

MEMORANDUM

TO: South Texas Water Authority Industrial Development Corporation Board of Directors

FROM: Kathleen Lowman, President

DATE: November 26, 2018

SUBJECT: Meeting Notice and Agenda for STWA Industrial Development Corporation

The Annual Meeting of the STWA Industrial Development Corporation Board of Directors is scheduled for:

Tuesday, December 4, 2018
5:30 p.m.
South Texas Water Authority Boardroom
2302 East Sage Road
Kingsville, Texas

Agenda

1. Call to Order.
2. Approval of Minutes.
3. Treasurer's Report.
4. Old Business.
5. New Business.
6. Adjournment.

KL/CGS/fdl

This meeting notice was posted on STWA's website, www.stwa.org, and on indoor and outdoor bulletin boards at STWA's administrative offices: 2302 East Sage Road, Kingsville, Texas at 11:30 a.m. on November 30, 2018

Francis De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY INDUSTRIAL DEVELOPMENT CORPORATION
Annual Meeting
December 5, 2017

MINUTES

Board Members Present:

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

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner

Guests Present:

None

1. Call to Order.

The Annual Meeting of the South Texas Water Authority Industrial Development Corporation was called to order by Ms. Kathleen Lowman, Board President at 5:30 p.m. at the STWA office located at 2302 East Sage Road, Kingsville, Texas. A quorum was present.

2. Approval of Minutes.

Mr. Treviño made a motion to accept the minutes from the December 6, 2016 Annual Meeting. Ms. Rodgers seconded. All were in favor.

3. Treasurer's Report.

The Treasurer's Report was presented and reported that the STWA IDC received no funds nor made any expenditures during the fiscal year ending September 30, 2017 and all account balances remained at zero. Mr. Treviño made a motion to accept the Treasurer's Report as presented. Ms. Rodgers seconded the motion and it passed unanimously.

4. Old Business.

There was no old business to report.

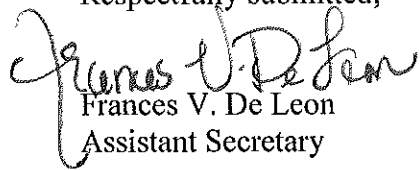
5. New Business.

There was no new business to report.

6. Adjournment.

With no further business to conduct, Ms. Lowman adjourned the meeting at 5:33 p.m.

Respectfully submitted,


Frances V. De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY INDUSTRIAL DEVELOPMENT CORPORATION
Treasurer's Report
For the Period Ending September 30, 2018

The STWA Industrial Development Corporation received no funds nor made any expenditures for the fiscal year ending September 30, 2018. All account balances are -0-.

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Kathleen Lowman, President
DATE: November 26, 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, December 4, 2018

5:35 p.m.

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

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

Agenda

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

12. **Resolution 18-20.** Resolution awarding the bid for the purchase of one track hoe/excavator. (Attachment 10)
13. Quote for Kingsville Pump Station Rehab – WP Construction – Replace Mercer Quote. (Attachment 11)
14. City of Corpus Christi Rate Model and True Up. (Attachment 12)
15. High Touch Technologies proposals for network and IT support. (Attachment 13)
16. ERCOT Membership Meeting and Proxy. (Attachment 14)
17. Adjournment.

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

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 11:30 am on November 20, 2018.

Frances De Leon
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
October 23, 2018
Minutes

Board Members Present:

Kathleen Lowman
Dr. Albert Ruiz
Rudy Galvan
Lupita Perez
Patsy Rodgers
Charles Schultz

Board Members Absent:

Filiberto Treviño
Steven Vaughn

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
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 5:30 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.

Ms. Rodgers made a motion to approve the minutes of the September 25, 2018 Regular Meeting as presented. Mr. Galvan seconded. The motion passed by unanimous vote.

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

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

Investment Report for Quarter ended September 2018
Treasurer's Report for period ending September 30, 2018
Revenue Fund Income Statement for period ending September 30, 2018
Tax Fund Income Statement for period ending September 30, 2018
Special Services Income Statement for period ending September 30, 2018*
STWA Revenue Fund Balance Sheet – September 30, 2018*
STWA Revenue Fund GL Account Summary Report as of September 30, 2018*
STWA Debt Service Fund Income Statement for period ending September 30, 2018
STWA Debt Service Fund Balance Sheet September 30, 2018
STWA Debt Service Fund GL Account Summary Report as of September 30, 2018
STWA Capital Projects Fund Income Statement for period ending September 30, 2018

STWA Capital Projects Fund Balance Sheet – September 30, 2018
STWA Capital Projects Fund GL Account Summary Report as of September 30, 2018
STWA 2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor
*Ms. Wagner presented a corrected Balance Sheet, GL Account Summary Report and Special Services Income Statement reflecting updated amounts because the reports submitted with the original agenda packet were not in balance.

The following outstanding invoices were presented for Board approval:

• Walker Partners	\$ 888.00
• Willatt & Flickinger, Attorneys at Law	\$ 1,181.40
• Kleberg County Treasurer	\$ 24,780.00
• LNV, Inc. – Banquete PS Improvements	\$ 1,550.00
• City of Corpus Christi	\$ 97,780.09
• Texas Municipal League IRP	\$ 51,863.56

A motion was made by Mr. Schultz to approve the Quarterly Report, Treasurer’s Report and payment of the bills as presented. Dr. Ruiz seconded. The motion carried.

5. STWA Board of Directors Meeting Schedule 2019.

Ms. Serrato reviewed the proposed 2019 meeting schedule provided in the Board packet. Ms. Rodgers made a motion to accept the proposed schedule and use December 3rd for November/December meeting date. Mr. Galvan seconded. The approved schedule is as follows:

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

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

Ms. Serrato reported that the updated Quarterly Report including a Monitoring Plan with a revised D3 Table was submitted on October 8th. She added that on Sunday, October 21st the Field Tech on call did not allow the water to flush adequately and recorded a residual of 0.43 mg/l. She notified TCEQ and this will be added to the TCEQ October 24th conference call agenda. She added that the matter has also been discussed with the Field Tech and will be discussed further upon Field Supervisor Jacob Hinojosa’s return from vacation. No action was taken by the Board.

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

Ms. Serrato informed the Board that EI2 has been contacted to look over the LAS system and offer insight into some of the issues it is experiencing. A visit is scheduled for October 24th and she should have more to report after the visit.

8. Water Supply Contract with the City of Bishop.

Ms. Serrato stated that per the Board's instruction, Mr. Bill Flickinger, Willatt & Flickinger, has made the modifications to the water supply contract between the City of Bishop and South Texas Water Authority. The revised agreement has been provided by email to Mayor Tem Miller, Bishop City Secretary Cynthia Contreras and the City's legal counsel Gerald Benadum. She presented four 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 and Exhibit "E" – Draft License Agreement between the City and the Authority. Mr. Galvan made a motion to approve the revised agreement and the presented exhibits. Dr. Ruiz seconded. All voted in favor.

9. Water Supply Contract with the City of Driscoll.

Ms. Serrato stated that she emailed Mr. John Valls twice but he has not responded. She had nothing further to report.

10. Authorization to advertise for the purchase of a track hoe/excavator.

Ms. Serrato presented the specifications for a track hoe/excavator and requested authorization to advertise for bids. She added that the current track hoe was purchased in 1999 for a cost of \$49,266 and the FY 2019 Budget includes \$95,000 for the purchase of a track hoe. Mr. Schultz made a motion to authorize advertising for bids. Ms. Rodgers seconded. All voted in favor.

11. City of Corpus Christi Rate Model and True Up.

Ms. Serrato reported that STWA's rate consultant, Mr. Chris Ekrut of NewGen Strategies has been reviewing the rate model and continues providing questions to the City of Corpus Christi. However, the most recent questions pertaining to capital improvements have not been answered adequately by the City. Therefore, there is no information ready to be released to STWA's wholesale customers at this time.

12. Kleberg County Extension Agency funding request for private water well screening.

Ms. Serrato presented a private water well screening proposal from Dr. Lee Clapp of Texas A&M University-Kingsville. The request is for \$4,835 for the Water Quality Screening study of private water wells located in Kleberg and Kenedy Counties. After reviewing the information provided, Mr. Galvan made a motion to not participate in the project. Ms. Rodgers seconded. Dr. Ruiz abstained. The motion passed with the remaining five members voting in favor.

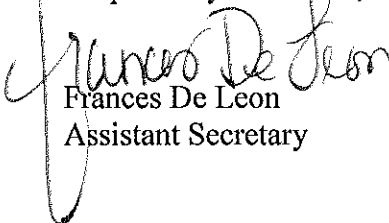
13. Water Supply Contract with Nueces Water Supply Corporation – Amendment to Provide Maximum Hourly Purchase Rate that when Combined with Actual Service Pump Capacity is at least 2.0 gpm per Connection or at least 1000 gpm and able to Meet Peak Hourly Demands, whichever is Less.

Ms. Serrato stated the staff has been working on a Sale, Transfer and Merger Application for the Nueces Water Supply Corporation submitted to the Texas Public Utility Commission as part of the Cyndie Park 2 WSC project. During the review process, a copy of the STWA/Nueces Water Supply Corporation Water Supply Contract was requested resulting in questions about whether the contract complies with all necessary sections of 30 TAC 290.45. After consulting with legal counsel, it appears that an amendment to the STWA/NWSC contract which states that STWA will provide NWSC with at least a 1000 gpm system wide delivery to meet the Corporation's peak hourly demand will likely be necessary. Ms. Serrato presented an email from Mr. Flickinger indicating that the amendment would not be available in time for the meeting but providing the motion for approval. Dr. Ruiz moved that the Board of Directors authorize the Board President, Executive Director and Authority's Attorney to negotiate an amendment to the Amended and Restated Water Supply Contract with Nueces Water Supply Corporation dated effective May 5, 2016 to provide for a maximum hourly purchase rate plus the actual service pump capacity of at least 2.0 gpm per connection or at least 1000 gpm and able to meet peak hourly demands, whichever is less and further authorize the Board President to execute and the Board Secretary to attest the amendment when finalized. Mr. Galvan seconded. The motion passed by unanimous vote.

14. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:24 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

Treasurer's Report/Payment of Bills

The Treasurer's Report will be sent on Monday
under separate cover.

