligations under this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipe lines or canals, partial or entire failure of water supply, or inability on the part of the Authority to delivery water hereunder on account of any other causes not reasonably within the control of the Authority. It is understood and agreed that the settlement of strikes and lockouts may be difficult, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

SECTION 12. TERM OF CONTRACT. The initial term of this Contract shall be for five (5) years ("Initial Term") and will be automatically renewed for three (3) sequential terms of five (5) years each, unless one Party gives the other Party written notice of termination at least 365 days and not more than 545 days prior to the end of the Initial Term or any subsequent term.

SECTION 13. GUARANTEED PURCHASE

(A) During the first year of the Initial Term of this Contract the Wholesale Customer must purchase water from the Authority equal to at least ~~46.50%~~ 46.50% of the total water needs of Wholesale Customer. During the second year of the Initial Term of this Contract the Wholesale Customer must purchase water from the Authority equal to at least ~~47.52.5%~~ 47.52.5% of the total water needs of Wholesale Customer. During the third year of the Initial Term of this Contract the Wholesale Customer must purchase water from the Authority equal to at least ~~48.55%~~ 48.55% of the total water needs of Wholesale Customer. During the fourth year of the Initial Term of this Contract the Wholesale Customer must purchase water from the Authority equal to at least ~~49.57.5%~~ 49.57.5% of the total water needs of Wholesale Customer. During the fifth year of the Initial Term of this Contract the Wholesale Customer must purchase water from the Authority equal to at least ~~560%~~ 560% of the total water needs of Wholesale Customer. To assist the Authority in maintaining the chloramine residual in the Authority's 42-inch transmission line at the level required by the TCEQ, Wholesale Customer agrees to use its best efforts to take the percentage of water set forth above on a daily basis, the Daily Usage Schedule attached hereto as Exhibit "A". After the Initial Term of this Contract, the Wholesale Customer must purchase water from the Authority equal to at least ~~560%~~ 560% of the total water needs of Wholesale Customer. Wholesale Customer may satisfy its remaining water needs by utilizing Wholesale Customer's wells. Wholesale Customer agrees that it will not purchase wholesale water from any entity other than the Authority during the term of this Contract, except as provided in Section 2 above.

(B) The Authority and the Wholesale Customer shall cooperate to adjust the Daily Usage Schedule to determine what best works to retain the chloramine residual at the level required by the TCEQ regulations. When that minimum Daily Usage Schedule has been determined, Wholesale Customer shall purchase water as required by the Daily Usage Schedule. Revisions to the Daily Usage Schedule shall not increase the minimum volume of water to be purchased by the Wholesale Customer, except as to conform to the amounts set forth in Section 13 (A) above.

(C) This section is subject to other provisions of this Contract which may affect the amount of water available or distributed, such as the provisions dealing with the Corpus Christi Water Supply Agreement, force majeure, drought contingency plans, water rationing, and water conservation.

SECTION 14. REMEDIES UPON DEFAULT

(A) Remedies. The parties agree that the Authority's undertaking to provide water is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone. Accordingly, the Authority agrees, in the event of any default on its part, that the Wholesale Customer shall be entitled to specific performance in addition to any other available legal or equitable remedies.

(B) Remedies Cumulative/Not Exclusive. The remedies provided for herein are not exclusive remedies. All other remedies at law or in equity may be availed of by either party and shall be cumulative except to the extent otherwise specifically provided, or limited, under this Agreement.

(C) CONSEQUENTIAL DAMAGES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES OR LOST PROFITS WHETHER ARISING IN AGREEMENT, TORT, STRICT LIABILITY OR OTHERWISE.

(D) Jurisdiction. The Authority and the Wholesale Customer agree that, if either of them disputes the rate charged pursuant to this contract, either of them may appeal the rate to the Public Utility Commission ("PUC"). If the PUC for any reason refuses to hear the appeal for want of jurisdiction, or otherwise, the dispute may be resolved by the District Court of Nueces County, Texas.

SECTION 15. GENERAL PROVISIONS

(A) Covenant of Good Faith and Fair Dealings. The Authority and the Wholesale Customer agree to cooperate and to deal with one another fairly and in good faith at all times to effectuate the purposes and intent of this Contract. They also agree to execute and deliver such further legal documents or instruments and to perform such further acts as are reasonably necessary to effectuate the purposes and intent of this Contract.

(B) TAX-EXEMPT BONDS. The Wholesale Customer understands that the Authority has issued or will issue bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes ("Tax-Exempt Bonds") for improvements to the System and that the federal income tax laws impose certain restrictions on the use of proceeds of any such Tax-Exempt Bonds and on the use of the facilities and property financed by the Tax-Exempt Bonds and the output produced from such facilities and property. Accordingly, the Wholesale Customer will not enter into a water supply contract or other agreement with a customer of such Wholesale Customer which contains take-or-pay, contract minimums, output requirements, special rates and charges or similar provisions, unless it has notified the Authority in writing of the Wholesale Customer's intent to enter into such contract at least 60 days prior to the execution of such contract or agreement. The foregoing second sentence of this paragraph 14(B) does not apply to a schedule of standard rates and charges that is applied to all retail customers. The parties may rely on the opinion of nationally-recognized bond counsel to ensure compliance with this Section. This Section shall no longer apply to any Wholesale Customer if any of the outstanding bonds of the Authority allocable to the portion of the System used by the Wholesale Customer are not Tax-Exempt Bonds.

(C) Notices. Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery, by facsimile, or by sending said notices by

registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when received by facsimile or by personal delivery, or three days after deposited with the United States Postal Service with sufficient postage affixed.

Any such notice mailed to the Authority shall be addressed:

South Texas Water Authority
P.O. Box 1701
Kingsville, Texas 78364
Attn: Executive Director
Fax: (361) 592-5965

Any such notice mailed to the Wholesale Customer shall be addressed:

City of Bishop
P.O. Box 356
Bishop, Texas 78343
Attn: City Secretary
Fax: (361) 584-3253

Either party may change the address or facsimile number for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

(D) Approvals. Whenever the term “approve” or “approval” is used in this Contract, the party whose approval is required will not unreasonably withhold or delay it. Where approval is necessary, the party seeking approval may request approval in writing. If the party whose approval is requested fails to either approve the submittal or provide written comments specifically identifying the required changes within 21 working days, the submittal, as submitted by the requesting party, will be deemed to have been approved by the party whose approval is requested.

(E) Waiver. The failure on the part of either party to require performance by the other of any portion of this Contract shall not be deemed a waiver of, or in any way affect that party’s rights to enforce such provision. Any waiver by either party or any provision of this Contract shall not be a waiver of any other provision hereof.

(F) Severability. The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract.

(G) Attorney’s Fees. In the event either party shall become a party to any litigation against the other to enforce or protect any rights or interest under this Contract and shall prevail, the losing party shall reimburse the prevailing party for all investigative and court costs and attorney’s fees incurred in such litigation.

(H) Governing Law. This Contract shall be governed by the laws of the State of Texas and venue shall lie in Nueces County, Texas.

(I) Binding Effect and Assignment of Contract. The Contract shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither Party may assign its rights or obligations under this Contract without prior written consent of the other Party.

(J) Time. Time is of the essence. Unless otherwise specified, all references to "days" means calendar days. If the date for performance of any obligation falls on a Saturday, Sunday, or legal public holiday, the date for performance will be the next following regular business day.

(K) No Partnership, Agency or Third Party Beneficiaries Intended. Nothing in this Contract will be construed as creating any form of partnership or joint venture relationship between the parties, nor shall either party be authorized to act as an agent for the other party. Nothing in this Contract shall be construed to confer any right, privilege or benefit on, or to otherwise create any vested right or third-party beneficiary relationship with any person or entity not a party to the Contract.

(L) Authority. Each of the persons signing on behalf of the Wholesale Customer and the Authority hereby confirm that they have the authority to execute this Contract on behalf of the party indicated by their signature and have the authority to bind such party hereto.

(M) Headings. The captions and headings appearing in this Contract are inserted merely to facilitate reference and will have no bearing upon its interpretation.

(N) Entire Contract. This Contract contains all agreements between the parties hereto and any agreement not contained herein shall not be recognized by the parties. The captions used herein are for convenience only and shall not be used to construe this Agreement. Words of gender shall be construed to include any other gender, and words in the singular shall include the plural and vice versa unless the context requires otherwise.

(O) Counterparts. This Agreement may be executed by the parties in any number of counterparts, each of which when so executed and delivered shall be deemed an original instrument, but all such counterparts together shall constitute but one and the same instrument.

(P) Effective Date. The effective date of this Contract shall be the date on which it has been executed by both the Authority and the Wholesale Customer.

[Signatures to follow.]

SOUTH TEXAS WATER AUTHORITY

By: _____
President, Board of Directors

Date of execution: _____

ATTEST:

Secretary, Board of Directors

[AUTHORITY'S SEAL]

CITY OF BISHOP, TEXAS

By: _____, Mayor

Date of execution: _____

ATTEST:

Secretary

[CITY'S SEAL]

LIST OF EXHIBITS

Exhibit "A" - Schematic diagram involving the transfer of water from the Authority to Wholesale Customer's distribution system

Exhibit "B" - Letter agreement addressing construction of two pumps

Exhibit "C" - Former east side delivery facilities

Exhibit "D" - Draft License Agreement between the City and Nueces Water Supply Corporation

Exhibit "E" - Draft License Agreement between the City and the Authority

ATTACHMENT 7

Driscoll Water Supply Contract

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 16, 2018
Re: City of Driscoll – 20-Year Wholesale Water Supply Contract

Background:

Attached is the latest correspondence related to the City of Driscoll Wholesale Water Supply Contract. As the Board is aware, there are only two (2) out of three (3) council persons serving at this time. The Interim City Administrator, John Valls, had indicated that the Council would be meeting in early October. However, he later notified me that the meeting was postponed due to a lack of a quorum. The latest email inquires when the Council is expected to meet. STWA's legal counsel, Bill Flickinger, is prepared to travel and meet with City representatives when an opportunity is presented.

Analysis:

Staff will continue to touch base with Mr. Valls. As stated in correspondence, legal counsel and staff agree that meeting in person to review the contract and addressing any City concerns should move the process forward.

Staff Recommendation:

Keep the Board updated on this matter.

Board Action:

Provide feedback to staff and legal counsel.

Summarization:

Staff is not certain when the Council vacancy will be filled. Regardless, staff and legal counsel believe that negotiation efforts are appropriate in spite of the current circumstances.

mcgserrato@stwa.org

From: mcgserrato@stwa.org
Sent: Monday, October 15, 2018 10:58 AM
To: John Valls (jvalls@cityofdriscoll.com)
Cc: Bill Flickinger; 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: FW: City of Driscoll - STWA Water Supply Contract
Attachments: City of Driscoll M Zavala Letter and Water Supply Contract of 08032018.pdf
Importance: High

Good Morning John,

Just a quick follow-up on the Driscoll City Council's schedule and the Driscoll – STWA Wholesale Water Supply Contract.

On September 28th, when we met on a TxDOT matter, you indicated that the City's Council's anticipated October 3rd meeting had to be rescheduled. You thought the meeting could possibly occur during the week of October 8th and, if so, the Council would be reviewing the contract on a preliminary basis only.

As stated previously, STWA's legal counsel and I would like to meet with City representatives to review any areas of concern for the City. If the Council would like us to attend an upcoming meeting, please let us know and we will endeavor to attend.

As an FYI, the STWA Board is scheduled to meet next Tuesday, October 22nd at 5:30 p.m. in the STWA conference room. This matter will be an agenda item.

Thanks and have a good day,
Carola

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

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Wednesday, September 5, 2018 10:44 AM
To: John Valls (jvalls@cityofdriscoll.com) <jvalls@cityofdriscoll.com>
Cc: Bill Flickinger <bflickinger@wfaustin.com>; 'Dony Cantu (dcantu@stwa.org)' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: FW: City of Driscoll - STWA Water Supply Contract
Importance: High

Good Morning John,

Just a quick follow-up on the email below. The STWA Board met yesterday. I reported that I would continue to touch base with you about a meeting between Driscoll representatives and STWA. STWA's legal counsel, Bill Flickinger, and I met several times with City of Kingsville representatives including the City Attorney prior to that contract being executed. We believe this would be very helpful in advancing this matter.

Please let me know if you need any additional information. I look forward to hearing from you.

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

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

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Monday, August 27, 2018 11:52 AM
To: John Valls (jvalls@cityofdriscoll.com) <jvalls@cityofdriscoll.com>
Cc: Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>
Subject: City of Driscoll - STWA Water Supply Contract

John,

Per our conversation this morning, attached is the cover letter to Mayor Zavala with enclosures. My recollection was correct that the letter with the contract was copied to the other two council persons. Please let me know if you need any additional information. The STWA Board will be meeting next week on Tuesday, September 4th. The contract will be an item on the agenda.