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				NWSC			
	Budgeted	Actual	Difference		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	57,174,220	4,317,895	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	568,257,844	51,895,887	TOTAL	139,997,830	171,453,240	31,455,410

Kingsville				RWSC			
	Budgeted	Actual	Difference		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	7,088,000	-992,400
Sep-18	5,338,000	2,974,000	-2,364,000
TOTAL	62,707,000	60,475,444	-2,231,556

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	11,050,000	\$3,603.38	\$0.3261	Sep-18	13,666,110	\$4,105.80	\$0.3004
TOTAL	138,343,000	\$43,765.65	\$0.3164	TOTAL	171,453,240	\$50,784.68	\$0.2962

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	7,088,000	\$2,000.23	\$0.2822	Aug-18	10,208,000	\$2,717.19	\$0.2662
Sep-18	2,974,000	\$307.29	\$0.1033	Sep-18	7,399,000	\$1,698.24	\$0.2295
TOTAL	60,475,444	\$11,198.94	\$0.1852	TOTAL	95,961,000	\$21,456.83	\$0.2236

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	3,959,700	\$987.77	\$0.2495	Sep-18	1,950,330	\$399.48	\$0.2048
TOTAL	48,505,100	\$12,475.62	\$0.2572	TOTAL	25,143,790	\$4,971.15	\$0.1977

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	1,977,410	\$455.10	\$0.2301
TOTAL	28,376,270	\$6,528.19	\$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	57,174,220	\$16,654.29	\$0.2913
Sep-18	42,976,550	\$11,557.06	\$0.2689
TOTAL	568,257,844	\$151,181.06	\$0.2660

ANTICIPATED (BUDGETED) vs. ACTUAL WATER RATE CHARGED

	ANTICIPATED (BUDGETED) CHARGES			ACTUAL CHARGES			Difference: Actual vs. Budgeted
	Handling Charge	CC Cost	Total	Handling Charge	CC Cost	Total	
Oct-18	\$0.426386	\$2.4362	\$2.8626	\$0.426386	\$2.400926	\$2.827312	-\$0.0353
Nov-18	\$0.426386	\$2.4379	\$2.8642	\$0.426386		\$0.426386	-\$2.4379
Dec-18	\$0.426386	\$2.4377	\$2.8641	\$0.426386		\$0.426386	-\$2.4377
Jan-19	\$0.426386	\$2.5886	\$3.0150	\$0.426386		\$0.426386	-\$2.5886
Feb-19	\$0.426386	\$2.5902	\$3.0166	\$0.426386		\$0.426386	-\$2.5902
Mar-19	\$0.426386	\$2.5884	\$3.0148	\$0.426386		\$0.426386	-\$2.5884
Apr-19	\$0.426386	\$2.5876	\$3.0139	\$0.426386		\$0.426386	-\$2.5876
May-19	\$0.426386	\$2.5870	\$3.0134	\$0.426386		\$0.426386	-\$2.5870
Jun-19	\$0.426386	\$2.5866	\$3.0130	\$0.426386		\$0.426386	-\$2.5866
Jul-19	\$0.426386	\$2.5844	\$3.0108	\$0.426386		\$0.426386	-\$2.5844
Aug-19	\$0.426386	\$2.5845	\$3.0109	\$0.426386		\$0.426386	-\$2.5845
Sep-19	\$0.426386	\$2.5870	\$3.0134	\$0.426386		\$0.426386	-\$2.5870
Avg Cost	\$0.426386	\$2.5497	\$2.9761	\$0.426386	\$2.400926	\$2.827312	-\$0.1488

ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE

All

Customers	Budgeted	Actual	Difference	NWSC	Budgeted	Actual	Difference
Oct-18	42,948,725	42,957,680	8,955	Oct-18	12,246,024	13,422,420	1,176,396
Nov-18	39,250,881	0		Nov-18	11,006,676	0	
Dec-18	39,559,091	0		Dec-18	11,022,768	0	
Jan-19	40,623,176	0		Jan-19	11,767,366	0	
Feb-19	37,285,356	0		Feb-19	10,542,988	0	
Mar-19	40,926,934	0		Mar-19	11,148,151	0	
Apr-19	42,972,990	0		Apr-19	11,900,837	0	
May-19	44,425,767	0		May-19	12,473,511	0	
Jun-19	45,400,518	0		Jun-19	13,090,139	0	
Jul-19	52,315,915	0		Jul-19	14,997,937	0	
Aug-19	52,084,530	0		Aug-19	14,818,303	0	
Sep-19	44,380,064	0		Sep-19	13,165,218	0	
TOTAL	522,173,944	42,957,680	8,955	TOTAL	148,179,918	13,422,420	1,176,396

Kingsville

	Budgeted	Actual	Difference	RWSC	Budgeted	Actual	Difference
Oct-18	10,352,184	11,526,000	1,173,816	Oct-18	8,686,000	7,837,000	-849,000
Nov-18	10,352,184	0		Nov-18	7,566,000	0	
Dec-18	10,352,184	0		Dec-18	7,426,600	0	
Jan-19	10,352,184	0		Jan-19	7,345,000	0	
Feb-19	10,352,184	0		Feb-19	6,573,200	0	
Mar-19	10,352,184	0		Mar-19	8,123,200	0	
Apr-19	10,352,184	0		Apr-19	8,844,400	0	
May-19	10,352,184	0		May-19	9,071,600	0	
Jun-19	10,352,184	0		Jun-19	9,421,600	0	
Jul-19	10,352,184	0		Jul-19	10,670,600	0	
Aug-19	10,352,184	0		Aug-19	10,878,000	0	
Sep-19	10,352,184	0		Sep-19	8,333,800	0	
TOTAL	124,226,203	11,526,000	1,173,816	TOTAL	102,940,000	7,837,000	-849,000

Bishop	Budgeted	Actual	Difference
Oct-18	4,397,600	2,413,000	-1,984,600
Nov-18	3,711,000	0	
Dec-18	4,234,000	0	
Jan-19	4,464,400	0	
Feb-19	3,550,000	0	
Mar-19	4,585,400	0	
Apr-19	4,559,600	0	
May-19	4,897,600	0	
Jun-19	4,629,400	0	
Jul-19	7,354,800	0	
Aug-19	7,643,200	0	
Sep-19	5,273,400	0	
TOTAL	59,300,400	2,413,000	-1,984,600

Banquete	Budgeted	Actual	Difference
Oct-18	2,263,070	1,969,000	-294,070
Nov-18	2,054,046	0	
Dec-18	2,024,012	0	
Jan-19	2,028,542	0	
Feb-19	1,932,604	0	
Mar-19	1,964,422	0	
Apr-19	2,101,106	0	
May-19	2,222,884	0	
Jun-19	2,274,290	0	
Jul-19	2,533,618	0	
Aug-19	2,501,660	0	
Sep-19	2,139,458	0	
TOTAL	26,039,712	1,969,000	-294,070

Driscoll	Budgeted	Actual	Difference
Oct-18	2,674,051	3,930,000	1,255,949
Nov-18	2,604,305	0	
Dec-18	2,527,969	0	
Jan-19	2,753,560	0	
Feb-19	2,533,000	0	
Mar-19	2,802,440	0	
Apr-19	2,893,740	0	
May-19	3,100,100	0	
Jun-19	3,149,760	0	
Jul-19	3,656,300	0	
Aug-19	3,340,813	0	
Sep-19	2,935,040	0	
TOTAL	34,971,079	3,930,000	1,255,949

Agua Dulce	Budgeted	Actual	Difference
Oct-18	2,329,796	1,860,260	-469,536
Nov-18	1,956,670	0	
Dec-18	1,971,558	0	
Jan-19	1,912,124	0	
Feb-19	1,801,380	0	
Mar-19	1,951,137	0	
Apr-19	2,321,124	0	
May-19	2,307,888	0	
Jun-19	2,483,146	0	
Jul-19	2,750,476	0	
Aug-19	2,550,370	0	
Sep-19	2,180,964	0	
TOTAL	26,516,633	1,860,260	-469,536

Kingsville Actual Usage vs. Bell Chart Volume

	Target	Actual	Difference
	Volume	Volume	
Oct-18	12,451,513	11,526,000	-925,513
Nov-18	7,362,963	0	
Dec-18	5,893,607	0	
Jan-19	4,650,000	0	
Feb-19	6,760,471	0	
Mar-19	8,319,028	0	
Apr-19	10,906,161	0	
May-19	12,497,858	0	
Jun-19	14,240,055	0	
Jul-19	15,711,155	0	
Aug-19	15,911,986	0	
Sep-19	13,866,300	0	
TOTAL	128,571,097	11,526,000	-925,513

INTER-OFFICE MEMO

TO: Carola G. Serrato, Executive Director
FROM: Jacob Hinojosa, O&M Supervisor
DATE: November 27, 2018
RE: Maintenance & Technical Report

During the week of October 15, 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.
- Took Unit #3 to get new tires installed.
- Cleaned pump stations.
- Repaired sample faucet on 42" line located at CR 16 and Hwy 77.
- Took Bac-T water samples.
- Increased pressure range on PRV valve for the Driscoll Booster LAS injection. Found out it was too low and dumping back into the reserve.
- Held interviews for CP crew.
- Took Unit #4 to get repaired. Kept turning off.
- Repaired the motor fan for one of the Spur line booster pumps.
- Tested meters with Fluid Meter Services. Annual meter accuracy checks.
- Installed tool box on new Unit #5.
- Bought replacement beacon lights for Unit #2, 3 and 7.
- Mercer Controls came to readjust SCADA antenna at Driscoll Pump Station.

During the week of October 22, 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.
- Took Unit #6 to get two new tires.
- Employees scheduled their CDL driving tests.
- Took inventory for STWA.
- Worked on LAS pump at the Driscoll Booster Station.
- Helped perform PM on welder for CP crew.
- Took Bac-T water samples.
- Met with EI2 at Driscoll Pump Station.
- Participated in conference call with TCEQ.

- Took Unit #6 for oil change.
- Performed NAP sampling.
- Worked on pressure transmitter for the Driscoll GST and ordered replacement unit.

During the week of October 29, 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.
- Painted diesel containments tanks.
- Installed meter head for the Bishop West meter.
- Took Unit #2 for oil change.
- Mowed pump stations.
- Took Unit #6 to get repaired at dealership.
- Performed NAP sampling.
- Picked up safety items from Northern Safety.
- Picked up new truck from dealership.

During the week of November 5, 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.
- Repaired leak on Driscoll GST.
- Held interviews for CP tech.
- Continued to paint diesel containments.
- Had to trouble shoot LAS at Driscoll Booster Station primed LAS line.
- Performed NAP samples.
- Mowed grass at office.
- Delivered chlorine to pump stations.
- Took Bac-T water samples.
- Replaced ballast at office.
- Checked 1ton cylinder scale at Driscoll Pump Station.
- Checked on SCADA radio at Agua Dulce Pump Station.
- Checked for fittings to modify sample tap on CR 36 on 42" line.

During the week of November 5, 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.
- Installed new pressure gauges for LAS system for the Driscoll Booster Station.
- Modified sample tap for CR 36 vault.
- Checked and redid insulation on piping at pump stations.
- Performed NAP samples.
- Installed tool box on Unit #1.
- Attended FMT training at the office.
- Took Bac-T water samples.
- Performed colorimeter verifications.

ATTACHMENT 3

TCEQ Enforcement Action

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 26, 2018
Re: Texas Commission on Environmental Quality (TCEQ) Enforcement Action

Background:

In the last staff memo on this matter, staff reported that an updated Quarterly Report was submitted on October 8th, including a slightly modified Monitoring Plan with a revised D3 Table changing the sample sites to conform to TCEQ's recent suggestions. Based on a TCEQ conference call, staff anticipated that written approval of the revised Monitoring Plan would be provided. However, during the follow-up conference call, STWA was informed that was not necessary.

In addition, I inquired about SOPs which had been submitted on the DR 900 device. During the conference call, staff was informed that a TCEQ review was not necessary. However, per the enclosed emails, TCEQ staff subsequently reviewed the SOPs and changes were made per the recommendations.

You will also note that there were emails exchanged regarding NAP sampling and "actions" as a result of triggers. In particular, staff's explanation to the TCEQ regarding expected results from an action as it pertains to the lag time between a modification at a booster station and the sample site. The NAP forms were modified to allow for multiple days of recording information.

With regards to additional FMT training, ½ of field personnel and I participated in a cross-connection seminar on November 15th. The second half of field personnel will receive the training on December 5th. The conference call with TCEQ FMT staff scheduled on October 30th has yet to occur.

Instead, on October 30th O&M Supervisor Jacob Hinojosa and I had a conference call with two (2) TCEQ representatives on the DLQORs submitted quarterly online by Mr. Hinojosa. I believe the enigma regarding the number of DLQOR samples versus the number TCEQ staff calculated as the correct amount to submit has been resolved. There are two reasons for the lack of correlation. First, TCEQ staff had been counting samples downstream from injection that are not regulatory and not in the DLQOR. Second, during the conference call, we were informed that a residual collected at a Bac-T sample site did not need to be included in the DLQOR unless a bacteriological sample is collected. This is contrary to information provided on more than one occasion from other TCEQ staff persons. At our request, this was confirmed in writing. Enclosed is that email. During that telephone call, I pointed out with these two items resolved that STWA had, in fact, over-reported – not under-reported information.

Analysis:

At this time, as reported in a recent Weekly Update, the major issue is the information provided in the NAP forms. The TCEQ, in my opinion, may have been looking for some type of immediate desired result after an adjustment is made in response to a trigger at a sample site. As explained in my recent email to Mr. Joel Klumpp, this is not the reality of the STWA system with, in most cases, a 3 to 4-day lag between water boosted in Driscoll and that water arriving in Kingsville. Regardless, Mr. Hinojosa has been checking the NAP forms thoroughly and communicated with field personnel about being diligent to record actions and consult with him as needed.

Staff Recommendation:

Keep the Board updated on this matter.

Board Action:

Provide feedback to staff and consultants.

Summarization:

As you can see from the emails between Mr. Michael Tucker, TCEQ, and Mr. Aaron Archer, Walker Partners, the last Quarterly Report deadline is due today, November 26th. Additional information in the form of a letter with required certification language will be submitted later. Finally, the TCEQ's review of this Quarterly Report should determine whether additional reporting, monitoring or other efforts are necessary.

From: mcgserrato@stwa.org
Sent: Monday, November 19, 2018 9:59 AM
To: 'Aaron Archer'; 'bflickinger@wfaustin.com'
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: RE: Quarterly Report

This is very helpful.

Thanks,
Carola

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

From: Aaron Archer <aarcher@walkerpartners.com>
Sent: Monday, November 19, 2018 9:15 AM
To: mcgserrato@stwa.org; bflickinger@wfaustin.com
Subject: Fwd: Quarterly Report

See below from Tucker.

Begin forwarded message:

From: Michael Tucker <Michael.Tucker@tceq.texas.gov>
Date: November 19, 2018 at 7:36:36 AM CST
To: Aaron Archer <aarcher@walkerpartners.com>
Subject: RE: Quarterly Report

Hi Aaron,

1. *We are interpreting your instruction to provide records up to November 22 to mean that we should provide data up through November 21 but not including November. Is this correct?*

Through the 21st is sufficient.

2. *Do you want the final letter (statement highlighted below) to be submitted after TCEQ has determined STWA's final quarterly report to be in compliance and STWA to have achieved overall compliance with the ordering provisions? Or do you want this final letter to be submitted concurrently with the next quarterly report on 11/26?*

It would probably be best to wait until the Drinking Water Program has an opportunity to review quarterly report.

3. *What are you looking for in terms of a brief summary of compliance efforts with each ordering provision? The provision were fairly prescriptive in their requirements. Do you want the letter to simply repeat the language of the ordering provision? Summarize details from prior quarterly report? Attach the*

cover letters from all the quarterly reports? Some guidance on the form and content of this letter would be helpful.

I am looking for a summary of your efforts to achieve compliance with each ordering provision. Essentially the format used in the quarterly report except certify compliance with the entire order.

I hope this help, please let me know if you have any more questions.

Thank you,

Michael Tucker

TCEQ Enforcement Division
(512) 239-6924

From: Aaron Archer <aarcher@walkerpartners.com>
Sent: Friday, November 16, 2018 4:36 PM
To: Michael Tucker <Michael.Tucker@tceq.texas.gov>
Subject: RE: Quarterly Report

Good afternoon Michael,

I have a couple follow-up questions from your email as we start working on the quarterly report.

1. We are interpreting your instruction to provide records up to November 22 to mean that we should provide data up through November 21 but not including November. Is this correct?
2. Do you want the final letter (statement highlighted below) to be submitted after TCEQ has determined STWA's final quarterly report to be in compliance and STWA to have achieved overall compliance with the ordering provisions? Or do you want this final letter to be submitted concurrently with the next quarterly report on 11/26?
3. What are you looking for in terms of a brief summary of compliance efforts with each ordering provision? The provision were fairly prescriptive in their requirements. Do you want the letter to simply repeat the language of the ordering provision? Summarize details from prior quarterly report? Attach the cover letters from all the quarterly reports? Some guidance on the form and content of this letter would be helpful.

Thanks,
Aaron

AARON ARCHER, P.E.
Client Manager

Walker Partners

W 512.382.0021 M 512.587.0882

From: Michael Tucker [<mailto:Michael.Tucker@tceq.texas.gov>]
Sent: Tuesday, November 13, 2018 9:22 AM
To: Aaron Archer
Subject: RE: Quarterly Report

Good Morning Aaron,

The final due date is November 22, 2018. Please include records up to that date to demonstrate compliance.

Also, when you are certifying compliance per ordering provision number 11 please be sure to include the certification language found in the order and a brief summary of all compliance efforts with each ordering provision. Assuming the final report is compliant you are welcome to include this with it or submit it as a separate letter.

Please let me know if you have any questions.

Regards,

Michael Tucker

TCEQ Enforcement Division
(512) 239-6924

From: Aaron Archer <aarcher@walkerpartners.com>
Sent: Tuesday, November 13, 2018 9:14 AM
To: Michael Tucker <Michael.Tucker@tceq.texas.gov>
Cc: Joel Klumpp <Joel.Klumpp@tceq.texas.gov>
Subject: Quarterly Report

Good morning Michael,

We are working on the next quarterly report that is due on Monday, November 26. Our records indicate that STWA is approaching 12 months of compliance required in the ordering provisions. What is the target date to achieve 12 months of compliance? We will attempt to submit records up to the required date if that date occurs before November 26.

Thanks,
Aaron

AARON ARCHER, P.E.
Client Manager



www.WalkerPartners.com
804 Las Cimas Parkway, Suite 150
Austin, Texas 78746

W 512.382.0021
M 512.587.0882

mcserrato@stwa.org

From: Joel Klumpp <joel.klumpp@tceq.texas.gov>
Sent: Friday, November 9, 2018 4:55 PM
To: mcserrato@stwa.org
Cc: 'Aaron Archer'; 'Bill Flickinger'; 'Dony Cantu'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'; Brittney Teakell; Andrew Nidoh; Bonnie Evans; Stephanie Escobar; Yadhira Resendez; Vera Poe; Craig Stowell; David Simons; Amanda Patel; Audrey Liter; Michael Tucker
Subject: RE: STWA Residuals 42" line October 20 - 23
Attachments: NAP Revised Form sent to TCEQ 11072018.pdf; NAP Sampling Oct 22 2018 Week.pdf

Carola,

We agree that in some cases, using different Weekly NAP Forms for different days may not be the most effective method to track documentation that an adjustment is producing the desired results. If STWA would prefer to record samples from different days in the same sheet, that would be fine as long as STWA employees note the date and time of subsequent samples for any given location. We acknowledge that the revised Weekly NAP Form that you provided in your email below (*NAP Revised Form sent to TCEQ 11072018*) provides rows where staff can write in additional samples for each location and the date/time that the additional samples were taken and recorded.

We also wanted to respond to Jacob's email that he sent to us this morning regarding a correction in the revised Weekly NAP Form (*NAP Revised Form sent to TCEQ 11072018*). His email stated:

"I failed to notice it up until this week when Carola updated the form to have more room to write down any actions. It was for the Bishop West before sample location. It has been listed under the Goal/Baseline section for all of the after boosting sample locations. It should have been listed under the Goal/Baseline section for the (Before) injection sample points. This makes a significant change for that location as far as the triggers are concerned as well. The goal for the after locations are listed as a 3.0 mg/L and the goal listed for the before locations are listed as a 2.0 mg/L. We have made this change on the newest forms that have been created."

The Bishop West Before/After sites are not currently listed as NAP sites with associated goals/baselines, triggers and corrective actions; the map in your current NAP lists these locations as "special sites." Samples at these locations have been recorded in previous forms, but the sites were listed at the bottom of the form, independent of the NAP sites, and had no associated goals/baselines and triggers (please see attached for a previous Weekly NAP Form for 10/22/2018, attached as *NAP Sampling Oct 22 2018 Week*, as provided in your email dated 10/30/18). We recommend that you list the two Bishop West sites (Before and After) independent of the NAP sites like the previous forms. If you would like to include the Bishop West Before/After sites as NAP sites, and assign site-specific goals/baselines, triggers, and corrective actions for each site, your current NAP will need to be revised to include this location. Please note, as discussed in our last conference call, any changes to your current NAP before the Agreed Order is closed would require further review and approval, which may result in an extension to the Agreed Order.