Have a good day,

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

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

mcserrato@stwa.org

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Saturday, October 13, 2018 12:51 PM
To: Carola Serrato (mcserrato@stwa.org)
Cc: Allison Nix
Subject: STWA - City of Driscoll Water Supply Contract
Attachments: 20181013124814.pdf

Dear Carola:

After we spoke on September 17, 2018, I drafted the attached memo.

Are you aware of any progress at the City? I assume no workshop has been scheduled. 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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MEMORANDUM

Date: September 17, 2018
From: BF
To: The File
Subject: STWA – City of Driscoll Water Contract Negotiations

I spoke with Carola Serrato on Friday, September 14, 2018, and she informed me of the following:

1. John Valls is working for the City again, but Jo Ella sees his wife, who is a doctor, and the report is John is not getting paid, so Carola is not so sure how much interest and effort he is putting into the job.
2. John Valls told Carola that they have the draft contract and anticipate discussing it with the City Council on October 3, 2018. Then he anticipates there will be a workshop scheduled (which Carola thinks I will need to attend). After that, there will be a City Council meeting that perhaps will result in approval of the contract. That City Council meeting would normally be Wednesday, November 7, 2018.

I need to calendar these dates and track them and look for the workshop scheduling where I might need to be in Driscoll in person.

BF

ATTACHMENT 8

Back Hoe Purchase

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 16, 2018
Re: Advertisement for the Purchase of a Track Hoe/Excavator

Background:

In 1999, STWA purchased the current track hoe for a cost of \$49,266. In the late 1990's and early 2000's, STWA personnel installed hundreds of sacrificial zinc anodes using this piece of equipment. This was as a result of determining that the original construction project did not include proper bonding between joints known as providing continuity. Initially, STWA worked on establishing continuity by excavating every joint and installing bonds. However, after continuity was re-established for two impressed current stations, consultants recommended switching to sacrificial anodes installed at every other joint.

Analysis:

Approximately \$1 Million remains in bond funds. I have stated and I believe the Board agrees that the best use for these funds is to prolong the life of the 42" waterline. As such, staff has discussed with legal counsel, bond counsel, and the outside auditor using the funds for another round of cathodic protection work. A CP Technician has been hired. A second tech will be hired in the near future. Salaries and benefits for these employees will be paid from bond funds.

The current track hoe still operates. Although periodic maintenance has been performed, the excavator does not operate with its original power and maneuvering is much more difficult. Staff has compared models similar in size to the existing equipment as well as slightly larger models. Enclosed are specifications for a track hoe. Staff believes these specs should result in an excavator that will serve the cathodic protection project's needs. The FY 19 Budget includes \$95,000 for the purchase of the equipment.

Staff Recommendation:

Authorize staff to advertise for the purchase of a track hoe.

Board Action:

Determine whether to authorize staff to advertise for the purchase of a track hoe.

Summarization:

Staff believes STWA has gone beyond the projects described in the Engineering Report approved as a requirement to issue the Series 2013 Bonds:

- Relocation of approximately 900 LF of 42" waterline,
- Construction of the City of Bishop's Westside Pump Station improvements,
- Construction of a 1.0 MG GST at the Kingsville PS including a disinfection injection and mixing system,
- Installation of three (3) 1500 gpm pumps at the Kingsville PS,
- Installation of a Kingsville PS emergency generator,
- Installation of two (2) replacement rectifiers,
- Confirmation that pipe line interference was not occurring from seven (7) oil/gas lines at crossings,
- And revisiting the cathodic protection system on the first 5,000 LF of 42" waterline closest to the office.

MINIMUM SPECIFICATIONS FOR HYDRAULIC EXCAVATOR

Engine Power 55 HP minimum
Diesel Engine 4 Cylinder minimum with 24 Volt System
(2) 12 Volt Batteries @ 750 CCA
50 Amp Alternator minimum
Counter Weight – 1,500 lbs. minimum
Steel Triple Grouser Shoes 600 mm (24 inch minimum)
Standard Boom (not offset)
Backhoe Bucket 0.30 CYD 24”
Reach @ ground level 22 ft. minimum
Digging depth 15 ft. minimum
Operating weight 13,000 lbs. minimum
Leveling Blade 7’-7” length by 1’-6” height
Antifreeze
Horn (front)
Muffler
Electric Starting
Hydraulic Oil Cooler
One Touch Low Idle
Travel Power Mode Selector -2 modes minimum
Work Mode Selector-2 modes minimum
Straight Line Travel
Adjustable Pilot-operated Joystick Type (wrist lever) Controls
Travel Control Pedals
Neutral Lever (lock out)
Instrument Panel with LED Gauges
Interior Lighting
Mechanical-suspension adjustable seat
Adjustable Seatbelt
Adjustable Armrest
Floor Mat
Door Locks and Cap Locks
External Rear View Mirrors
Openable Front Windshield
External Work Lights- 2 minimum
Tow Eyes
Tool Box
Include Warranty Information

ATTACHMENT 9

Corpus Christi True Up

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 16, 2018
Re: City of Corpus Christi Annual Rate "true-up"

Background:

In July staff reported that the City of Corpus Christi would be unable to provide their rate model as a result of a new billing system. However, Ms. Reba George, Assistant Director of Support Services, Water Utilities, indicated that the update should occur by the end of September. Following a subsequent reminder, the model was provided on October 3rd. A revised model was provided on October 12th. Enclosed is the most recent correspondence pertaining to this matter.

Analysis:

As you can see from the correspondence, STWA's consultant, Mr. Chris Ekrut with NewGen Strategies, has been reviewing the model and providing questions. The most recent questions pertain to the City's proposed capital improvement expenditures including whether those costs are part of their distribution expenses or a treatment/raw water cost. At this time, it appears the model's raw water and treated component costs are below the rates used when STWA adopted its budget – which were based on the City's model from last year and its projections for 2019. However, at this time, staff believes it would be premature to provide the latest figures to STWA's Wholesale Customers, at least until after the City has provided answers to Mr. Ekrut's questions.

Staff Recommendation:

Keep the Board updated on this matter. Continue to work with NewGen on the true-up and review of the updated rate model.

Board Action:

Provide feedback to staff and/or consultants.

Summarization:

During the latest call with Mr. Ekrut, he confirmed that he is performing this work on behalf of the Nueces County Water Control and Improvement District #4 and STWA. As such, NewGen's invoices will be shared on a 50-50 basis. Once again, due to the complexity of the model, staff appreciates the assistance of NewGen.

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Monday, October 15, 2018 9:46 PM
To: Reba George; mcserrato@stwa.org; Mark Young
Cc: Dan Grimsbo; Martha Messer; Mark Van Vleck; Esteban Ramos
Subject: RE: Questions Regarding Latest Wholesale Water Rate Model

Thanks Reba. Based on the documentation provided, please see the questions/comments below.

1. With regards to the ONSWTP High Service Building No. 3, Page 233 of the documentation states that the new High Service Pump Building will have capability to deliver treated water to distribution system from existing Clear-well No. 1, Clear-well No. 2 and future programmed Clearwell No. 3. If this is specific to the distribution system, can you explain why it is being assigned as a "treatment" asset?
2. With regards to the ONSWTP Raw Water Influent and Chemical Facilities Improvements, can you explain why design was awarded on May 2008, but the project won't be constructed until next year? Can we assume that design is already fully funded?
3. With regards to the ONSWTP Raw Water Influent and Chemical Facilities Improvements, can you explain why this project is being funded when no design has occurred on this project and its construction/completion date is unknown. There seems to be lots of uncertainty about this project. Given this, on what are the cost estimates based?
4. Based on page 244, the Citywide IDIQ project appears to be solely related to Distribution System level improvements. It seems to me this should be assigned to the Distribution Component as opposed to the Network component of the rate. If the City disagrees, can you provide further explanation?
5. Page 254 appears to indicate that the Utility Building Expansion will provide room for all utilities, not just water. Given this confirmation, can you provide how much of this is anticipated to be funded by the wastewater, gas, and stormwater utilities and provide cell references into the model where this funding is indicated.
6. Page 219 appears to indicate that the Seawater Desalination project is associated with future water supply development. Given this, can you explain why this project is not being funded by the available fund balance in the Water Supply Development Fund?

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



From: Reba George <RebaG@cctexas.com>

Sent: Friday, October 12, 2018 3:25 PM

To: Chris Ekrot <cekrot@newgenstrategies.net>; mcgserrato@stwa.org; Mark Young <myoung@ncwcid4.org>

Cc: Dan Grimsbo <DanG@cctexas.com>; Martha Messer <MarthaMe@cctexas.com>; Mark Van Vleck <MarkVV@cctexas.com>; Esteban Ramos <EstebanR2@cctexas.com>

Subject: FW: Questions Regarding Latest Wholesale Water Rate Model

All – we have a revised version of the rate model based on questions #7 and #10 from Chris --- as well as a weblink for questions #2, #3, and #6 regarding our FY19 CIP. Additional responses will be provided next week.

FY19 CIP:

<http://cms.cctexas.com/sites/default/files/Adopted%20CIP%20-%20Online.pdf>

====

1. Under the City's published ordinance concerning the raw water cost adjustment (RWCA), it states that the "RWCA will be calculated every odd-numbered year no later than October 1 to be effective the following January of even-numbered years using the adopted utility rate model." Contrary to the City's ordinance, can you confirm that staff is recommending to Council to adopt a raw water rate of \$0.942 per 1,000 gallons effective January 1, 2019?
2. (see weblink above) Please provide background information on the planned "Treatment" related debt-funded capital projects planned for 2019 including the engineer's estimate of probable cost related to the improvement. Within the information provided, please include any information available on the project and the date on which the anticipated bond is to be issued. Specific projects for which information is requested is as follows:
 - ONSWTP High Service Building No. 3
 - ONSWTP Raw Water Influent and Chemical Facilities Improvements
 - ONSWTP Solids Handling and Disposal Facilities
 - ONSWTP Site Infrastructure Improvements
 - ONSWTP Replacement of Sedimentation Basin Sludge Collectors
 - ONSWTP Chlorine Storage and Handling Facilities Improvements
 - ONSWTP Electrical Distribution Improvements
 - ONSWTP Clearwell No. 3
3. (see weblink above) Please provide background information on the planned "Network" related debt-funded capital projects planned for 2019 including the engineer's estimate of probable cost related to the improvement. Within the information provided, please include any information available on the project and the date on which the anticipated bond is to be issued. Specific projects for which information is requested is as follows:
 - Elevated Water Storage Tanks – Phase 3 – Please indicate which tank is the subject of the proposed funding and the location of said tank
 - City Large-Size Water Line Assessment and Repair
4. What is the "Citywide IDIQ" program identified on "Fsum, Excel Row 1305" and why is this considered a Network related project?
5. Specific to the proposed capital funding of \$2.5 million for the Utility Building Expansion, please explain how much of this is anticipated to be funded by the wastewater, gas, and stormwater utilities and provide cell references into the model where this funding is indicated. If other utilities will not support this expansion, please explain why.

6. (see weblink above) Please provide background information on the planned “Raw Pipeline” and “Raw Supply” related debt-funded capital projects planned for 2019 including the engineer’s estimate of probable cost related to the improvement. Within the information provided, please include any information available on the project and the date on which the anticipated bond is to be issued. Specific projects for which information is requested is as follows:

- Mary Rhodes Pipeline Phase I Pump Station Improvements
- Choke Canyon Dam Infrastructure Improvements
- Wesley Seale Dam Infrastructure Improvements
- Seawater Desalination – Please also explain why seawater desalination is not proposed to be funded by the available fund balance in the Water Supply Development Fund

7. Specific to the Stevens Raw Water Diversion Rates, “COSWtrRates, Line 348” and Water Treatment Rate “COSWtrRates, Line 471”, please explain why the Settlement True-up is divided by 2? All indications from the City have been that it is no longer seeking a two-year water rate for wholesale customers treated water rates with the exception of what is allowed for in the RWCA ordinance. If that is the case, the full true-up should be recognized, not split between two years.

This was an error in the model. The true-up for “one-year” rate customers should only include the true-up calculation for FY17. This has been corrected and minimal changes in the rates resulted.

8. Please explain the following increases between actual expenses for last fiscal year (Column K of “Imp-Exp”) and proposed budgeted expenses for next fiscal year (Column M of “Imp-Exp”). If new positions are being added or vacant positions being filled, please indicate the title of the position and annual pay associated with position. If new machinery is being purchased, please indicate what is being purchased and at what anticipated price. If the proposed budgeted expense dropped from 2017 to 2018, and then rose again in 2019, please indicate why (i.e., Light & Power for Mary Rhodes Pipeline II).

Dept ID	Acct Category	Acct Detail	2017 Actual	2018 Budget	2019 Proposed	2019 \$ Increase	2019 % Increase
30005	Water Utility Admin	Salaries and Wages	666,940	916,509	1,064,865	148,356	16%
30200	Wesley Seale Dam	Vehicles & Machinery	64,639	46,181	161,500	115,319	250%
30210	Choke Canyon Dam	Vehicles & Machinery	72,103	43,250	150,000	106,750	247%
30250	Lake Texana Pipeline	Salaries & Wages	164,469	50,606	168,192	117,586	232%
31010	Stevens Filter Plant	Other Contractual Services	1,143,198	1,816,036	2,219,093	403,057	22%
31010	Stevens Filter Plant	Other Allocations	1,242,565	1,258,152	1,396,712	138,560	11%
31520	Water Construction	Retirement	788,214	686,834	883,110	196,276	29%
31520	Water Construction	Vehicles & Machinery	311,358	315,288	876,500	561,212	178%
31501	Water Quality	Salaries & Wages	469,267	491,685	671,301	179,616	37%
30251	Mary Rhodes Pipeline II	Light & Power	276,705	99,626	250,000	150,374	151%

9. Related to the 20-inch water main break along TX-361 that occurred on or around August 29, 2017, please indicate where the expenses for this capital repair are included within the model?

10. In comparing the models provided last year to the model provided this year, please explain the differences that exist on the "RW True-up" tab within the column specific to 2016 actuals associated with the Nueces River Authority 1979 Water Rights, the MRP II Mary Rhodes Pipeline, the Water Superintendent, and Minor Capital Expenditures. If this is reflective of actual expenditures, why is it changing? The expenditures have been adjusted on the true-up tabs to match the previous model for FY2016.

Chris Ekrut | NewGen Strategies & Solutions, LLC

Vice President, Corporate Services

Director, Environmental Practice

275 W. Campbell | Suite 440 | Richardson, TX 75080

Office: (972) 232-2234 | Mobile: (214) 498-8132

cekrut@newgenstrategies.net

Please visit us at www.newgenstrategies.net



From: Reba George <RebaG@cctexas.com>
Sent: Friday, October 12, 2018 3:25 PM
To: Chris Ekert; mcserrato@stwa.org; Mark Young
Cc: Dan Grimsbo; Martha Messer; Mark Van Vleck; Esteban Ramos
Subject: FW: Questions Regarding Latest Wholesale Water Rate Model
Attachments: DRAFT URM 10_12_18 _public agencies.xlsm

All – we have a revised version of the rate model based on questions #7 and #10 from Chris --- as well as a weblink for questions #2, #3, and #6 regarding our FY19 CIP. Additional responses will be provided next week.

FY19 CIP:

<http://cms.cctexas.com/sites/default/files/Adopted%20CIP%20-%20Online.pdf>

====

1. Under the City’s published ordinance concerning the raw water cost adjustment (RWCA), it states that the “RWCA will be calculated every odd-numbered year no later than October 1 to be effective the following January of even-numbered years using the adopted utility rate model.” Contrary to the City’s ordinance, can you confirm that staff is recommending to Council to adopt a raw water rate of \$0.942 per 1,000 gallons effective January 1, 2019?

2. (see weblink above) Please provide background information on the planned “Treatment” related debt-funded capital projects planned for 2019 including the engineer’s estimate of probable cost related to the improvement. Within the information provided, please include any information available on the project and the date on which the anticipated bond is to be issued. Specific projects for which information is requested is as follows:
 - ONSWTP High Service Building No. 3
 - ONSWTP Raw Water Influent and Chemical Facilities Improvements
 - ONSWTP Solids Handling and Disposal Facilities
 - ONSWTP Site Infrastructure Improvements
 - ONSWTP Replacement of Sedimentation Basin Sludge Collectors
 - ONSWTP Chlorine Storage and Handling Facilities Improvements
 - ONSWTP Electrical Distribution Improvements
 - ONSWTP Clearwell No. 3

3. (see weblink above) Please provide background information on the planned “Network” related debt-funded capital projects planned for 2019 including the engineer’s estimate of probable cost related to the improvement. Within the information provided, please include any information available on the project and the date on which the anticipated bond is to be issued. Specific projects for which information is requested is as follows:
 - Elevated Water Storage Tanks – Phase 3 – Please indicate which tank is the subject of the proposed funding and the location of said tank
 - City Large-Size Water Line Assessment and Repair

4. What is the “Citywide IDIQ” program identified on “Fsum, Excel Row 1305” and why is this considered a Network related project?

5. Specific to the proposed capital funding of \$2.5 million for the Utility Building Expansion, please explain how much of this is anticipated to be funded by the wastewater, gas, and stormwater utilities and provide cell

references into the model where this funding is indicated. If other utilities will not support this expansion, please explain why.

6. (see weblink above) Please provide background information on the planned “Raw Pipeline” and “Raw Supply” related debt-funded capital projects planned for 2019 including the engineer’s estimate of probable cost related to the improvement. Within the information provided, please include any information available on the project and the date on which the anticipated bond is to be issued. Specific projects for which information is requested is as follows:

- Mary Rhodes Pipeline Phase I Pump Station Improvements
- Choke Canyon Dam Infrastructure Improvements
- Wesley Seale Dam Infrastructure Improvements
- Seawater Desalination – Please also explain why seawater desalination is not proposed to be funded by the available fund balance in the Water Supply Development Fund

7. Specific to the Stevens Raw Water Diversion Rates, “COSWtrRates, Line 348” and Water Treatment Rate “COSWtrRates, Line 471”, please explain why the Settlement True-up is divided by 2? All indications from the City have been that it is no longer seeking a two-year water rate for wholesale customers treated water rates with the exception of what is allowed for in the RWCA ordinance. If that is the case, the full true-up should be recognized, not split between two years.

This was an error in the model. The true-up for “one-year” rate customers should only include the true-up calculation for FY17. This has been corrected and minimal changes in the rates resulted.

8. Please explain the following increases between actual expenses for last fiscal year (Column K of “Imp-Exp”) and proposed budgeted expenses for next fiscal year (Column M of “Imp-Exp”). If new positions are being added or vacant positions being filled, please indicate the title of the position and annual pay associated with position. If new machinery is being purchased, please indicate what is being purchased and at what anticipated price. If the proposed budgeted expense dropped from 2017 to 2018, and then rose again in 2019, please indicate why (i.e., Light & Power for Mary Rhodes Pipeline II).

Dept ID	Acct Category	Acct Detail	2017 Actual	2018 Budget	2019 Proposed	2019 \$ Increase	2019 % Increase
30005	Water Utility Admin	Salaries and Wages	666,940	916,509	1,064,865	148,356	16%
30200	Wesley Seale Dam	Vehicles & Machinery	64,639	46,181	161,500	115,319	250%
30210	Choke Canyon Dam	Vehicles & Machinery	72,103	43,250	150,000	106,750	247%
30250	Lake Texana Pipeline	Salaries & Wages	164,469	50,606	168,192	117,586	232%
31010	Stevens Filter Plant	Other Contractual Services	1,143,198	1,816,036	2,219,093	403,057	22%
31010	Stevens Filter Plant	Other Allocations	1,242,565	1,258,152	1,396,712	138,560	11%
31520	Water Construction	Retirement	788,214	686,834	883,110	196,276	29%
31520	Water Construction	Vehicles & Machinery	311,358	315,288	876,500	561,212	178%
31501	Water Quality	Salaries & Wages	469,267	491,685	671,301	179,616	37%
30251	Mary Rhodes Pipeline II	Light & Power	276,705	99,626	250,000	150,374	151%

9. Related to the 20-inch water main break along TX-361 that occurred on or around August 29, 2017, please indicate where the expenses for this capital repair are included within the model?

10. In comparing the models provided last year to the model provided this year, please explain the differences that exist on the "RW True-up" tab within the column specific to 2016 actuals associated with the Nueces River Authority 1979 Water Rights, the MRP II Mary Rhodes Pipeline, the Water Superintendent, and Minor Capital Expenditures. If this is reflective of actual expenditures, why is it changing? The expenditures have been adjusted on the true-up tabs to match the previous model for FY2016.

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



From: mcserrato@stwa.org
Sent: Thursday, October 4, 2018 9:50 AM
To: 'Reba George'
Cc: Mark Van Vleck; Martha Messer; Dan Grimsbo; Steve Ramos; Bill Flickinger; Chris Ekrut (cekrut@newgenstrategies.net); Jo Ella Wagner; Frances Rosales
Subject: RE: 2018 Rate Model update for 2019 public agency rates

Reba,

We are supposed to be allowed 15 days according to the Settlement Agreement – applicable sections copied below. I believe STWA has been reasonable about the Model arriving late every year. However, it is not reasonable to expect our consultant to review and provide comments in a week's time.

Carola

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

Notwithstanding anything to the contrary contained in the current contracts between the City and the District, and between the City and the Authority, for the supply of treated water, the price to be charged for treated water sold by the City to the District, and to the Authority, shall be determined pursuant to the requirements of paragraph 5 (titled "Price of Treated Water") of the Treated Water Supply Contract between the City of Corpus Christi and Nueces County Water Control and Improvement District No. 4, with effective date April 27, 2010, a copy of which paragraph 5 is attached hereto as Exhibit "A." Each year after the City receives its audit, the District and the Authority will conduct a "true-up" for the year to which the audit applies; i.e., the prior year, using the audited costs to determine if there was any over recovery or under-recovery of costs during that year.

To enable the District and Authority to conduct a "true-up," each year, on or before May 15 of each year, the City will provide to the District and the Authority a copy of the rate model that was used to set rates for the preceding fiscal year, updated to include audited revenues and expenses for the preceding fiscal year, with verification that the information for the three (3) preceding fiscal years shown in that rate model uses audited revenues and expenses. (The rate model consists of an Excel workbook showing the rate calculation, and the audited revenues and expenses for the preceding three (3) fiscal years. After the City adopts rates for the following fiscal year, the City will furnish a copy of the rate model used to calculate those rates to the District and the Authority.

When the City Intends to change the rate, the City shall give the District notice of the proposed change, and any information necessary to evaluate the proposed rate thirty (30) days before the change is to take effect. The District shall give good faith consideration to the proposed new rate and shall attempt to provide the City with its comments on the proposed change not later than fifteen (15) days before the proposed

change is to take effect. The City shall give good faith consideration to the District's comments, and may Institute the new rate on the date the change is scheduled to take effect.

From: Reba George <RebaG@cctexas.com>
Sent: Wednesday, October 3, 2018 4:26 PM
To: mcgserrato@stwa.org
Subject: RE: 2018 Rate Model update for 2019 public agency rates

Thank you – I understand this is a very short timeframe....Best, Reba

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Wednesday, October 03, 2018 4:12 PM
To: Reba George <RebaG@cctexas.com>
Cc: Dan Grimsbo <DanG@cctexas.com>; Brian Williams <BGW@spmwd.net>; Mark Van Vleck <MarkVV@cctexas.com>; Martha Messer <MarthaMe@cctexas.com>; Esteban Ramos <EstebanR2@cctexas.com>; Mark Young <myoung@ncwcid4.org>; Bill Flickinger <bflickinger@wfaustin.com>; Chris Ekrut <cekrut@newgenstrategies.net>; Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>
Subject: RE: 2018 Rate Model update for 2019 public agency rates

Thank-you Reba.

I have forwarded the information to Chris Ekrut with NewGen Strategies. The one-week time for review and questions seems a bit short. But, I will get back to you once I hear from Chris.

Carola

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

From: Reba George <RebaG@cctexas.com>
Sent: Wednesday, October 3, 2018 3:30 PM
To: mcgserrato@stwa.org
Subject: FW: 2018 Rate Model update for 2019 public agency rates

Carola – my apologies, Outlook picked up an incorrect email for you....Reba

From: Reba George
Sent: Wednesday, October 03, 2018 3:26 PM
To: 'Carola Serrato' <cserrato@stwa.org>; 'Brian Williams' <BGW@spmwd.net>; 'myoung@ncwcid4.org' <myoung@ncwcid4.org>
Cc: Dan Grimsbo <DanG@cctexas.com>; Martha Messer <MarthaMe@cctexas.com>; Mark Van Vleck <MarkVV@cctexas.com>; Esteban Ramos <EstebanR2@cctexas.com>
Subject: 2018 Rate Model update for 2019 public agency rates

First of all, thank you for your patience.

Please find the draft utilities rate model for your review.

If you have any questions, please submit to me by next Wednesday, 10/10. Our hope is to go to City Council by the end of October.

To summarize the changes from 2018 to 2019 reflected in this draft rate model:

2018 Rate Model Update			
	Public Agency	1/1/2018	1/1/2019
Raw Water		Rates per 1,000 gallons	
Rate payer rate		0.924	0.942
Dev chg		0.05	0.05
TOTAL RAW water chg	ALL	0.974	0.992
Resale Treated			
metered at site of trt	SPMWD, STWA	1.404	1.526
delivered to resale entity	NCWCID#4, Violet	2.075	2.206

ATTACHMENT 10

Kleberg County Extension Agency Private Well Screening

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 18, 2018
Re: Funding Request – Private Water Well Screening

Background:

In February of 2018, the Board considered a request from the Kleberg/Kenedy County Agriculture Extension Agent, Frank Escobedo, for a joint Water Quality Screening study of private water wells located in Kleberg and Kenedy Counties. The request was for \$4,147 based on three (3) entities participating in the study - Texas A&M AgriLife Extension Service, Kenedy County Groundwater Conservation District and South Texas Water Authority. The proposal submitted by Dr. Lee Clapp, Texas A&M Kingsville, indicated that this type of screening had occurred in the past; however, the new study would expand on the constituents which would be tested. The proposal intended for thirty (30) private wells to be tested. Ultimately, the Kenedy Groundwater Conservation District decided not to participate and the study did not occur.