Please let me know if you have any questions.

Sincerely,

Joel

Joel Klumpp | Manager | Plan and Technical Review Section | Water Supply Division | TCEQ

12100 Park 35 Circle, Bldg. F | Austin, Texas 78753 | 📞 (512) 239-4453 Fax: (512) 239-6050 | ✉️: Joel.Klumpp@tceq.texas.gov

From: mcserrato@stwa.org [mailto:mcserrato@stwa.org]
Sent: Wednesday, November 7, 2018 1:14 PM
To: Joel Klumpp <joel.klumpp@tceq.texas.gov>

Cc: 'Aaron Archer' <aarcher@walkerpartners.com>; 'Bill Flickinger' <bflickinger@wfaustin.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; Brittney Teakell <Brittney.Teakell@tceq.texas.gov>; Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>; Bonnie Evans <Bonnie.Evans@tceq.texas.gov>; Stephanie Escobar <Stephanie.Escobar@Tceq.Texas.Gov>; Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>; Vera Poe <vera.poe@tceq.texas.gov>; Craig Stowell <Craig.Stowell@tceq.texas.gov>; David Simons <David.Simons@tceq.texas.gov>; Amanda Patel <Amanda.Patel@Tceq.Texas.Gov>; Audrey Liter <Audrey.Liter@Tceq.Texas.Gov>; Michael Tucker <Michael.Tucker@tceq.texas.gov>

Subject: RE: STWA Residuals 42" line October 20 - 23

Joel,

We have reviewed your email in more detail and two (2) items warrant additional discussion.

First, you have stated "Please note that the TCEQ will be reviewing future submittals to determine if the corrective actions were properly implemented to achieve the desired results." In addition, the email states, "We note that the same Weekly NAP Form was used to cover NAP monitoring activities over a two day period. If implementing corrective actions takes longer than one day, different Weekly NAP forms should be used for different days....This will help clarify when initial samples and verification samples as a result of a trigger were taken, and at what point any corrective action resolved issues."

STWA believes it is important to reiterate information previously shared with TCEQ, specifically the limited amount of flow on the 42" waterline and the number of days for any "desired results" to arrive at the trigger location. Based on the distance between Driscoll and Kingsville, STWA estimates that approximately 4,370,000 gallons of water would need to flow south of Driscoll to reach Kingsville. Below is the daily amount of gallons delivered to Bishop East PS, Bishop West PS, RWSC and Kingsville since the end of October – a total of 4,102,000 gallons. So, an adjustment made on October 31st at the Driscoll Disinfection Booster Station as a result of a trigger at the Kingsville Before location might arrive at the Kingsville Before location on November 5th or November 6th about a week later.

478,000	– October 31
428,000	– November 1
840,000	– November 2
699,000	– November 3
802,000	– November 4
<u>855,000</u>	– November 5
4,102,000	

As such, STWA is wondering whether your comment to use different forms for different days is the most effective means to track documentation that an adjustment is producing the "desired results."

Attached are modified NAP forms for your review/comment and which STWA is wondering would allow for easier tracking.

Thanks,

Carola

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

From: Joel Klumpp <joel.klumpp@tceq.texas.gov>

Sent: Monday, November 5, 2018 12:55 PM

To: mogserrato@stwa.org

Cc: 'Aaron Archer' <aarcher@walkerpartners.com>; 'Bill Flickinger' <bflickinger@wfaustin.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; Brittney Teakell <Brittney.Teakell@tceq.texas.gov>; Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>; Bonnie Evans <Bonnie.Evans@tceq.texas.gov>; Stephanie Escobar <Stephanie.Escobar@Tceq.Texas.Gov>; Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>; Vera Poe <vera.poe@tceq.texas.gov>; Craig Stowell <Craig.Stowell@tceq.texas.gov>; David Simons <David.Simons@tceq.texas.gov>; Amanda Patel <Amanda.Patel@Tceq.Texas.Gov>; Audrey Liter <Audrey.Liter@Tceq.Texas.Gov>; Michael Tucker <Michael.Tucker@tceq.texas.gov>

Subject: RE: STWA Residuals 42" line October 20 - 23

Carola,

We have reviewed the NAP Weekly Form which reported monitoring results on 10/25/2018 and 10/26/2018. This documentation shows that STWA met minimum requirements to acknowledge when a NAP trigger is hit, and is documenting corrective actions corresponding to a trigger.

Furthermore, we also wanted to address some additional items as we feel it is important to ensure that the corrective actions implemented per STWA's NAP meet the desired result of maintaining the total chlorine, monochloramine, and free ammonia goals established in the NAP. Furthermore, we feel these additional issues will help document that the corrective actions were properly implemented, and follow up actions were taken to ensure that the corrective actions implemented in response to a NAP trigger are achieving the desired result of residual levels moving out of the yellow/red trigger zone, and hitting the goal(s) established in the NAP.

1. **To determine if any corrective actions met the desired result** (getting out of the red/yellow trigger zones and into the "goal" zone), additional monitoring will need to be conducted. Per 30 TAC §290.110(c)(5)(C), total chlorine, monochloramine and free ammonia samples must be collected and analyzed weekly and whenever the chemical dosage is changed. Sampling for total chlorine, monochloramine, and free ammonia after chemical adjustment [as required by rule 30 TAC §290.110(c)(5)(C)] would assist in determining whether the corrective actions achieved adjustment of residual levels to meet the goals established in the NAP, but this sampling may not be limited to just the booster station where the chemical adjustment is being made, but also sampling points downstream.

For example, if a yellow trigger is hit at the Bishop East Before location, STWA's NAP directs staff to the following corresponding corrective action: (1) *Verify Results*. (2) *Inspect and adjust chemical dosages at Driscoll mainline and/or Kingsville disinfection facilities*. If chemical adjustment is done at the Driscoll booster station, then sampling should be done at the Driscoll After station per 30 TAC §290.110(c)(5)(c) to ensure the chemical dosage adjustment was successful and at the Bishop East Before location to ensure that staff properly corrected the issue and levels now meet the goals in STWA's NAP. A good example provided in the Weekly NAP Sheets is the Action listed for the Kingsville After location, where a "follow-up" residual was reported due to an increase in Cl₂ at the Driscoll Booster station.

2. **To document that the corrective actions were properly implemented**. We note the following items in the Weekly NAP Form:
 - a. In only one instance did we see documentation that a chemical adjustment addressed a yellow or red trigger issue (see above re: Kingsville After location). If adjustments were made and the water quality at the trouble areas (meaning, areas where triggers were hit) were resolved, then this should also be documented. To expand on the additional monitoring required in Item 1 above:
 - i. If chemical adjustment is made at a booster station, monitoring must be conducted after dosing adjustments are made per 30 TAC §290.110(c)(5)(C), and these secondary monitoring results must be appropriately documented.
 - ii. If a trigger is hit at a booster location, and chemical adjustment is required at another booster location due to a corrective action, monitoring must be conducted at both locations to ensure the trigger was resolved, and these results must be appropriately documented. If additional downstream sample sites are monitored to further ensure that boosting was effective, these sample results also need to be properly documented. As also referenced in Item 1 above, a good example provided in the Weekly NAP Sheets is the Action listed for the Kingsville After location, where a "follow-up" residual was reported due to an increase in Cl₂ at the Driscoll Booster station.

- b. We note that the same Weekly NAP Form was used to cover NAP monitoring activities over a two day period. If implementing corrective actions takes longer than one day, different Weekly NAP Forms should be used for different days. For example, one form should be used to report monitoring results from 10/25, and a second form should be used to report monitoring results from 10/26. This will help clarify when initial samples and verification samples as a result of a trigger were taken, and at what point any corrective action resolved issues.

Additional Item Regarding Verification Samples:

In reviewing the Weekly NAP Form, there were instances where an initial sample was taken, and a second, verification sample was taken (per a corrective action). Some of these second verification samples showed levels that differed significantly from the initial reading. For example, please see the readings reported for the Driscoll After station, noted inside the red box in the image below:

		Goal/Baseline	3.0		3.0	0.2					
		Yellow	2.5		2.5	0.1, 0.3					
		Red	2.0		2.0	>0.3					
			Total	Free	Mono	FAA	Nitrite	Nitrate	Verified	Residue	
B2 - CENTRAL - AFTER	NR	9:28am	3.12	0.05	3.08	0.46			T 3.13	F 0.17	
C2 - BANQUETE - AFTER	R	1:53pm	3.57	0.22	3.55	0.14			NO Action N		
D2 - SABLATURA PARK - AFTER	R	11:50am	3.19	0.18	3.17	0.31	(NS)		T 3.28	F 0.17	
(NG) E2 - AGUA DULCE - AFTER	R	12:07pm	3.48	0.11	3.47	0.39		Total		F 0.00	
F2 - DRISCOLL - AFTER	R	4:01pm	3.54	0.09	3.31	0.00			T 3.46	F 0.23	
G2 - DRISCOLL - BOOSTER - AFTER	NR	5:20pm	2.90	0.14	3.21	0.10			T 3.39	F 0.16	
H2 - BISHOP EAST - AFTER	R	11:32am	3.59	0.16	2.93	0.00			T 3.17	F 0.24	
I2 - KINGSVILLE - METER RUN - AFTER	R	10:30am	2.29	0.15	2.29	0.17			T 2.28	F 0.13	
			Total	Free	Mono	FAA	Nitrite	Nitrate	T 2.94	F 0.17	

The initial Free Ammonia level was reported as 0.00 mg/L. The second verification level was reported at 0.40 mg/L. The action taken was to "decrease LAS @ Driscoll." It is unclear to us whether STWA felt the first or the second FAA reading was the correct one. Therefore, in cases where the initial sampling and the verification sampling show levels that are significantly different, a third verification check should be done to determine whether the initial sample result or the second verification result was the correct one.

In summary, the documentation you provided is sufficient to show that STWA is meeting the minimum requirements for implementing STWA's NAP, which are a) acknowledging a trigger was hit, and b) a corrective action was implemented.

To ensure that the corrective actions taken to correct a trigger achieved the desired result, the additional items listed in this email serve as technical assistance for STWA. Please note that the TCEQ will be reviewing future submittals to determine if the corrective actions were properly implemented to achieve the desired result.

We also acknowledge that you provided a revised Weekly NAP Form for sampling dates of 10/25-10/26, and an additional Weekly NAP Form for sampling dates of 10/31 – 11/1. We have reviewed these two additional forms. We have no concerns about the format or content of the revised Weekly NAP Form. The information provided in these forms does not change our comments above. We request that you include all future Weekly NAP Forms in your next quarterly report due November 26, 2018.

If you have any questions, please don't hesitate to contact me. I can set up a time for us to discuss.

Sincerely,

Joel

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

Sent: Tuesday, October 30, 2018 9:34 AM

To: Joel Klumpp <joel.klumpp@tceq.texas.gov>

Cc: 'Aaron Archer' <aarcher@walkerpartners.com>; 'Bill Flickinger' <bflickinger@wfaustin.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; Brittney Teakell <Brittney.Teakell@tceq.texas.gov>; Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>; Bonnie Evans <Bonnie.Evans@tceq.texas.gov>; Stephanie Escobar <Stephanie.Escobar@Tceq.Texas.Gov>; Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>; Vera Poe <vera.poe@tceq.texas.gov>; Craig Stowell <Craig.Stowell@tceq.texas.gov>; David Simons <David.Simons@tceq.texas.gov>; Amanda Patel <Amanda.Patel@Tceq.Texas.Gov>; Audrey Liter <Audrey.Liter@Tceq.Texas.Gov>; Michael Tucker <Michael.Tucker@tceq.texas.gov>

Subject: RE: STWA Residuals 42" line October 20 - 23

Importance: High

Joel,

Attached is STWA's NAP Sampling Form from last week's sampling. Please note that the form has been placed on a legal sheet and in landscape to allow for additional space in the action section. Also attached is a copy of recent email correspondence with the City of Corpus Christi. Below is an explanation for providing this information at this time.

During the October 24th conference call (which understandably you were unable to participate in), it was made clear that the TCEQ staff determined that STWA's NAP Sampling was not occurring as required and specified in the Order.

Two options were listed by TCEQ staff.

1. There was a discussion about filing a request to revise the NAP thereby extending the time to comply with the Order. My understanding of that option is, if the request is approved, it would require a review and approval of the revised NAP and then STWA would need to follow the revised NAP including taking all necessary actions as a result of any triggers and documenting those actions. I do not recall a specific time frame being given for STWA to sample and document under a revised NAP. However, there was mention of this option extending the time frame by at least 6 months. In addition, Mr. Tucker made it clear that the request to revise the NAP and extend the time would need to be submitted before the November deadline.
2. There was also a discussion about STWA continuing to utilize the current NAP, taking action as the result of any triggers, and adequately documenting those actions. STWA field personnel performed the NAP Sampling in the latter part of last week following the conference call. The results and activities are documented in the attached file.

If STWA waits until after filing the Quarterly Report on Monday, November 26th (STWA was told the deadline would be November 26th since November 22nd is Thanksgiving Day) to find out if the NAP Sampling is sufficient, it would be too late to submit the request as directed by Mr. Tucker. Therefore, it seems imperative (by my thinking) to know whether last week's NAP Sampling is still lacking. If it is lacking, it would seem – according to my understanding of the conference call – that a request to revise the NAP should occur as soon as possible.

I look forward to your response. Please let me know if you need any additional information.

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

PO Box 1701
Kingsville, Texas 78364

From: Joel Klumpp <joel.klumpp@tceq.texas.gov>
Sent: Tuesday, October 23, 2018 12:32 PM
To: mogserrato@stwa.org
Cc: Aaron Archer <aarcher@walkerpartners.com>; Bill Flickinger <bflickinger@wfaustin.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fyrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; Brittney Teakell <Brittney.Teakell@tceq.texas.gov>; Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>; Bonnie Evans <Bonnie.Evans@tceq.texas.gov>; Stephanie Escobar <Stephanie.Escobar@Tceq.Texas.Gov>; Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>; Vera Poe <vera.poe@tceq.texas.gov>; Craig Stowell <Craig.Stowell@tceq.texas.gov>; David Simons <David.Simons@tceq.texas.gov>; Amanda Patel <Amanda.Patel@Tceq.Texas.Gov>; Audrey Liter <Audrey.Liter@Tceq.Texas.Gov>; Michael Tucker <Michael.Tucker@tceq.texas.gov>
Subject: RE: STWA Residuals 42" line October 20 - 23

Carola,

Thank you for the prompt notification of the incident. I will add this to the agenda for tomorrow's conference call so that we can discuss.

I will be sending the agenda for the call later this afternoon or first thing tomorrow morning.

Sincerely,

Joel

Joel Klumpp | Manager | Plan and Technical Review Section | Water Supply Division | TCEQ

12100 Park 35 Circle, Bldg. F | Austin, Texas 78753 | 📞 (512) 239-4453 Fax: (512) 239-6050 | ✉️: Joel.Klumpp@tceq.texas.gov

From: mogserrato@stwa.org [mailto:mogserrato@stwa.org]
Sent: Tuesday, October 23, 2018 10:43 AM
To: Joel Klumpp <joel.klumpp@tceq.texas.gov>
Cc: Aaron Archer <aarcher@walkerpartners.com>; Bill Flickinger <bflickinger@wfaustin.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fyrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: STWA Residuals 42" line October 20 - 23

Joel,

This weekend there was an incident pertaining to residuals which the field tech on call collected as part of our daily monitoring of the Driscoll Disinfection Booster Station. Attached is a pdf file with residuals for Saturday, October 20th, through today Tuesday, October 23, 2018. On Sunday, prior to injection at the Kingsville Pump Station Meter Run, he recorded a Total Chlorine residual below the required 0.50 mg/l – it was 0.43 mg/l.

He did not report this residual to anyone. This information was brought to me yesterday – Jacob Hinojosa is on vacation this week. The Field Foreman, Dony Cantu, the Field Tech II staff person, Patrick Sendejo, and I met with him and asked about his sampling as well as why he had not contacted anyone about the residual being lower than the required 0.50 mg/l of Total Chlorine. Attached is his explanation. There are reasons to believe that this individual is not being completely forthright since he called both Dony and Patrick the day before about a residual at CR 16 being lower than anticipated. We believe the five (5) minutes he stated that he flushed prior to sampling was insufficient – based on the results the day before and the day after. Regardless, we understand the residual recorded is part of the record.

I am bringing this to your attention sooner rather than having this be part of the next Quarterly Report – this residual will be part of Jacob's DLQOR reporting. I also thought you may want to include this incident as part of tomorrow's conference call agenda.

Please let me know if you would like any additional information. We are reviewing this individual's personnel file. Jacob and I discussed the incident this morning by telephone. The tech has been informed that the matter is not closed and will not be finalized until Jacob's return on Monday.

Carola G. Serrato
Executive Director

South Texas Water Authority

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

mcserrato@stwa.org

From: Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>
Sent: Tuesday, October 30, 2018 2:55 PM
To: mcserrato@stwa.org; 'Jacob Hinojosa'
Cc: Bonnie Evans
Subject: RE: TCEQ/STWA Teleconference - Note Change of Conference Line

Good afternoon Carola / Jacob,

Per our discussion this morning I am emailing you with the clarification on bacteriological sample locations as they relate to chlorine residual compliance. Several of our staff have corresponded and decided based on 290.110(c)(4)(D) that in order for a chlorine residual taken at a bacteriological sample location to count toward residual compliance (and therefore be included on the DLQOR), a bac-T sample would have to be collected at the same time. This means that for locations designated as bacteriological sample locations, if a bac-T sample is *not* taken at the same time as the residual then the residual is not for compliance purposes and would therefore be more for operational purposes. Obviously under the current Order the residual would still be included in the quarterly report. Everything stems from the designation and verbiage of the monitoring plan. If no language states the locations are the same and different residual locations are given from the bacteriological sample locations, then the above-mentioned explanation is in effect. I also spoke with your Region and they concluded the same thing. I hope this makes sense but certainly let me know if you need anything else or have any questions.

Kind Regards,

Andrew Nidoh
Natural Resource Specialist
Drinking Water Inventory & Protection Team
Texas Commission on Environmental Quality
University of Texas-Arlington Contractor
Phone: (512) 239-4611
Fax: (512) 239-6050
E-Mail: Andrew.Nidoh@tceq.texas.gov
Drinking Water Watch: <https://dww2.tceq.texas.gov/DWW/>

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Thursday, October 25, 2018 10:58 AM
To: Bonnie Evans <Bonnie.Evans@tceq.texas.gov>; 'Jacob Hinojosa' <jhinojosa@stwa.org>
Cc: Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>
Subject: RE: TCEQ/STWA Teleconference - Note Change of Conference Line

The best number is probably the office number and my extension – 361-592-9323, extension 112.

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

From: Bonnie Evans <Bonnie.Evans@tceq.texas.gov>
Sent: Thursday, October 25, 2018 10:53 AM
To: mcserrato@stwa.org; 'Jacob Hinojosa' <jhinojosa@stwa.org>

Cc: Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>

Subject: RE: TCEQ/STWA Teleconference - Note Change of Conference Line

Good Morning Carola and Jacob,

Let's plan for 10 am Tuesday October 30th. We can call you. Please respond with the best available number and if this date and time works for you.

Thank you,

Bonnie Evans

Drinking Water Specialist

Drinking Water Quality Team

Texas Commission on Environmental Quality

Email: Bonnie.Evans@tceq.texas.gov

Phone: (512) 239-6032

Fax: (512)-239-6050

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

Sent: Wednesday, October 24, 2018 3:12 PM

To: Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>; 'Jacob Hinojosa' <jhinojosa@stwa.org>

Cc: Bonnie Evans <Bonnie.Evans@tceq.texas.gov>

Subject: RE: TCEQ/STWA Teleconference - Note Change of Conference Line

Andrew,

I would like to be on the call. I will text Jacob – he is on vacation this week – to have him check his email and respond.

I am available next week except for a FMT conference call on Tuesday, October 30th at 11 a.m.

Carola

Carola G. Serrato

Executive Director

South Texas Water Authority

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

From: Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>

Sent: Wednesday, October 24, 2018 2:56 PM

To: Carola G. Serrato (mogserrato@stwa.org) <mogserrato@stwa.org>; Jacob Hinojosa (jhinojosa@stwa.org) <jhinojosa@stwa.org>

Cc: Bonnie Evans <Bonnie.Evans@tceq.texas.gov>

Subject: RE: TCEQ/STWA Teleconference - Note Change of Conference Line

Hello Carola / Jacob,

Per our conference meeting today I wanted to follow up with initiating a good time for Bonnie and Jacob to talk about the DLQOR information. I don't believe I will be on the call and Carola you can choose to be on it, but I think it is pertinent that Jacob

and Bonnie go over the DLQOR calculation spreadsheet and discuss it in detail. I believe Bonnie's schedule is fairly flexible next week so Jacob, what time(s) work best for you say early next week? Depending on what days and times work best for you Bonnie can setup an appointed time to give you a call. I don't see the call lasting terribly long either, so even a half-hour timeframe should be more than sufficient.