In August, Dr. Clapp contacted me directly by telephone inquiring whether STWA would be able to participate in a study which did not include all three (3) participants. I inquired whether the budget and scope would be affected. Dr. Clapp indicated that there would be changes to both. I stated due to the timing of his request that a new proposal would need to be presented to the Board as part of a FY 2019 budget item which would require a budget amendment. Enclosed is information received via email from Dr. Clapp.

Analysis:

The original budget was for three parties each paying \$4,147 for a total of \$12,441. The revised study is for two parties each paying \$4,835 for a total of \$9,670. The original number of wells to be tested was thirty (30). The revised study is for twenty (20) wells to be tested. The number of constituents or parameters (35), however, is unchanged.

Since this study is related to groundwater quality and some of the selected groundwater wells could be located outside of STWA's district, staff checked with legal counsel, Bill Flickinger, to ensure that STWA providing funds does not violate any rules or laws. Mr. Flickinger confirmed it would not.

Staff Recommendation:

Consider providing funds for this revised, smaller study.

Board Action:

Determine whether to provide \$4,835 for the Water Quality Screening study of private water wells located in Kleberg and Kenedy Counties.

Summarization:

As before, staff understands it is likely that not all of the participants in the study will be STWA residents paying STWA property taxes. However, staff also believes that some of the beneficiaries of the study will be district residents and mapping of potentially harmful constituents in area groundwater wells is a worthwhile project.

WATER QUALITY SCREENING OF PRIVATE WELLS IN KLEBERG AND KENEDY COUNTIES

Funding Agencies: Texas A&M AgriLife Extension Service-Kleberg & Kenedy Counties, Healthy South Texas Program (**AgriLife-HST**) and South Texas Water Authority (**STWA**),
Applicant/Institution: Texas A&M University – Kingsville (**TAMUK**)
Principal Investigator: Dr. Lee Clapp (TAMUK)
Collaborator: Mr. Frank Escobedo (AgriLife-HST)
Address: 917 W. Avenue B, MSC 213, Kingsville, TX 78363
Telephone Number: (361) 593-4007
Email: lee.clapp@tamuk.edu
Total Funding Requested: **\$9,670** (\$4,835 from AgriLife-HST and \$4,835 from STWA)

The proposed project encompasses integration of the following **specific aims**:

- 1) Protect public health by collecting samples from 20 private wells and analyzing for 35 different water quality parameters;
- 2) Increase public awareness of groundwater quality issues by discussing the well water analysis results in one-on-one communication with private well owners;
- 3) Expand an existing GIS-based database of groundwater quality in Kleberg and Kenedy Counties using the resulting groundwater quality data;
- 4) Enhance professional training of one environmental engineering graduate student at Texas A&M University-Kingsville (TAMUK).

1. Summary

Texas A&M University-Kingsville (**TAMUK**) proposes to partner with the South Texas Water Authority (**STWA**) and the Texas A&M AgriLife Extension Service-Kleberg & Kenedy Counties, Healthy South Texas Program (**AgriLife-HST**) to expand existing efforts to monitor groundwater quality from private wells in Kleberg and Kenedy Counties. **STWA** works with governmental entities, water supply corporations, industry and commerce to maintain dependable water supplies for residents in central Kleberg County and western Nueces County. Similarly, **AgriLife-HST** provides educational programs to help people and communities make sure their water wells are safe for their family, livestock and land; as part of this mission, they have provided yearly water screenings that test for nitrate, salinity, arsenic, and fecal coliform bacteria, as well as related assistance interpreting the analytical data. **TAMUK** has recently engaged in U.S. Nuclear Regulatory Commission (NRC) funded research to characterize groundwater quality near existing – and potentially future – uranium mining sites and has analyzed groundwater quality in 85 private wells in Kleberg and Kenedy Counties.

AgriLife-HST's current well monitoring program has been limited to analyzing samples for nitrate, salinity, arsenic, and fecal coliform bacteria. The proposed collaborative monitoring program would significantly expand this program to include a total of 35 parameters for 20 private wells in Kleberg and Kenedy Counties. In addition, the collected groundwater quality data would be incorporated into a geospatial database to characterize groundwater quality throughout Kleberg and Kenedy Counties.

To support this effort, TAMUK is requesting a total of **\$4,835** from STWA to support a graduate student for 4.5 months and the principle investigator (Dr. Lee Clapp) for 0.05 months. This will include compensation for travel to and from the selected well locations, well sampling and field analyses, laboratory analyses, GIS database development, and report writing. To cover laboratory supply costs, the selected well owners will also be charged \$32 per sample. Each participating well owner will be provided with a report summarizing the water quality analyses and the degree to which the well water quality conforms to existing standards for drinking water, and livestock watering.

2. Objectives

The main objectives for the proposed project are to:

1. Protect public health by collecting samples from 20 private wells and analyzing for 35 different water quality parameters. This will Expand AgriLife-HST's existing well monitoring program to include a much broader range of parameters while keeping the cost for residents low;
2. Increase public awareness of groundwater quality issues by discussing the well water analysis results in one-on-one communication with private will owners;
3. Expand an existing GIS-based database of groundwater quality in Kleberg and Kenedy Counties using the resulting groundwater quality data; and
4. Enhance professional training of one environmental engineering graduate student at TAMUK.

3. Scope of Work

Task 1 - Well Sampling

A total of 20 well owners will be recruited to participate by advertising in the local paper along with word of mouth to well owners who have had wells screened by AgriLife-HST or TAMUK in the past (Figures 1a-c show the locations of 106 wells previously screened by AgriLife-HST and TAMUK in Kleberg and Kenedy Counties). All testing and sampling will be done on well owner's properties by TAMUK graduate students (Figure 2) to ensure that obtained groundwater samples are representative and uncontaminated. In addition, TAMUK will work with the AgriLife-HSC and STWA to identify wells in areas where sampling was not performed previously.

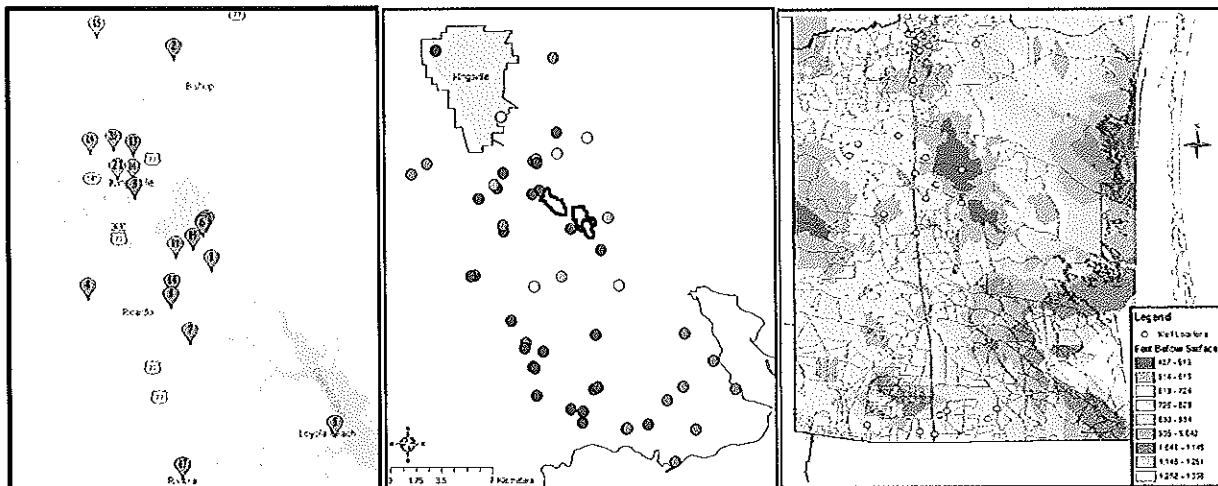


Figure 1: (a) 21 wells previously screened by AgriLife-HST in Kleberg County; (b) 50 wells previously screened by TAMUK in Kleberg County, (c) 35 wells previously screened by TAMUK in Kenedy County.

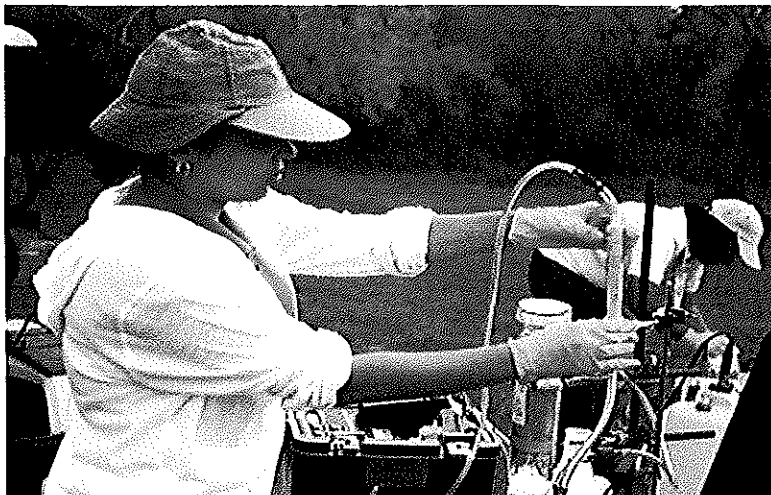


Figure 2: TAMUK graduate students collecting well samples and performing field analyses.

Samples will be collected following procedures outlined in the Texas Water Development Board's *Field Manual for Groundwater Sampling* (Boghici, 2003), including procedures for sample bottle preparation, well purging, sample filtering, sample storage, and sample preservation. A Trimble GPS receiver will be used to determine the latitude and longitude of each well, which will subsequently be used to map the wells. The well owners will also be asked to provide data about the depth of each well, if available. The following samples will be collected for each well:

- A 250-mL filtered water sample preserved with nitric acid for cation and trace metal analyses (see below).
- A 250-mL filtered sample, unpreserved, for anion analyses (see below).

Task 2 – Field Analyses

Field analyses will also be performed following the TWDB manual. Water level will be measured using a water level meter (Solinst, Ontario, CA). Specific conductivity, temperature, dissolved oxygen (DO) and pH values will be measured on site using a pre-calibrated multi-meter (YSI Inc., Yellow Springs, OH). The multi-meter will also be used on site to verify that the purged water purging has reached a stable level for proper sampling. Oxidation reduction potential (ORP) will be measured using a pre-calibrated ORP meter. Alkalinity will be measured in the field by titration with 0.20N sulfuric acid. Dissolved radon will be analyzed on-site using a portable radon detector (Durrige Company Inc., Billerica, MA) for well owners who request this analysis (at an extra \$20 charge).

Task 3 – Laboratory Analyses

Samples will be analyzed for **major cations** (calcium, iron, magnesium, manganese, potassium, sodium), **target trace elements** (arsenic, barium, boron, chromium, copper, lead, molybdenum, nickel, selenium, strontium, uranium, vanadium, zinc), **common anions** (fluoride, bromide, chloride, nitrate, sulfate, phosphate), **total dissolved solids** (TDS), and **total coliform bacteria**.

Cations and trace metals concentrations will be measured using a PerkinElmer NexION inductively coupled plasma mass spectrometer (ICP-MS) following EPA Method 200.8 (Brockhoff, 1999). Anion concentrations will be measured using a Dionex ion chromatograph (IC) following EPA Method 300.1 (Hautman and Munch, 1997). Bicarbonate and carbonate concentrations will be calculated from the measured pH and alkalinity values using pK_a values of 6.35 and 10.33, respectively. Total dissolved solids (TDS) will be measured gravimetrically following Standard Method 2.65 (APHA, 2012). Total coliform bacteria will be measured using Standard Method 9222 (APHA, 2012). Hardness concentrations will be calculated from measured Ca^{2+} and Mg^{2+} concentrations, while sodium adsorption ratio (SAR) values will be calculated from measured Na^+ , Ca^{2+} , and Mg^{2+} concentrations.

For **quality control** (QC) purposes, ion balance calculations will be performed to assure that the ion balance for any given sample is not off by more than 15%, samples not meeting this QC criterion will be reanalyzed. Standard Method 1020 (APHA, 2012) will be followed for routine analytical QA/QC procedures (i.e., method detection limits, reagent blanks, laboratory-fortified blanks, laboratory-fortified matrix samples, and duplicate analyses).