Kind Regards,

Andrew Nidoh
Natural Resource Specialist
Drinking Water Inventory & Protection Team
Texas Commission on Environmental Quality
University of Texas-Arlington Contractor
Phone: (512) 239-4611
Fax: (512) 239-6050
E-Mail: Andrew.Nidoh@tceq.texas.gov
Drinking Water Watch: <https://dww2.tceq.texas.gov/DWW/>

From: Joel Klumpp

Sent: Wednesday, October 24, 2018 12:27 PM

To: Kim Mann <Kim.Mann@Tceq.Texas.Gov>; Vera Poe <Vera.Poe@tceq.texas.gov>; Craig Stowell <Craig.Stowell@tceq.texas.gov>; Stephanie Escobar <Stephanie.Escobar@Tceq.Texas.Gov>; Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>; Kenneth Dykes <Kenneth.Dykes@tceq.texas.gov>; David Simons <David.Simons@tceq.texas.gov>; Michael Tucker <Michael.Tucker@tceq.texas.gov>; Amanda Patel <Amanda.Patel@Tceq.Texas.Gov>; Rita Setser <Rita.Setser@Tceq.Texas.Gov>; Michele Risko <Michele.Risko@Tceq.Texas.Gov>; Gary Chauvin <Gary.Chauvin@tceq.texas.gov>; Brittney Teakell <Brittney.Teakell@tceq.texas.gov>; Bonnie Evans <Bonnie.Evans@tceq.texas.gov>; Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>; Carola G. Serrato (mcserrato@stwa.org) <mcserrato@stwa.org>; Arron Archer <aarcher@walkerpartners.com>; Bill Flickinger (bflickinger@wfaustin.com) <bflickinger@wfaustin.com>; Jacob Hinojosa (jhinojosa@stwa.org) <jhinojosa@stwa.org>; Audrey Liter <Audrey.Liter@Tceq.Texas.Gov>

Subject: TCEQ/STWA Teleconference - Note Change of Conference Line

Importance: High

Folks,

Please use the conference line below for today's 1:00 meeting:

Participants Dialing Instructions

1. TCEQ Staff Access Number: 512-239-3446
2. Toll Free (for external customers ONLY): 844-368-7161
3. Participant's Collaboration code: 101734#

mcserrato@stwa.org

From: Bonnie Evans <Bonnie.Evans@tceq.texas.gov>
Sent: Thursday, October 25, 2018 10:53 AM
To: mcserrato@stwa.org; 'Jacob Hinojosa'
Cc: Andrew Nidoh
Subject: RE: TCEQ/STWA Teleconference - Note Change of Conference Line

Good Morning Carola and Jacob,

Let's plan for 10 am Tuesday October 30th. We can call you. Please respond with the best available number and if this date and time works for you.

Thank you,

Bonnie Evans

Drinking Water Specialist
Drinking Water Quality Team
Texas Commission on Environmental Quality
Email: Bonnie.Evans@tceq.texas.gov
Phone: (512) 239-6032
Fax: (512)-239-6050

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Wednesday, October 24, 2018 3:12 PM
To: Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>; 'Jacob Hinojosa' <jhinojosa@stwa.org>
Cc: Bonnie Evans <Bonnie.Evans@tceq.texas.gov>
Subject: RE: TCEQ/STWA Teleconference - Note Change of Conference Line

Andrew,

I would like to be on the call. I will text Jacob – he is on vacation this week – to have him check his email and respond.

I am available next week except for a FMT conference call on Tuesday, October 30th at 11 a.m.

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

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

From: Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>
Sent: Wednesday, October 24, 2018 2:56 PM
To: Carola G. Serrato (mcserrato@stwa.org) <mcserrato@stwa.org>; Jacob Hinojosa (jhinojosa@stwa.org) <jhinojosa@stwa.org>
Cc: Bonnie Evans <Bonnie.Evans@tceq.texas.gov>
Subject: RE: TCEQ/STWA Teleconference - Note Change of Conference Line

Hello Carola / Jacob,

Per our conference meeting today I wanted to follow up with initiating a good time for Bonnie and Jacob to talk about the DLQOR information. I don't believe I will be on the call and Carola you can choose to be on it, but I think it is pertinent that Jacob and Bonnie go over the DLQOR calculation spreadsheet and discuss it in detail. I believe Bonnie's schedule is fairly flexible next week so Jacob, what time(s) work best for you say early next week? Depending on what days and times work best for you Bonnie can setup an appointed time to give you a call. I don't see the call lasting terribly long either, so even a half-hour timeframe should be more than sufficient.

Kind Regards,

Andrew Nidoh
Natural Resource Specialist
Drinking Water Inventory & Protection Team
Texas Commission on Environmental Quality
University of Texas-Arlington Contractor
Phone: (512) 239-4611
Fax: (512) 239-6050
E-Mail: Andrew.Nidoh@tceq.texas.gov
Drinking Water Watch: <https://dww2.tceq.texas.gov/DWW/>

From: Joel Klumpp

Sent: Wednesday, October 24, 2018 12:27 PM

To: Kim Mann <Kim.Mann@Tceq.Texas.Gov>; Vera Poe <Vera.Poe@tceq.texas.gov>; Craig Stowell <Craig.Stowell@tceq.texas.gov>; Stephanie Escobar <Stephanie.Escobar@Tceq.Texas.Gov>; Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>; Kenneth Dykes <Kenneth.Dykes@tceq.texas.gov>; David Simons <David.Simons@tceq.texas.gov>; Michael Tucker <Michael.Tucker@tceq.texas.gov>; Amanda Patel <Amanda.Patel@Tceq.Texas.Gov>; Rita Setser <Rita.Setser@Tceq.Texas.Gov>; Michele Risko <Michele.Risko@Tceq.Texas.Gov>; Gary Chauvin <Gary.Chauvin@tceq.texas.gov>; Brittney Teakell <Brittney.Teakell@tceq.texas.gov>; Bonnie Evans <Bonnie.Evans@tceq.texas.gov>; Andrew Nidoh <Andrew.Nidoh@tceq.texas.gov>; Carola G. Serrato (mcserrato@stwa.org) <mcserrato@stwa.org>; Arron Archer <aarcher@walkerpartners.com>; Bill Flickinger (bflickinger@wfaustin.com) <bflickinger@wfaustin.com>; Jacob Hinojosa (jhinojosa@stwa.org) <jhinojosa@stwa.org>; Audrey Liter <Audrey.Liter@Tceq.Texas.Gov>

Subject: TCEQ/STWA Teleconference - Note Change of Conference Line

Importance: High

Folks,

Please use the conference line below for today's 1:00 meeting:

Participants Dialing Instructions

1. TCEQ Staff Access Number: 512-239-3446
2. Toll Free (for external customers ONLY): 844-368-7161
3. Participant's Collaboration code: 101734#

From: mcgserrato@stwa.org
Sent: Monday, October 29, 2018 11:18 AM
To: 'Yadhira Resendez'
Cc: 'Bill Flickinger'; 'Aaron Archer'; 'Dony Cantu'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'; 'Joel Klumpp'; 'Stephanie Escobar'
Subject: RE: Follow Up - DR900 SOP Review

Thank-you again, this is very helpful. I will make the changes as recommended.

Carola

From: Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>
Sent: Monday, October 29, 2018 10:16 AM
To: mcgserrato@stwa.org
Cc: Bill Flickinger <bflickinger@wfaustin.com>; Aaron Archer <aarcher@walkerpartners.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; Joel Klumpp <joel.klumpp@tceq.texas.gov>; Stephanie Escobar <Stephanie.Escobar@Tceq.Texas.Gov>
Subject: RE: Follow Up - DR900 SOP Review

Good Morning Carola,

We appreciate you providing the revised SOP for our review so quickly. I reviewed the SOP you provided, and have a few comments in red text below. These comments are also embedded in the attached SOP pdf file.

1. *The scope of the SOPs should be defined to properly reflect its purpose, which is to outline procedural steps STWA staff must take when monochloramine is reported to be higher than total chlorine.*
YAR: The revised SOP addressed this item.
2. *The SOPs must provide an example of what is meant by "monochloramine is reported to be higher than total chlorine" to provide clarity.*
YAR: The revised SOP provides an example of what is meant by monochloramine is higher than total chlorine. The language addressing this item also states "...you MUST perform BOTH tests (retest) again. See STEP 9." Step 9 refers to taking the reading of a sample cell without the contents of the reagent powder pillow; in essence, it is a control sample. We feel that the language added in STEP 9 would be more appropriate either in or after STEP 12, which is the step that directs the user to take a reading of the water sample with the contents of the reagent. Therefore, please move the language provided in STEP 9 to STEP 12 or after STEP 12, and revise the language in Page 1 to reflect the correct STEP 12.
3. *The SOPs must explain how a retest should be properly documented in the Weekly NAP Forms.*
YAR: The revised SOP addressed this item.

Furthermore, we felt that STWA should provide additional guidance in the event that a retest would still result in a monochloramine residual reported higher than total chlorine. In the event that a retest still shows a monochloramine residual to be higher than total chlorine, STWA staff should investigate other issues that could be causing the error. The following link from the Hach website addresses this error, and includes some recommendations that may be helpful to STWA staff. **TCEQ recommends that this information be included in the DR 900 SOPs.**

https://support.hach.com/app/answers/answer_view/a_id/1003641/loc/en_US#_highlight

Thank you,
Yadhira



Yadhira A. Resendez, E.I.T.
Work Leader, Engineering Specialist V | Technical Review and Oversight Team

12100 Park 35 Circle, Bldg. F | Austin, Texas 78753
☎ (512) 239-1018 Fax: (512) 239-6050
✉: Yadhira.Resendez@tceq.texas.gov

🌱 How's our customer service? Please fill out our [Customer Satisfaction Survey](#).

From: mogserrato@stwa.org <mogserrato@stwa.org>
Sent: Friday, October 26, 2018 5:10 PM
To: Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>
Cc: Bill Flickinger <bflickinger@wfaustin.com>; Aaron Archer <aarcher@walkerpartners.com>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: RE: Follow Up - DR900 SOP Review

Yadhira,

Thank-you for the clarification. This is very helpful.

I realize the instruction is to submit the revised SOP in November; however, before making the changes to all of the SOPs attached is one that has been revised. Is it possible for you to review this one and let me know if this is what TCEQ staff had in mind?

Again thanks and Have a Good Weekend,

Carola

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

From: Yadhira Resendez <Yadhira.Resendez@tceq.texas.gov>
Sent: Friday, October 26, 2018 3:14 PM
To: Carola G. Serrato (mogserrato@stwa.org) <mogserrato@stwa.org>
Cc: Joel Klumpp <joel.klumpp@tceq.texas.gov>; Stephanie Escobar <Stephanie.Escobar@Tceq.Texas.Gov>
Subject: Follow Up - DR900 SOP Review

Carola,

Per our conference call on 10/24/18, we discussed the SOPs that were provided in the revised quarterly report, dated October 5, 2018. These SOPs were provided in response to the TCEQ's concern about instances when monochloramine is reported to be higher than total chlorine. The revised quarterly report included the following statement to respond to this concern:

Approximately 17% of NAP samples showed a monochloramine concentration in excess of the total chlorine concentration. STWA staff believes that the purchase of three additional DR 900 devices has addressed the problem of monochloramine

residual results being greater than total chlorine. Field personnel have been instructed by Mr. Hinojosa and Executive Director Carola G. Serrato to retest in any instance when monochloramine is higher than total chlorine. The DR 900 SOPs are enclosed in Appendix E.

Per the conference call on 10/24/18, an action item was noted to respond to your question on whether the TCEQ would be reviewing the provided SOPs. We have discussed your question internally, and our response is the following:

The DR900 SOPs, provided in the revised quarterly report and attached to this email, detail the steps that staff should take to use the DR 900 instrument for total chlorine and monochloramine/free ammonia as nitrogen. The steps shown in the SOPs correspond to the Hach method sheets for the DR900 for total chlorine (DPD Method 10250, Powder Pillows for Total Chlorine) and monochloramine/free ammonia (Indophenol Method 10200 for Monochloramine/Free Ammonia).

However, because these SOPs were provided in response to the TCEQ's concern of instances where monochloramine is reported to be higher than total chlorine, we believe that the scope of the DR900 SOPs should be to outline the steps that STWA should take in instances when monochloramine is reported to be higher in total chlorine. Therefore, we are requesting that the DR900 SOPs, provided in the October 5, 2018 revised quarterly report, be revised to incorporate the following changes and submitted to the TCEQ in the next quarterly report which is due on November 26, 2018:

1. *The scope of the SOPs should be defined to properly reflect its purpose, which is to outline procedural steps STWA staff must take when monochloramine is reported to be higher than total chlorine.*
2. *The SOPs must provide an example of what is meant by "monochloramine is reported to be higher than total chlorine" to provide clarity.*
3. *The SOPs must explain how a retest should be properly documented in the Weekly NAP Forms.*

If you have any questions or would like further clarification, please do not hesitate to give me a call.

Best,
Yadhira



Yadhira A. Resendez, E.I.T.
Work Leader, Engineering Specialist V | Technical Review and Oversight Team

12100 Park 35 Circle, Bldg. F | Austin, Texas 78753
☎ (512) 239-1018 Fax: (512) 239-6050
✉ Yadhira.Resendez@tceq.texas.gov

👉 *How's our customer service? Please fill out our [Customer Satisfaction Survey](#).*

ATTACHMENT 4

Driscoll LAS Project

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 20, 2018
Re: Driscoll Disinfection Booster Station – Conversion to Chloramination System

Background:

Field personnel continue to monitor daily samples associated with the Driscoll Disinfection Booster Station. The Total Chlorine levels south of the booster station on CR 16 have usually been in the 2.5 mg/l or higher range. However, residuals continue to decrease at the before injection site on the Kingsville meter run. Staff monitors the amount of chemical used each day. The pounds of chlorine and pounds of LAS appears to be consistent with the manual settings. Staff continues, however, to consult with EI² about the possibility of an adjustment to the inserted flow meter which would provide better accuracy.

Analysis:

Two (2) gauges and several fittings were replaced on the LAS equipment. This has allowed field personnel to input higher pressure settings on the system. However, this change and operating the system in manual do not seem to have resulted in any remarkable increases in downstream residuals. As stated in previous memos, staff believes additional SCADA equipment may be necessary to communicate between the motor operated valves at Bishop West PS, Bishop East PS, Kingsville and Ricardo Meter Runs. Staff would like to close out the TCEQ Order and SCADA upgrade project before proposing another project for the Board's consideration.

Staff Recommendation:

Keep the Board updated on this matter.

Board Action:

Provide feedback to staff.

Summarization:

The residuals prior to injection at the Kingsville Meter Run continue to comply with the 0.50 mg/l of Total Chlorine.

ATTACHMENT 5

Bishop Water Supply Contract

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 20, 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. The Bishop City Council met on October 24th, the day after the STWA Board meeting. As reported in a recent Weekly Update, the Council entered into a Closed Session to discuss the contract with their legal counsel, Mr. Gerald Benadum, via telephone. After about two hours, the Council returned to Open Session and passed a motion to approve the contract changes discussed with Mr. Benadum.

These changes were provided by Mr. Benadum to our legal counsel Mr. Bill Flickinger, Willatt and Flickinger, PLLC. Mr. Flickinger has responded to Mr. Benadum's changes by email. Enclosed are the City's proposed changes and STWA's response to those changes. To date, there has not been any response to Mr. Flickinger's email. However, the City is scheduled to meet on November 28th. As the Board is aware, I will leave to Austin on November 27th and attend an all-day November 28th Texas Water Development Board meeting as the Coastal Bend Regional Water Planning Group Co-Chair. Therefore, updated information may be available by the December 4th meeting.

Analysis:

As reported in the recent Weekly Update, one of the more significant changes is the City's position to exclude reference to the License Agreement from the contract, including the corresponding exhibit. However, this item is now a separate agreement and presented as a separate agenda item. Staff and legal counsel recommend that executing the Wholesale Water Supply Contract should occur either after or at the same time as the License Agreement.

The second item that is a significant change is the amount of water taken by the City on a daily basis as it pertains to the City's agreed upon percentage. The City has modified the time frame to a quarterly basis. STWA's response is that a quarterly time period does not address maintaining a residual on the 42" waterline. STWA has countered that a weekly period would be the longest agreeable time.

Staff Recommendation:

At this time, without the City's response to the latest changes offered in Mr. Flickinger's email, staff can only recommend to formally approve the redline changes in our legal counsel's November 14, 2018 contract version.

Board Action:

Approve the attached, revised November 14th Agreement.

Summarization:

Staff believes progress has been made in the last several months with the two (2) above-described items possibly being the last of the issues to resolve.

mcgserrato@stwa.org

From: mcgserrato@stwa.org
Sent: Friday, November 16, 2018 10:52 AM
To: 'Alberto Ruiz'; 'Chuck Schultz (bigc1149@yahoo.com)'; 'Filiberto Trevino (ftrevinoiii@gmail.com)'; 'Kathleen Lowman'; 'Lupita Perez'; 'Patsy Rodgers'; 'Rudy Galvan'; 'Steven C. Vaughn'
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: FW: BISHOP / STWA
Attachments: STWA Bishop BF Revised Redline 111418 to GLB CHANGES 10-24-18 Revised Bishop Water Supply Contract_.doc

STWA Board:

Please see below. Bill has not provided a memo as he suggested several weeks ago. This item will be on the December 4th agenda.

I hope to send out a weekly update this afternoon. In response to my questions, Bill has provided two (2) separate agenda items for the December 4th meeting pertaining to the license agreement and possible real estate purchase.

Carola

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

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Wednesday, November 14, 2018 9:43 PM
To: gerald benadum <glbenadum@att.net>
Cc: Carola Serrato (mcgserrato@stwa.org) <mcgserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: RE: BISHOP / STWA

Dear Jerry:

Please see the attached redline revision to the draft you provided on October 25, 2018.

Most of the changes I made are self-explanatory. However, I will be happy to discuss the reasoning behind those as needed. These are changes that will be recommended to the Board of Directors of STWA by me and Carola Serrato at the next STWA Board meeting.

We recommend using a Weekly Usage Schedule instead of the quarterly averaging you recommended. A quarterly average will really be of no value in maintaining the required residual.

Also, I have removed the license agreements from this draft. We are willing to work out an independent solution on the facilities at the Bishop Park, however, we will recommend against signing the Water Supply Contract with the City of Bishop until those other agreements (which includes the facilities now owned by NWSC) are signed. The Authority is still interested in obtaining fee simple title to the land on which the facilities are located and in the interim would accept a license agreement.

The STWA Board of Directors will meet on December 4, 2018 and the attached changes will be presented for Board approval. In the meantime it would be helpful to have the City's comments. After we receive the City's comments, we can finalize the exhibits. Thank you.

Very truly yours,

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Wednesday, November 14, 2018 9:43 PM
To: gerald benadum
Cc: Carola Serrato (mcgserrato@stwa.org); Allison Nix
Subject: RE: BISHOP / STWA
Attachments: STWA Bishop BF Revised Redline 111418 to GLB CHANGES 10-24-18 Revised Bishop Water Supply Contract_.doc

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Most of the changes I made are self-explanatory. However, I will be happy to discuss the reasoning behind those as needed. These are changes that will be recommended to the Board of Directors of STWA by me and Carola Serrato at the next STWA Board meeting.

We recommend using a Weekly Usage Schedule instead of the quarterly averaging you recommended. A quarterly average will really be of no value in maintaining the required residual.

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The STWA Board of Directors will meet on December 4, 2018 and the attached changes will be presented for Board approval. In the meantime it would be helpful to have the City's comments. After we receive the City's comments, we can finalize the exhibits. 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 <glbenadum@att.net>
Sent: Thursday, October 25, 2018 3:50 PM
To: Bill Flickinger <bflickinger@wfaustin.com>

Cc: Laura Cantwell <laurac3@peoplepc.com>

Subject: BISHOP / STWA

Good afternoon, Bill. Attached is a red-line revised version of your latest draft. This was considered by the City Council yesterday evening. I apologize that I was not able to get that to you in advance of the meeting; i just finished my notes on that yesterday afternoon.

Most of our changes are self-explanatory. Two changes are worthy of note. In Section 13, dealing with guaranteed purchase, we have changed the period over which the City's consumption is measured. Calculating and adjusting useage on a daily basis, as provided in your proposal, will not be practicable for the City and does not allow for the various problems that may occur daily. We think that a quarterly period is much more workable.

With regard to the use of the East Side Station, as addressed in your Section 4, we think it is not appropriate or practical to deal with land use issues in a water contract. The effective periods for the 2 contracts will naturally be different, the parties are not identical, and the enforcement mechanisms may be incompatible. We don't see any advantage to mixing these, and this would further delay the execution of the water contract. We propose, instead of an concurrent agreement on the land use, merely a statement that the parties will work in good faith toward such an agreement.