Task 4 – Water Quality Assessment and Communication

Water quality for each well will be assessed by comparing the results for each constituent with the primary and secondary drinking water standards (PDWS and SDWS, respectively) established by the U.S. EPA. In cases where the constituents measured do not have established EPA drinking water standards the results were compared with the criteria recommended by the World Health Organization (WHO) when possible. A summary report will be prepared and delivered to each participating well owner. TAMUK and AgriLife-HST will subsequently contact each well owner to discuss questions or concerns they may have about the reported results.

Task 5 – Groundwater Quality Mapping

Base maps will be constructed using county boundaries, the road shape for U.S. Highway 77, and an aerial photograph of Kenedy County, which will all be obtained from the Texas Natural Resource Information System webpage (TNRIS, 2014). The well locations and associated groundwater constituent concentrations will be imported into the ArcGIS mapping software, ArcMap, and georeferenced with a NAD 1983 coordinate system. The data for the 20 wells sampled in the proposed project will be combined with the data obtained for 85 wells in Kleberg and Kenedy Counties that were sampled in previous studies (Figures 1b and 1c). The inverse-distance-weighted raster (IDW) method will be used for raster interpolation due to the relatively low number of wells in relation to the area spanned. A raster image with a gradient color scheme will be created to indicate the concentration levels for each groundwater constituent across most of Kleberg and Kenedy Counties (see example shown in Figure 3).

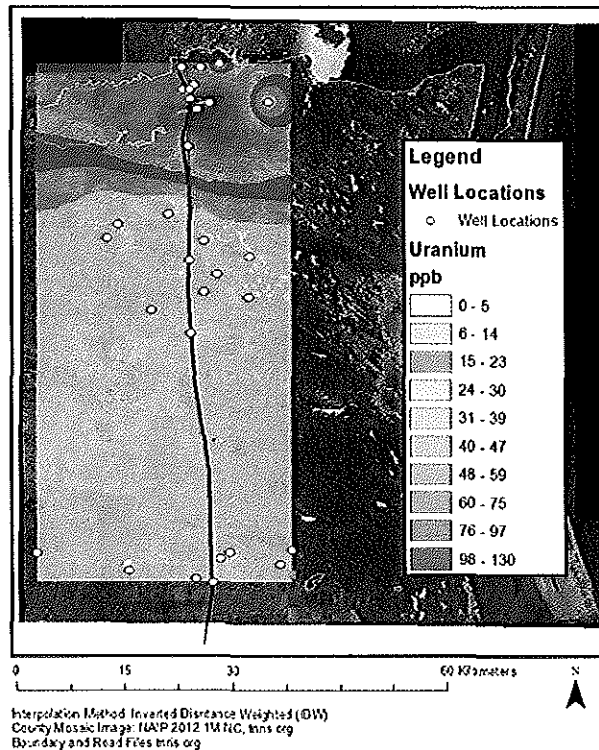


Figure 3: Example map of interpolated groundwater constituent concentrations based on data from 25 wells in Kenedy County (red-based shades indicate values above the EPA drinking water standard).

Task 6 – Final Report

A final report will be submitted to STWA and AgriLife-HST by August 1, 2019. The final report will include a summary of the coordinates of the 20 wells sampled, contact information for the well owners, all the field and laboratory analysis data for each well, the quality control data for the analyses, copies of the summary reports provided to each well owner, and maps of interpolated concentrations for 35 different groundwater constituents. STWA and AgriLife-HST will review the report and suggest any changes within two weeks, after which TAMUK will have two weeks to make the requested revisions.

4. Project Management

The proposed work will be supervised by Dr. Lee Clapp, Professor of Environmental Engineering at TAMUK, with oversight by Mr. Frank Escobedo, Texas AgriLife-HST Extension County Coordinator. Dr. Clapp has 17 years of experience supervising similar projects conducted by graduate students. The day-to-day sampling and lab analysis work will be performed by a TAMUK graduate student, with additional lab supervision from Dr. Yaneth Gamboa, Laboratory Manager for the TAMUK Department of Engineering.

5. Performance Period

The proposed scope of work will be completed between September 1, 2018 and August 31, 2019.

6. Budget and Justification

A total of \$9,670 is requested to cover the costs associated with the proposed scope of work (see attached budget spreadsheet). This total encompasses the following costs:

PI salary: \$417

The project principle investigator, Dr. Lee Clapp, will be compensated for 0.035 months of summer salary to supervise the overall project, which is equivalent to \$417.

Graduate student salary: \$2,205

One graduate student will be supported to perform field sampling, field analyses, lab analyses, and GIS mapping of groundwater constituent concentrations for 20 wells sampled in Kleberg and Kenedy Counties. It is estimated that the sampling, field analyses, lab analyses, data management, and data mapping will require, on average, 1.9 work days of graduate student time per well (this includes analytical method development and quality control procedures). The graduate students will be paid \$7.25 per hour (minimum wage), as calculated below:

$$\frac{1.9 \text{ work days}}{\text{well}} \cdot \frac{8 \text{ hrs}}{\text{work day}} \cdot \frac{\$7.25}{\text{hr}} \cdot \frac{20 \text{ wells}}{\text{project}} = \$2,205$$

PI benefits: \$96

The project PI, Dr. Lee Clapp, will also receive fringe benefits (workman's Compensation, Unemployment Compensation Insurance, and Leave Termination) at 16.80% of his salary. He will also receive 0.05 months of insurance coverage at a rate of \$746/month.

$$\$417 \times 0.1680 = \$70$$

$$\$746/\text{month} \times 0.035 \text{ months} = \$26$$

Graduate student benefits: \$786

One graduate student will receive fringe benefits (workman's Compensation, Unemployment Compensation Insurance, and Leave Termination) at 2.3% of his/her salary.

$$\$2,205 \times 0.023 = \$51$$

The graduate student will be hired as a half-time research assistant over 4 months, which will make him/her eligible for health insurance at a rate of \$210/month.

$$\$210/\text{month} \times 3.5 \text{ months} = \$735$$

Travel: \$1,503

It is estimated that each well will, on average, require about half a day to sample (including travel time, sample collection, and field analyses). Thus, on average, two wells can be sampled per day, so 20 wells can be sampled in 10 days. A pickup truck will be rented for each day at \$110/day. Gas is estimated at \$40/day.

$$\$150/\text{day} \times 10 \text{ days} = \$1,503$$

Supplies: \$2,640

It is estimated that a total of \$2,640 will be required for supplies, of which \$640 will be recouped by charging the 20 well owners a subsidized fee of \$32 per well, leaving an additional \$2,000 required. Required supplies include the following:

TAMUK Supplies Costs	
Sample bottles (pack of 24 250-mL polyethylene)	\$250
Field analyses supplies (pH probe; pH, cond, ORP standards)	\$1,200
Argon gas for ICP-MS	\$250
ICP-MS consumables	\$120
IC consumables	\$135
ICP-MS and IC Analytical standards	\$350
Other consumables (reagents, acids, filters)	\$235
Fecal coliform analysis supplies	\$100
Total	\$2,640

Modified Total Direct Cost: \$7,006

The "Modified Total Direct Cost" (MTDC) is the sum of the direct costs listed above.

Indirect Cost: \$2,663

The indirect cost (IDC) is 38% of the MTDC, or \$1,331 (38% is the stipulated IDC rate in the agreement between TAMUK and the Department of Housing and Human Services).

Total Cost: \$9,670

The total cost is the sum of the MTDC and the IDC above. This will be split evenly between AgriLife-HST and STWA (i.e., \$4,835 each).

7. References

- American Public Health Association (APHA). *Standard Methods for the Examination of Water and Wastewater*. 22nd Edition (2012).
- Boghici, R. *A Field Manual for Groundwater Sampling*. Texas Water Development Board. (2003).
- Brockhoff, C. A., et al. *EPA Method 200.8: Determination of Trace Elements in Waters and Wastes by Inductively Coupled Plasma-Mass Spectrometry*. (1999).
- Hautman, Daniel P., and David J. Munch. *EPA Method 300.1: Determination of Inorganic Anions in Drinking Water by Ion Chromatography*. EPA: Ohio (1997).
- Texas Natural Resources Information System (TNRIS). 2014. Maps & Data. <http://www.tnris.org/get-data>.
- U.S. Environmental Protection Agency (EPA). 2017. Drinking Water Contaminants – Standards and Regulations. <http://water.epa.gov/drink/contaminants/>.

TAMUK Office of Research and Sponsored Programs Budget Template/Worksheet

Project Title: Water Quality Screening of Private Walls in Kleberg County and Kenedy Counties
 SPONSOR: Texas AgriLife Extension - Kleberg & Kenedy Counties, Healthy South Texas
 Performance Period: 11/1/18 - 8/31/19

This worksheet is a guide only, as each project, sponsor, and proposal will vary, so some entries will change for each PI. Please be careful as you add, edit, or delete cells to not lose or alter the formulas entered to help make calculations easier.

This is for Salaries for PIs, CoPIs, Staff who are Key/Senior Personnel. Enter one month's salary in column "C". In columns D-H, enter the Number of months to be worked. These to be charged to the

A. Senior Personnel	Monthly Salary	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
see calculating person months tab												
1. PI Lee Clapp		0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
2. CoPI Name 01	\$	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3. CoPI Name 02	\$	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
4. CoPI Name 03	\$	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
5. Full Time Staff (Example Postdoctoral Scientist)	\$	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
6. Full Time Staff (Example Postdoctoral Scientist)	\$	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
7. Part Time Staff (not eligible for full time benefits)	\$	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Key Personnel Wages							0.00	0.00	0.00	0.00	0.00	0.00

This is for Salaries for students and other workers to be paid on the project. Enter one month's salary in column "C". In columns D-H, enter the Number of months to be worked.

B. Other Personnel	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Graduate Student(s)	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
2. Graduate Students (Hourly)	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3. Undergraduate Student(s) (Hourly)	\$	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Student Wages						0.00	0.00	0.00	0.00	0.00	0.00
TOTAL SALARY AND WAGES for ALL Employees:						0.00	0.00	0.00	0.00	0.00	0.00

This is to calculate the Fringe benefits (payroll taxes, etc) for those on the project. Rates vary based on type of employee.

C. Fringe Benefits	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. PI Lee Clapp	16.80%					0.00	0.00	0.00	0.00	0.00	0.00
2. CoPI Name 01	16.80%					0.00	0.00	0.00	0.00	0.00	0.00
3. CoPI Name 02	16.80%					0.00	0.00	0.00	0.00	0.00	0.00
4. CoPI Name 03	16.80%					0.00	0.00	0.00	0.00	0.00	0.00
5. Full Time Staff (Example Postdoctoral Scientist)	16.80%					0.00	0.00	0.00	0.00	0.00	0.00
6. Full Time Staff (Example Postdoctoral Scientist)	16.80%					0.00	0.00	0.00	0.00	0.00	0.00
7. Part Time Staff (not eligible for full time benefits)	10.00%					0.00	0.00	0.00	0.00	0.00	0.00
1. Graduate Student(s)	2.40%					0.00	0.00	0.00	0.00	0.00	0.00
2. Graduate Students (Hourly)	2.40%					0.00	0.00	0.00	0.00	0.00	0.00
3. Undergraduate Student(s) (Hourly)	2.40%					0.00	0.00	0.00	0.00	0.00	0.00
Subtotal All Fringe Benefits						0.00	0.00	0.00	0.00	0.00	0.00

These rates are for individual employees. If you or any of your Key Personnel pay a family rate for insurance, please enter it in column "C". For monthly rates see: <http://www.tamuk.edu/osr/Forms/index.html>

D. Insurance Rates	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. PI Lee Clapp	\$ 746.00	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
2. CoPI Name 01	\$ 746.00	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3. CoPI Name 02	\$ 746.00	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
4. CoPI Name 03	\$ 746.00	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
5. Full Time Staff (Example Postdoctoral Scientist)	\$ 746.00	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
6. Full Time Staff (Example Postdoctoral Scientist)	\$ 746.00	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
7. Part Time Staff (not eligible for full time benefits)	\$ 352.66	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
1. Graduate Student(s)	\$ 211.00	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
2. Graduate Students (Hourly)	\$ 211.00	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal All Insurance						0.00	0.00	0.00	0.00	0.00	0.00
TOTAL COMBINED SALARY, FRINGE & INSURANCE :						0.00	0.00	0.00	0.00	0.00	0.00

This is for Permanent Equipment, and is not used in calculation of Indirect Costs

E. Permanent Equipment - Not included in MTDC ("Equipment must be a single item equal to or greater than \$5000 a unit")	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Example - Mass Spectrometer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Permanent Equipment						0.00	0.00	0.00	0.00	0.00	0.00

F. Travel - Included in MTDC	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. (Lodging / Meals / Transportation x how many people x how many times a year)	1,503.33	0.00	0.00	0.00	0.00	1,503.33	0.00	0.00	0.00	0.00	1,503.33
2. (Lodging / Meals / Transportation x how many people x how many times a year)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Travel						1,503.33	0.00	0.00	0.00	0.00	1,503.33

This is for expenses that do not fit easily in other categories, but are not excluded from indirect Cost calculations

G. Other Direct Costs - Included in MTDC	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Example - Publication Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Example - Materials and Supplies	2,000.00	0.00	0.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	2,000.00
3. Example - contractual costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Other Direct Costs						2,000.00	0.00	0.00	0.00	0.00	2,000.00

This section is to add the Direct Costs for each subcontract. Up to the first \$25,000 of each subcontract or subcontract is used in IDC calculations (regardless of the period covered by the subgrant or subcontract).

H. Sub-Contract - The first \$25,000 of EACH subcontract is included in MTDC Calculations	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Subcontract 1 - Example - Subawards, University	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Subcontract 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Subcontract 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Subcontracts						0.00	0.00	0.00	0.00	0.00	0.00

This section is to calculate the allowable indirect Costs for each subcontract - be careful to keep formulas if adding more than 3 subcontracts. Otherwise, do not manually enter anything here - it will auto calculate the allowable IDC amounts for you.

Sub-contract 1 amount allowed for MTDC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (out of the allowed 25,000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-contract 2 amount allowed for MTDC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (out of the allowed 25,000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-contract 3 amount allowed for MTDC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (out of the allowed 25,000)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal of Sub-contract amounts allowed for MTDC						0.00	0.00	0.00	0.00	0.00	0.00

This section is to add costs that cannot be used to generate indirect Costs

I. Other Direct Costs - Not Included in MTDC (capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships)- Participant Costs Only	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Example - Tuition for Students	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Example - Stipends for Students	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Example -	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal Other Direct Costs Not Included in MTDC						0.00	0.00	0.00	0.00	0.00	0.00

All salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract

J. Modified Total Direct Costs (MTDC)						3,503.33	0.00	0.00	0.00	0.00	3,503.33
K. Total Direct Costs (ALL Direct Costs)						3,503.33	0.00	0.00	0.00	0.00	3,503.33

TAMUK's on-campus rate is 38.00% - some sponsors will not allow this rate and will have either no IDC allowed, or another rate to use

L. Indirect Costs (IDC) / F&A Rate	38.00%					1,331.27	0.00	0.00	0.00	0.00	1,331.27
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M. TOTAL PROJECT COSTS	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	4,834.60	0.00	0.00	0.00	0.00	4,834.60

TAMUK Office of Research and Sponsored Programs Budget Template/Worksheet

Project Title: Water Quality Screening of Private Wells in Kleberg County and Kenedy Counties
 SPONSOR: South Texas Water Authority (STWA)
 Performance Period: 11/1/16 - 08/31/19

This worksheet is a guide only, as each project, sponsor, and proposal will vary, so some entries will change for each PI. Please be careful as you add, edit, or delete cells to not lose or alter the formulas entered to help make calculations easier.

This is for Salaries for PIs, CoPIs, Staff who are Key/Senior Personnel. Enter one month's salary in column "C". In columns D-M, enter the Number of months to be worked. Those to be charged to the

A. Senior Personnel	Monthly Salary	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
	see calculating person months tab											
1. PI Lee Clapp	\$ 11,821.29	0.035	0	0	0	0	416.60	0.00	0.00	0.00	0.00	416.60
2. CoPI Name 01	\$ -	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3. CoPI Name 02	\$ -	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
4. CoPI Name 03	\$ -	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
5. Full Time Staff (Example Postdoctoral Scientist)	\$ -	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
6. Full Time Staff (Example Postdoctoral Scientist)	\$ -	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
7. Part Time Staff (not eligible for full time benefits)	\$ -	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal Key Personnel Wages	416.60	0.00	0.00	0.00	416.60

This is for Salaries for students and other workers to be paid on the project. Enter one month's salary in column "C". In columns D-H, enter the Number of months to be worked.

B. Other Personnel		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Graduate Student(s)	\$ 630	3.5	0	0	0	0	2,205.00	0.00	0.00	0.00	0.00	2,205.00
2. Graduate Students (Hourly)	\$ -	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3. Undergraduate Student(s) (Hourly)	\$ -	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal Student Wages	2,205.00	0.00	0.00	0.00	2,205.00
							TOTAL SALARY AND WAGES for ALL Employees:	2,621.60	0.00	0.00	0.00	2,621.60

This is to calculate the Fringe benefits (payroll taxes, etc) for those on the project. Rates vary based on type of employee

C. Fringe Benefits		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. PI Lee Clapp	16.80%						69.99	0.00	0.00	0.00	0.00	69.99
2. CoPI Name 01	16.80%						0.00	0.00	0.00	0.00	0.00	0.00
3. CoPI Name 02	16.80%						0.00	0.00	0.00	0.00	0.00	0.00
4. CoPI Name 03	16.80%						0.00	0.00	0.00	0.00	0.00	0.00
5. Full Time Staff (Example Postdoctoral Scientist)	16.80%						0.00	0.00	0.00	0.00	0.00	0.00
6. Full Time Staff (Example Postdoctoral Scientist)	16.80%						0.00	0.00	0.00	0.00	0.00	0.00
7. Part Time Staff (not eligible for full time benefits)	10.00%						0.00	0.00	0.00	0.00	0.00	0.00
1. Graduate Student(s)	2.30%						50.72	0.00	0.00	0.00	0.00	50.72
2. Graduate Students (Hourly)	2.30%						0.00	0.00	0.00	0.00	0.00	0.00
3. Undergraduate Student(s) (Hourly)	2.30%						0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal All Fringe Benefits	120.70	0.00	0.00	0.00	120.70

These rates are for individual employees. If you or any of your Key Personnel pay a family rate for insurance, please enter it in column "C". For monthly rates see: <http://www.tamuk.edu/sostr/Forms/index.html>

D. Insurance Rates		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. PI Lee Clapp	\$ 747.00	0.035	0	0	0	0	26.33	0.00	0.00	0.00	0.00	26.33
2. CoPI Name 01	\$ 747.00	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
3. CoPI Name 02	\$ 747.00	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
4. CoPI Name 03	\$ 747.00	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
5. Full Time Staff (Example Postdoctoral Scientist)	\$ 747.00	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
6. Full Time Staff (Example Postdoctoral Scientist)	\$ 747.00	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
7. Part Time Staff (not eligible for full time benefits)	\$ 373.00	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
1. Graduate Student(s)	\$ 210.00	3.5	0	0	0	0	735.00	0.00	0.00	0.00	0.00	735.00
2. Graduate Students (Hourly)	\$ 210.00	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal All Insurance	761.33	0.00	0.00	0.00	761.33
							TOTAL COMBINED SALARY, FRINGE & INSURANCE :	3,603.62	0.00	0.00	0.00	3,603.62

This is for Permanent Equipment, and is not used in calculation of Indirect Costs

E. Permanent Equipment - Not included in MTDC ("Equipment must be a single item equal to or greater than \$5000 a unit")		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Example - Mass Spectrometer	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal Permanent Equipment	0.00	0.00	0.00	0.00	0.00

F. Travel - Included in MTDC		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. (Lodging / Meals / Transportation x how many people x how many times a year)	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. (Lodging / Meals / Transportation x how many people x how many times a year)	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal Travel	0.00	0.00	0.00	0.00	0.00

This is for expenses that do not fit easily in other categories, but are not excluded from Indirect Cost calculations

G. Other Direct Costs - Included in MTDC		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Materials and Supplies	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal Other Direct Costs	0.00	0.00	0.00	0.00	0.00

This section is to add the Direct Costs for each subcontract. Up to the first \$25,000 of each subcontract or subcontract is used in IDC calculations (regardless of the period covered by the subcontract or subcontracts).

H. Sub-Contract - The first \$25,000 of EACH subcontract is included in MTDC Calculations		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Subcontract 1-	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Subcontract 2	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Subcontract 3	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal Subcontracts	0.00	0.00	0.00	0.00	0.00

This section is to calculate the allowable Indirect Costs for each subcontract. Be careful to keep formulas if adding more than 3 subcontracts. Otherwise, do not manually enter anything here - it will auto calculate the allowable IDC amounts for you.

Sub-contract 1 amount allowed for MTDC	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (out of the allowed 25,000)	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-contract 2 amount allowed for MTDC	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (out of the allowed 25,000)	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-contract 3 amount allowed for MTDC	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total (out of the allowed 25,000)	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal of Sub-contract amounts allowed for MTDC	0.00	0.00	0.00	0.00	0.00

This section is to add costs that cannot be used to generate indirect costs

I. Other Direct Costs - Not included in MTDC (capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships)- Participant Costs Only		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total Project Costs
1. Example - Tuition for Students	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2. Example - Stipends for Students	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3. Example -	\$ 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
							Subtotal Other Direct Costs Not Included in MTDC	0.00	0.00	0.00	0.00	0.00

All salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subcontract or subcontracts

J. Modified Total Direct Costs (MTDC)	\$ 3,603.62	0.00	0.00	0.00	0.00	0.00	3,603.62	0.00	0.00	0.00	0.00	3,603.62
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K. Total Direct Costs (ALL Direct Costs)	\$ 3,603.62	0.00	0.00	0.00	0.00	0.00	3,603.62	0.00	0.00	0.00	0.00	3,603.62
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TAMUK's on-campus rate is 38.00% - some sponsors will not allow this rate and will have either no IDC allowed, or another rate to use

L. Indirect Costs (IDC) / F&A Rate	38.00%						Subtotal - IDC amount	1,331.38	0.00	0.00	0.00	1,331.38
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M. TOTAL PROJECT COSTS		Year 1	Year 2	Year 3	Year 4	Year 5	Total
		4,835.00	0.00	0.00	0.00	0.00	4,835.00

mcserrato@stwa.org

From: Lee W. Clapp <Lee.Clapp@tamuk.edu>
Sent: Thursday, October 18, 2018 9:14 AM
To: mcserrato@stwa.org
Cc: 'Frank Escobedo'; Lizette I. Gonzales
Subject: RE: AgriLife-HST / STWA Private Water Well Screening proposal
Attachments: AgriLife-HST Private Water Well Screening Proposal 08_29_18 _ FINAL.docx; STWA - Water Well Screening 08_29_18.xlsx; AgriLife - Water Well Screening 08_29_18.xlsx

Good morning Carola,

Thanks for your email below, and sorry for the slow reply. I appreciate you taking the time to get this request on the STWA agenda for October 23rd.

You are correct, there were a few typos in the previous proposal. The correct number of wells is 20 and the correct number of parameters is 35. A corrected proposal is attached (the proposed STWA and AgriLife budgets are also attached, although they have not changed from what was sent before).

Please let me know if you have any other concerns about the proposal.

All the best,
Lee

Lee Clapp, Ph.D., P.E., BCEE
Chair, Department of Environmental Engineering
Frank H. Dotterweich College of Engineering
700 University Blvd
Mail: MSC 188 - Kingsville, TX 78363
Physical: 917 W Ave. B, Suite 301, Kingsville, TX. 78363
Kingsville, TX 78363
Ph: (361) 593-4007
Cell: (361) 474-0190
Fax: (361) 593-2069



From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Tuesday, October 16, 2018 3:08 PM
To: Lee W. Clapp <Lee.Clapp@tamuk.edu>
Cc: 'Frank Escobedo' <Frank.Escobedo@ag.tamu.edu>
Subject: RE: AgriLife-HST / STWA Private Water Well Screening proposal

Dr. Clapp,

Please excuse my oversight regarding your request. This item has been placed on STWA's agenda for October 23rd.

I have been reviewing the revised proposal and I am wondering if there are a few typos. The number of private wells proposed for testing is 18, correct? Or, is it 20? There is reference to testing of 20 wells on certain pages – Page 1

(Objectives) and Page 5 (Student Salary). In addition, there are 35 parameters/constituents to be tested, correct? However, on Page 5 (Final Report) there is reference to 36 constituents.

Thanks,
Carola

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

From: Lee W. Clapp <Lee.Clapp@tamuk.edu>
Sent: Friday, August 31, 2018 12:58 PM
To: mogserrato@stwa.org
Cc: Frank Escobedo (Frank.Escobedo@ag.tamu.edu) <Frank.Escobedo@ag.tamu.edu>
Subject: RE: AgriLife-HST / STWA Private Water Well Screening proposal

Thank you!! -Lee

From: mogserrato@stwa.org <mogserrato@stwa.org>
Sent: Friday, August 31, 2018 12:55 PM
To: Lee W. Clapp <Lee.Clapp@tamuk.edu>
Cc: Frank.Escobedo@ag.tamu.edu; Lizette I. Gonzales <Lizette.Gonzales@tamuk.edu>
Subject: RE: AgriLife-HST / STWA Private Water Well Screening proposal

Dr. Clapp,

As we discussed earlier today, this will be placed on the STWA Board agenda for September 25th. I will review the information next week and contact you if I have any questions.

Have a great holiday weekend,
Carola

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

From: Lee W. Clapp <Lee.Clapp@tamuk.edu>
Sent: Friday, August 31, 2018 11:36 AM
To: mogserrato@stwa.org
Cc: Frank.Escobedo@ag.tamu.edu; Lizette I. Gonzales <Lizette.Gonzales@tamuk.edu>
Subject: AgriLife-HST / STWA Private Water Well Screening proposal

Good morning Carola,

Thanks for taking the time to talk with me just now. As we discussed, the scope-of-work for the proposed monitoring project (attached) changed slightly due to the Groundwater District being unable to contribute. We are now proposing to monitor 18 wells during a performance period of September 2018 through August 2019. If you would like to discuss changing the scope-of-work or performance period, I am more than willing.

Please let me know if you have any questions, concerns or suggestions.

All the best,
Lee

Lee Clapp, Ph.D., P.E., BCEE
Chair, Department of Environmental Engineering
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Cell: (361) 474-0190
Fax: (361) 593-2069



ATTACHMENT 11

NWSC Water Supply Contract Amendment

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: October 19, 2018
Re: STWA – NWSC Wholesale Water Supply Contract – Amendment to provide Maximum Hourly Purchase Rate that when Combined with Actual Service Pump Capacity is at least 2.0 gpm per Connection or at least 1000 gpm and able to Meet Peak Hourly Demands, whichever is Less

Background:

As the Board is aware from several weekly updates, staff has been working on a Sale, Transfer, Merger (STM) Application for the Nueces Water Supply Corporation submitted to the Texas Public Utility Commission as part of the Cyndie Park 2 WSC project. The STM will result in the Cyndie Park 2 WSC transferring its service area known as a Certificate of Convenience and Necessity (CCN) to Nueces WSC. Recently, the PUC required two additional items to complete their review and approval. One item was a TCEQ approval letter on the design of the new Banquete pump station. The second item is a TCEQ letter stating that the NWSC had complied with its 2011 Enforcement Order.

Analysis:

The first item related to the pump station approval letter has been provided. (See attached letter.) The second item was addressed by sending the TCEQ a copy of the contract between NWSC and STWA which was executed in 2015. The Board may recall that negotiations began several years prior to 2015. It appears the TCEQ is questioning whether the contract complies with 30 TAC 290.45 as it relates to providing a Maximum Hourly Purchase Rate. As the Board is aware, STWA does not limit any of its customers to a set hourly purchase rate. In addition, as you can see from the enclosed email correspondence, STWA has worked with the NWSC to eliminate serving the NWSC “under direct pressure.”

Although NWSC’s Order specifies a 2.0 gpm per connection and 1000 gpm capacity per 30 TAC 290.45, that clause is only one portion of 290.45 which is specific to systems buying water *under direct pressure*. That assessment may have been partially correct in 2011; but, is no longer the case. It is important to note that 30 TAC 290.45 also stipulates a “uniform purchase rate” of at least 0.6 gpm per connection is acceptable – for systems not *under direct pressure*. Regardless, after consulting with legal counsel – although not yet confirmed by the TCEQ, an amendment to the contract between STWA and NWSC which states that STWA will provide the NWSC with at least a 1000 gpm system wide delivery to meet the Corporation’s peak hourly demand will likely be necessary.

Staff Recommendation:

Work with legal counsel to draft the necessary language to amend the contract and satisfy TCEQ requirements.

Board Action:

Provide feedback to staff. Consider any amended language if available by the Board meeting.

Summarization:

The Board will recall legal counsel’s and staff’s repeated requests for information from the TCEQ to eliminate serving NWSC under direct pressure. Several letters and numerous emails were sent. Months of waiting were required before a response specific to each pump station was received.

mcgserrato@stwa.org

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Friday, October 19, 2018 9:36 AM
To: mcgserrato@stwa.org
Cc: Allison Nix
Subject: RE: STWA-NWSC Contract Amendment - NWSC TCEQ Order

Dear Carola:

Your memo looks fine.

For the agenda item you can use the Re: from your memo as you suggest.

Thank you.

Very truly yours,

Bill Flickinger

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

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

Email: bflickinger@wfaustin.com

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From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Thursday, October 18, 2018 4:32 PM
To: Bill Flickinger <bflickinger@wfaustin.com>
Subject: STWA-NWSC Contract Amendment - NWSC TCEQ Order

Bill,

Attached is my draft memo to the STWA Board on the need to amend the contract between STWA and NWSC. Also attached is the NWSC's Order and the two pages of 30 TAC 290.45 which I believe the Order is referencing.

Please review my memo and advise on any changes.

Also, is the Re:/Title appropriate for listing as the agenda item?

Prior to lunch, I left a message for Mr. Gilbert Angelle. I have not heard back from him.

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*



PWS_1780052_CO_20181012_Plan Ltr

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 12, 2018

Mr. Robert M. Viera, P.E.
LNV, Inc.
801 Navigation Boulevard
Corpus Christi, TX 78408

Re: Nueces WSC - Public Water System ID No. 1780052
Proposed Banquete Booster Pump Station Improvements
Engineer Contact Telephone: (361) 883-1984
Plan Review Log No. P-09252018-154
Texas Water Development Board (TWDB) Project No. 62622
Nueces County, Texas

CN:600693485; RN:101261147

Dear Mr. Viera:

On September 25, 2018, the Texas Commission on Environmental Quality (TCEQ) received planning material with your letter dated September 13, 2018 for the proposed Banquete Booster Pump Station improvements. Based on our review of the information submitted, the project generally meets the minimum requirements of Title 30 Texas Administrative Code (TAC) Chapter 290 - Rules and Regulations for Public Water Systems and is **conditionally approved for construction** if the project plans and specifications meet the following requirement(s):

1. Please submit documentation of ownership of the 50,000-gallon elevated storage tank (EST) that is proposed to be removed and permission to remove the EST if sole or partial ownership belongs to any entity other than Nueces WSC.
2. Separation distances and encasement requirements for installations of potable water distribution lines and wastewater collection lines, wastewater force mains and other conveyances and appurtenances must conform to 30 TAC §290.44(e).
3. Please be advised that starting July 30, 2015, as per the recent revisions of the TCEQ regulations, the use of chloramines as disinfection now has design, operation, maintenance, sampling, recording keeping and other requirements in TCEQ rules. Please note: If water containing chloramines and water containing free chlorine are blended, then a case-by-case review (exception) under §290.39(l) of this title will be required. Public water systems that use chloramines as a disinfectant must be aware of the following rule requirements:

- A. A public water system that uses chloramines must notify their retail and wholesale customers of the use of chloramines, as required by §290.110(g)(6).
 - a. The initial notification must contain the exact wording included in Appendix H of §290.47.
 - b. Prior to initially providing the chloraminated water to its existing customers, the water system must provide notification by mail or direct delivery at least 14 days before the change.
 - c. Additionally, the notification must be provided to the news media, hospitals, renal disease facilities, dialysis clinics, physicians, local health departments, and entities which maintain live fish directly by letter, e-mail, or hand delivery.
 - d. New customers must also be notified before they begin receiving water from the water system.
 - e. Where appropriate, the notice must be multilingual.
- B. The water system must create and maintain a Nitrification Action Plan (NAP) as required by §290.46(z). The system must create a written NAP that:
 - a. contains the system-specific plan for monitoring free ammonia, monochloramine, total chlorine, nitrite, and nitrate levels;
 - b. contains system-specific action levels of the above monitored chemicals where action must be taken;
 - c. contains specific corrective actions to be taken if the action levels are exceeded; and,
 - d. is maintained as part of the system's monitoring plan in §290.121 of this title.

To maintain the disinfection system performance and to control the levels of nitrifying bacteria in its distribution system, the public water system using chloramines may revert to free chlorine (also known as a chlorine conversion, shock, or burn) periodically as a part of the system's written NAP.

- C. When using chloramines, §290.42(e)(7)(E) requires public water systems to provide equipment for making at least the following determinations for purposes of complying with the requirements in §290.110 of this title:
 - a. free ammonia (as nitrogen);
 - b. monochloramine;
 - c. total chlorine;
 - d. free chlorine; and,
 - e. nitrite and nitrate (both as nitrogen). The public water systems must either obtain equipment for measuring nitrite and nitrate or identify an accredited laboratory that can perform nitrite and nitrate analysis and can provide results to the public water systems within 48 hours of sample delivery.
- D. Analyzers used to determine the effectiveness of chloramination (as required in §290.110(c)(5)) must be properly verified in accordance with the manufacturer's recommendations every 90 days, as required by §290.46(s)(2)(D). These analyzers include monochloramine, ammonia, nitrite, and nitrate equipment used by the public water system;
- E. The residual disinfectant concentration in the water entering the distribution system shall be at least 0.5 mg/L chloramine (measured as total chlorine), and 0.2 milligram per liter (mg/L) free chlorine (when periodically reverting to free chlorine), as required by §290.110(b)(2).

- F. The residual disinfectant concentration in the water within the distribution system shall be at least 0.5 mg/L chloramine (measured as total chlorine), or 0.2 mg/L free chlorine (when periodically reverting to free chlorine), as required in §290.110(b)(4) and §290.104(f)(2).
- G. The running annual average of the free chlorine or chloramine residual (measured as total chlorine) of the water within the distribution system shall not exceed an MRDL of 4.0 mg/L, as required in §290.110(b)(5) and §290.104(f)(4).
- H. Public water systems must determine the effectiveness of chloramination, and shall monitor to ensure that monochloramine is the prevailing chloramine species and that nitrification is controlled, as required by §290.110(c)(5) and its subparts.

One Time Source Water Monitoring Requirement*

Test	Frequency at each source (including purchased water take points)
Ammonia (as nitrogen)	Once or more to determine the availability of ammonia for chloramine formation. <ul style="list-style-type: none"> • If source has more than 0.5 mg/L free ammonia (as nitrogen), monitor monthly for six months to establish baseline.
Nitrate and Nitrite (as nitrogen)	Once or more to provide a reference for downstream nitrate/nitrite levels that may indicate nitrification.

**If you have already completed this source water monitoring in the past and have the results, there is no requirement to take new samples.*

Baseline and Ongoing Routine Chloramines Monitoring Requirement

	At or After the Entry Point(s)	Upstream and Downstream of Any Chlorine or Ammonia Injection Points	In the Distribution System
Total Chlorine	At least weekly.	Weekly and before and after adjusting the chlorine or ammonia feed rate.	Daily/weekly. ^a
Free Ammonia	At least weekly.	Weekly and before and after adjusting the chlorine or ammonia feed rate.	At least weekly. ^b
Mono-chloramine	At least weekly.	Weekly and before and after adjusting the chlorine or ammonia feed rate.	At least weekly. ^b
Nitrite and Nitrate	Monthly for at least 6 months to set baseline, then quarterly.	Routine sampling not required.	At least quarterly, and in response to action level triggers.

a. Total chlorine must be collected weekly/daily based on your system size at locations representing the entire distribution system in accordance with 30 TAC §290.110.

b. Free ammonia and monochloramine should be measured at same time as routine total chlorine monitoring.

- I. In accordance with §290.46(d)(2), disinfection equipment shall be operated to maintain a chloramine residual of 0.5 mg/L (measured as total chlorine) in each finished water storage tank and throughout the distribution system at all times.

Mr. Robert M. Viera, P.E.

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October 12, 2018

- J. The following records shall be retained for at least three years, as required by §290.46(f)(3)(B):
- a. the disinfectant residual monitoring results from the distribution system;
 - b. free and total chlorine, monochloramine, ammonia, nitrite, and nitrate monitoring results if chloramines are used in the water system; and
 - c. copies of any public notice issued by the water system.

These conditions may not cover all the rules pertaining to chloramine disinfection. Please see the following links for additional information and guidance.

To obtain a copy of the rules:

<http://www.tceq.texas.gov/rules/indxpdf.html>

Chloramines Fact Sheet:

https://www.tceq.texas.gov/assets/public/permitting/watersupply/pdw/Chloramine_Fact_Sheet.pdf

Nitrification Action Plan (NAP) Guidance:

https://www.tceq.texas.gov/assets/public/permitting/watersupply/pdw/NAP_Guidance.pdf

These two documents listed above, NAP examples and templates, and more can be found on the Nitrification web page:

<https://www.tceq.texas.gov/drinkingwater/disinfection/nitrification.html>

The submittal consisted of 26 sheets of engineering drawings and technical specifications. The approved project consists of:

- Two (2) 10,000-gallon American Society of Mechanical Engineers (ASME) Section VIII, Division 1 hydropneumatic tanks;
- Two (2) 400 gallon per minute (gpm), 30 horsepower (hp), high-service pumps at 165-foot total dynamic head (tdh);
- One (1) 100,000-gallon American Water Works Association (AWWA) D103 galvanized bolted carbon steel or AWWA D110 Type III, prestressed concrete ground storage tank;
- One (1) chlorine gas injection system equipped with two 150-lb gas cylinders, chlorinator capable of dispensing up to 100 pounds per day, and electronic scales;
- Liquid ammonium sulfate (LAS) disinfection with one 25-gallon HDPE tank with spill containment, and feed pump capable of delivering up to 0.9 gallons per hour;
- Three (3) fiberglass reinforced plastic shelters to house the chemical feed equipment and air compressor;
- One (1) free chlorine analyzer, one (1) air compressor, and one (1) 60 KVA emergency diesel generator with auxiliary tank;
- Remove one (1) 50,000 gallon elevated storage tank;
- Various yard piping, valves, fittings, and appurtenances; and,
- All-weather access road and intruder resistant fence.

Mr. Robert M. Viera, P.E.
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October 12, 2018

This approval is for the construction of the above listed items only. Any wastewater components contained in this design were not considered.

The Nueces WSC public water supply system and South Texas Water Authority public water supply system provide water treatment.

The project is located south of State Highway 44, between Second and Fourth Streets on Water Tower Road in Banquete, in Nueces County, Texas.

An appointed engineer must notify the TCEQ's Region 14 Office in Corpus Christi at (361) 825-3100 when construction will start. Please keep in mind that upon completion of the water works project, the engineer or owner will notify the commission's Water Supply Division, in writing, as to its completion and attest to the fact that the completed work is substantially in accordance with the plans and change orders on file with the commission as required in 30 TAC §290.39(h)(3).

Please refer to the Plan Review Team's Log No. P-09252018-154 in all correspondence for this project.

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals to TCEQ. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on TCEQ's website at the address shown below. You can also download the most current plan submittal checklists and forms from the same address.

<https://www.tceq.texas.gov/drinkingwater/udpubs.html>

For future reference, you can review part of the Plan Review Team's database to see if we have received your project. This is available on TCEQ's website at the following address:

<https://www.tceq.texas.gov/drinkingwater/planrev.html/#status>

You can download the latest revision of 30 TAC Chapter 290 - [Rules and Regulations for Public Water Systems](#) from this site.

Mr. Robert M. Viera, P.E.
Page 6
October 12, 2018

If you have any questions concerning this letter or need further assistance, please contact Mrs. Cynthia R. Pierce, P.E., CFM at 512-239-4664 or by email at Cynthia.Pierce@tceq.texas.gov or by correspondence at the following address:

Plan Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,



Cynthia R. Pierce, P.E., CFM
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality



Vera Poe, P.E., Team Leader
Plan Review Team
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

VP/CO/sg

cc: Nueces WSC, Attn: Ms. Carola G. Serrato, PO Box 415, Kingsville, TX 78364-0415

Mr. Robert M. Viera, P.E.

Page 7

October 12, 2018

bcc: TCEQ Central Records PWS File 1780052 (P-09252018-154/Nueces WSC)
TCEQ Region No. 14 Office - Corpus Christi
TCEQ PWSINV, MC-155
Texas Water Development Board

From: Allison Nix <anix@wfaustin.com>
Sent: Thursday, October 18, 2018 9:05 AM
To: Carola G. Serrato (mcserrato@stwa.org)
Cc: Bill Flickinger
Subject: FW: Nueces WSC

Carola,

Please see the response below from Gilbert Angelle.

Thank you,

Allison Nix

Legal Assistant
Willatt & Flickinger, PLLC
Attorneys at Law
12912 Hill Country Blvd., Ste. F-232
Austin, Texas 78738
Phone: (512) 476-6604
Fax: (512) 469-9148
anix@wfaustin.com

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From: Gilbert Angelle <gilbert.angelle@tceq.texas.gov>
Sent: Wednesday, October 17, 2018 3:57 PM
To: Allison Nix <anix@wfaustin.com>
Cc: Blas Rizzo <Blas.Rizzo@tceq.texas.gov>; Melanie Edwards <melanie.edwards@tceq.texas.gov>; Lynley Doyen <lynley.doyen@tceq.texas.gov>
Subject: RE: Nueces WSC

Hey Allison,

Thank you for the info but it doesn't help to know how many service pumps, tanks, or pressure tanks Nueces has. What we need to know and must be delineated in a contract is the amount of water the contract will provide. As the technical requirement in the Agreed Order notes, "Obtain a purchase water contract that specifies a maximum hourly purchase rate that when combined with the actual service pump capacity is at least 2.0 gpm per connection or at least 1000 gpm and able to meet peak hourly demands, whichever is less, in accordance to 30 TAC 290.45."

I wish I could help with the technical details but that will require a P.E. to assist and provide that specific number to be included in the contract.

Gilbert Angelle
Compliance Monitoring Section
Enforcement Division
512-239-4489
Gilbert.angelle@tceq.texas.gov

From: Allison Nix <anix@wfaustin.com>
Sent: Tuesday, October 16, 2018 10:20 AM
To: Gilbert Angelle <Gilbert.Angelle@tceq.texas.gov>
Subject: Nueces WSC

Good morning, Gilbert.

I received your voicemail and have gotten the following information from Carola Serrato, who is the General Manager for Nueces WSC and is the Executive Director of South Texas Water Authority. With respect to the direct pressure question, she has provided as follows:

“Agua Dulce Pump Station – In 2009, a second pump was added to that station; NWSC owns both pumps at that station, which are separate from the pumps servicing the City of Agua Dulce.
Sabiatura Park Pump Station – According to the contract, NWSC now owns those facilities
Banquete Pump Station – In 2009, three (3) pumps were installed. NWSC owns those pumps. This new project will result in NWSC owning all the facilities at the new Pump Station
Central Pump Station – NWSC owns the pumps servicing its rural customers
Driscoll Pump Station – In 2016, a second pump was added in a recent project. NWSC paid for the new pump and according to the contract owns the other pump as well.
Bishop East Pump Station – According to the contract, NWSC owns those facilities – except for building, old pumps servicing City of Bishop (no longer in use) and SCADA facilities

So, they are correct that NWSC is no longer served ‘under direct pressure’ at any station.”

Regarding your peak hourly demand question, Ms. Serrato has asked for clarification as to whether you want peak hourly demand based upon the peak day use by NWSC; or capacity of their pumps, tanks and compressors; or in the alternative, if STWA is imposing a peak hourly limitation.

Please let me know when able, and I will get the info from Ms. Serrato.

Thank you,

Allison Nix
Legal Assistant
Willatt & Flickinger, PLLC
Attorneys at Law
12912 Hill Country Blvd., Ste. F-232
Austin, Texas 78738
Phone: (512) 476-6604
Fax: (512) 469-9148

anix@wfaustin.com

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN	§	BEFORE THE
ENFORCEMENT ACTION	§	
CONCERNING NUECES WATER	§	TEXAS COMMISSION ON
SUPPLY CORPORATION	§	
RN101261147	§	ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2010-1518-PWS-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding NUECES WATER SUPPLY CORPORATION ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a public water supply at 111 West Sage Road in Nueces County, Texas (the "Facility") that has approximately 776 service connections and serves at least 25 people per day for at least 60 days per year.
2. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
3. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about August 29, 2010.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of Six Hundred Fifty-Five Dollars (\$655) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Five Hundred Twenty-Four Dollars (\$524) of the administrative penalty and One Hundred Thirty-One Dollars (\$131) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the

terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

6. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
7. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
8. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Facility:
 - a. On August 12, 2010, the disinfectant residual in the distribution system was measured to be 0.79 milligrams per liter ("mg/L") of chloramine; and
 - b. On August 16, 2010, a revised plant schematic was submitted that showed the locations of all service pumps owned by the Respondent.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, the Respondent is alleged to have:

1. Failed to provide a purchase water contract that authorizes a maximum hourly production rate plus the actual service pump capacity of at least 2.0 gallons per minute ("gpm") per connection or is at least 1,000 gpm and able to meet peak hourly demands, whichever is less, in violation of 30 TEX. ADMIN. CODE § 290.45(f)(5), as documented during an investigation conducted on August 10, 2010.
2. Failed to operate the disinfection equipment to maintain a minimum disinfectant residual of 0.5 mg/L of chloramine throughout the distribution system at all times, in violation of 30 TEX. ADMIN. CODE §§ 290.46(d)(2)(B) and 290.110(b)(4), as documented during an investigation conducted on August 10, 2010.
3. Failed to provide a plant schematic that shows all water pumps, flow meters, unit processes, chemical feed points, and chemical monitoring points, in violation of 30 TEX.

ADMIN. CODE § 290.121(b)(1)(A), as documented during an investigation conducted on August 10, 2010.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: NUECES WATER SUPPLY CORPORATION, Docket No. 2010-1518-PWS-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 365 days after the effective date of this Order, obtain a purchase water contract that specifies a maximum hourly purchase rate that when combined with the actual service pump capacity is at least 2.0 gpm per connection or at least 1,000 gpm and able to meet peak hourly demands, whichever is less, in accordance with 30 TEX. ADMIN. CODE § 290.45; and

But
290.45
also

recognizes
when
purchase
is not
under direct
pressure

- b. Within 380 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Water Section Manager
Corpus Christi Regional Office
Texas Commission on Environmental Quality
6300 Ocean Drive, Suite 1200
Corpus Christi, Texas 78412-5503

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
6. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

NUECES WATER SUPPLY CORPORATION

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7. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

For the Executive Director

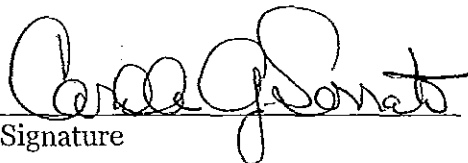
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

12-2-2010
Date

Carole G. Serrato
Name (Printed or typed)
Authorized Representative of
NUECES WATER SUPPLY CORPORATION

General Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

(F) a minimum pressure tank capacity of 220 gallons with additional capacity, if necessary, based on a sanitary survey conducted by the executive director.

(4) A noncommunity public water system that is an affected utility shall meet the requirements of subsection (h) of this section.

(e) Water wholesalers. The following additional requirements apply to systems which supply wholesale treated water to other public water supplies.

(1) All wholesalers must provide enough production, treatment, and service pumping capacity to meet or exceed the combined maximum daily commitments specified in their various contractual obligations.

(2) For wholesale water suppliers, minimum water system capacity requirements shall be determined by calculating the requirements based upon the number of retail customer service connections of that wholesale water supplier, if any, fire flow capacities, if required by §290.46(x) and (y) of this title and adding that amount to the maximum amount of water obligated or pledged under all wholesale contracts.

(3) Emergency power is required for each portion of the system which supplies more than 250 connections under direct pressure and does not provide an elevated storage capacity of at least 100 gallons per connection. If emergency power is required, it must be sufficient to deliver 20% of the minimum required service pump capacity in the event of the loss of normal power supply. When the wholesaler provides water through an air gap into the purchaser's storage facilities it will be the purchaser's responsibility to meet all minimum water system capacity requirements including emergency power.

(4) A wholesaler that is an affected utility must meet the requirements specified in subsection (h) of this section.

→ (f) Purchased water systems. The following requirements apply only to systems which purchase treated water to meet all or part of their production, storage, service pump, or pressure maintenance capacity requirements.

→ (1) The water purchase contract must be available to the executive director in order that production, storage, service pump, or pressure maintenance capacity may be properly evaluated. For purposes of this section, a contract may be defined as a signed written document of specific terms agreeable to the water purchaser and the water wholesaler, or in its absence, a memorandum or letter of understanding between the water purchaser and the water wholesaler.

(2) The contract shall authorize the purchase of enough water to meet the monthly or annual needs of the purchaser.

(3) The contract shall also establish the maximum rate at which water may be drafted on a daily and hourly basis. In the absence of specific maximum daily or maximum hourly rates in the contract, a uniform purchase rate for the contract period will be used.

(4) The maximum authorized daily purchase rate specified in the contract, or a uniform purchase rate in the absence of a specified daily purchase rate, plus the actual production capacity of the system must be at least 0.6 gpm per connection.

(5) For systems which purchase water under direct pressure the maximum hourly purchase authorized by the contract plus the actual service pump capacity of the system must be at least 2.0 gpm per connection or provide at least 1,000 gpm and be able to meet peak hourly demands, whichever is less.

(6) The purchaser is responsible for meeting all production requirements. If additional capacity to meet increased demands cannot be attained from the wholesaler through a new or amended contract, additional capacity must be obtained from water purchase contracts with other entities, new wells, or surface water treatment facilities. However, if the water purchase contract prohibits the purchaser from securing water from sources other than the wholesaler, the wholesaler is responsible for meeting all production requirements.

(7) All other minimum capacity requirements specified in this section and §290.46(x) and (y) of this title shall apply.

(g) Alternative capacity requirements. Public water systems may request approval to meet alternative capacity requirements in lieu of the minimum capacity requirements specified in this section. Any water system requesting to use an alternative capacity requirement must demonstrate to the satisfaction of the executive director that approving the request will not compromise the public health or result in a degradation of service or water quality and comply with the requirements found in §290.46(x) and (y) of this title. Alternative capacity requirements are unavailable for groundwater systems serving fewer than 50 connections without total storage as specified in subsection (b)(1) of this section or for noncommunity water systems as specified in subsections (c) and (d) of this section.

(1) Alternative capacity requirements for public water systems may be granted upon request to and approval by the executive director. The request to use an alternative capacity requirement must include:

not
any
longer