It is my understanding that the City Council approved this attached version. I think that Cynthia Contreras was planning on sending a copy of this to Carola today.

Have a good evening
Jerry.

Gerald Benadum
gbenadum@att.net

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 ~~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 ~~in an amount equal~~ sufficient to replace ~~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 ~~150,000~~^{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.

~~Following the execution of this Contract, the Parties intend to negotiate in good faith toward making a contract among themselves and third party Nueces Water Supply Corporation (NWSC) relating to the continued use by these parties of that tract of land owned by The City of Bishop and generally referred to as the Bishop East Side Water Station, which contains various facilities and equipment owned by these parties in connection with their respective water systems.~~

~~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 theirits assigns, substantially in the form of thoseat attached as Exhibits "D," and "E," authorizing the Authority to use of that land for thoseits 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 (½) 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, **and shall be in effect only** if as and when any **such** 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% 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% 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% 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% 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 50% 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, averaged on a weekly ~~on a daily~~ averaged on a quarterly basis based on the Weekly Usage Schedule attached hereto as Exhibit “C.”~~the Daily Usage Schedule attached hereto as Exhibit “C.”~~ After the Initial Term of this Contract, the Wholesale Customer must purchase water from the Authority equal to at least 50% 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 create, and to modify as appropriate from time to time, adjust the ~~Daily~~ Weekly ~~quarterly~~ Usage Schedule to determine what best works to retain the chloramine residual at the level required by the TCEQ regulations. ~~When that~~ Weekly ~~minimum~~ Daily Usage Schedule has been determined, Wholesale Customer shall use its reasonable best efforts to purchase water as ~~required by the determined in the Daily~~ Weekly Usage Schedule. Revisions to the Weekly ~~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. Nothing in this Contract is intended to impose on Wholesale Customer, nor does Wholesale Customer assume, any obligation to satisfy any regulatory requirement applicable to the Authority. No relationship of agency, joint venture, or guarantor exists between these parties.

(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 OR AT LAW, 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, and when any and all appeals of such determination by the PUC are final, exclusive venue of the dispute may be resolved by the District Court of Nueces County, Texas shall lie a State District Court sitting in 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~~delivered 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 exclusive venue shall lie in a State court sitting in Nueces County, Texas, subject to the provisions of Section 14(D) above.

(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~~

~~Exhibit “C” – Weekly Usage Schedule~~

ATTACHMENT 6

License Agreement – City of Bishop PS Facilities

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 16, 2018
Re: City of Bishop – License Agreement – Bishop East PS Property

Background:

Enclosed please find the same correspondence pertaining to the Wholesale Water Supply Contract between the City of Bishop and South Texas Water Authority. The Board will recall that the contract offered by STWA included reference to and an accompanying exhibit of a License Agreement for the Bishop East PS Property. However, as reported recently in a weekly update, the City Council, based on a recommendation from their attorney, Mr. Gerald Benadum, have stated that they do not want the License Agreement to be part of the Contract. As such, this item is now a separate document and separate agenda subject for the Board's consideration. As stated in the email from Bill Flickinger, Willatt and Flickinger, PLLC, he and I are recommending to agree that the documents can be separated contingent on the City executing the License Agreement *prior to* or at the *same time* as the Wholesale Water Supply Agreement.

Analysis:

Neither legal counsel or staff agree with the City's position that the License Agreement should not be part of the Wholesale Water Supply Contract. However, in order to continue negotiating the contract in good faith, legal counsel and staff are amenable to separating the documents with the caveat that a License Agreement is secured before or concurrent with the Water Supply Contract.

A License Agreement between the Nueces Water Supply Corporation (NWSC) and the City of Bishop will be presented to the NWSC Board on November 26th. Staff will be recommending that the NWSC Board approve that agreement for presentation to the Bishop City Council.

There is another item pertaining to the possibility of purchasing the property where the Bishop East PS is located. Legal counsel and staff believe that action is worth further research and pursuit.

Staff Recommendation:

Approve the enclosed License Agreement for presentation to the City of Bishop Council.

Board Action:

Determine whether to approve the License Agreement for the Bishop East Pump Station property.

Summarization:

Legal counsel and staff believe this change in approach, although less straight forward in terms of documenting all agreements in one contract, will still result in the desired goal.

mcserrato@stwa.org

From: mcserrato@stwa.org
Sent: Friday, November 16, 2018 10:52 AM
To: 'Alberto Ruiz'; 'Chuck Schultz (bigc1149@yahoo.com)'; 'Filiberto Trevino (ftrevinoiii@gmail.com)'; 'Kathleen Lowman'; 'Lupita Perez'; 'Patsy Rodgers'; 'Rudy Galvan'; 'Steven C. Vaughn'
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: FW: BISHOP / STWA
Attachments: STWA Bishop BF Revised Redline 111418 to GLB CHANGES 10-24-18 Revised Bishop Water Supply Contract_doc

STWA Board:

Please see below. Bill has not provided a memo as he suggested several weeks ago. This item will be on the December 4th agenda.

I hope to send out a weekly update this afternoon. In response to my questions, Bill has provided two (2) separate agenda items for the December 4th meeting pertaining to the license agreement and possible real estate purchase.

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

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

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Wednesday, November 14, 2018 9:43 PM
To: gerald benadum <glbenadum@att.net>
Cc: Carola Serrato (mcserrato@stwa.org) <mcserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: RE: BISHOP / STWA

Dear Jerry:

Please see the attached redline revision to the draft you provided on October 25, 2018.

Most of the changes I made are self-explanatory. However, I will be happy to discuss the reasoning behind those as needed. These are changes that will be recommended to the Board of Directors of STWA by me and Carola Serrato at the next STWA Board meeting.

We recommend using a Weekly Usage Schedule instead of the quarterly averaging you recommended. A quarterly average will really be of no value in maintaining the required residual.

Also, I have removed the license agreements from this draft. We are willing to work out an independent solution on the facilities at the Bishop Park, however, we will recommend against signing the Water Supply Contract with the City of Bishop until those other agreements (which includes the facilities now owned by NWSC) are signed. The Authority is still interested in obtaining fee simple title to the land on which the facilities are located and in the interim would accept a license agreement.

The STWA Board of Directors will meet on December 4, 2018 and the attached changes will be presented for Board approval. In the meantime it would be helpful to have the City's comments. After we receive the City's comments, we can finalize the exhibits. Thank you.

Very truly yours,

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Wednesday, November 14, 2018 9:43 PM
To: gerald benadum
Cc: Carola Serrato (mcserrato@stwa.org); Allison Nix
Subject: RE: BISHOP / STWA
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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: Thursday, October 25, 2018 3:50 PM
To: Bill Flickinger <bflickinger@wfaustin.com>

Cc: Laura Cantwell <laurac3@peoplepc.com>

Subject: BISHOP / STWA

Good afternoon, Bill. Attached is a red-line revised version of your latest draft. This was considered by the City Council yesterday evening. I apologize that I was not able to get that to you in advance of the meeting; i just finished my notes on that yesterday afternoon.

Most of our changes are self-explanatory. Two changes are worthy of note. In Section 13, dealing with guaranteed purchase, we have changed the period over which the City's consumption is measured. Calculating and adjusting useage on a daily basis, as provided in your proposal, will not be practicable for the City and does not allow for the various problems that may occur daily. We think that a quarterly period is much more workable.

With regard to the use of the East Side Station, as addressed in your Section 4, we think it is not appropriate or practical to deal with land use issues in a water contract. The effective periods for the 2 contracts will naturally be different, the parties are not identical, and the enforcement mechanisms may be incompatible. We don't see any advantage to mixing these, and this would further delay the execution of the water contract. We propose, instead of an concurrent agreement on the land use, merely a statement that the parties will work in good faith toward such an agreement.

It is my understanding that the City Council approved this attached version. I think that Cynthia Contreras was planning on sending a copy of this to Carola today.

Have a good evening
Jerry.

Gerald Benadum
gibenadum@att.net

IV. INSURANCE

Licensee, shall, at its sole expense, provide a commercial general liability insurance policy, written by a company acceptable to the City and licensed to do business in Texas, with a combined single limit of not less than One Million and No/100 Dollars (\$1,000,000.00), which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy. Such insurance coverage shall specifically name the City as an additional insured. This insurance coverage shall cover all perils arising from the activities of Licensee, its officers, directors, employees, agents or contractors, relative to this Agreement. Licensee shall be solely responsible for the payment of any deductibles stated in the policy. A true copy of each instrument affecting such coverage shall be delivered to the City. So long as Licensee is using the Licensed Property, Licensee shall not cause such insurance to be cancelled nor permit such insurance to lapse. All insurance certificates shall not be reduced, restricted, or otherwise limited until ninety (90) days after the City has received written notice thereof as evidenced by a return receipt of registered or certified mail.

V. INDEMNIFICATION

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

VI. CONDITIONS

- A. Licensee's Responsibilities. Licensee, at Licensee's sole cost and expense, shall be responsible for the installation, construction, operation, maintenance, repair, replacement, and removal of the Licensed Improvements and for any costs arising therefrom, including but not limited to relocation of Licensed Improvements. Further, in the event Licensee fails to maintain, repair or remove damaged Licensed Improvements (if beyond maintenance or repair), Licensee shall reimburse the City within ninety (90) days of written demand for all reasonable costs of maintaining, replacing, repairing, or relocating any Licensed Improvements. Notwithstanding the foregoing, no repairs or replacements will be made with respect to the pumps previously used to serve the City without payment of the costs thereof by the City.
- B. Maintenance. Licensee expressly agrees to maintain the Licensed Property at Licensee's sole cost and expense for the duration of the license.
- C. Modification. Licensee agrees that the modification of any improvements on the Licensed Property must be approved in writing by the City prior to any such modification.

- D. Default. In the event that Licensee fails to maintain the Licensed Property or otherwise comply with the terms or conditions as set forth herein, then the City shall give Licensee written notice thereof, by registered or certified mail, return receipt requested to the address set forth below. Licensee shall have thirty (30) days from the date of receipt of such notice to remedy the failure complained of and, if Licensee does not satisfactorily remedy the same within the thirty-day period, the City may perform the work or contract for the completion of the work. Licensee agrees to pay within thirty (30) days of written demand by the City, all costs and expenses incurred by the City in completing the work.

VII. TERM

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

VIII. TERMINATION

- A. Termination by Abandonment. If Licensee abandons the use of all or any part of the Licensed Property for such purposes set forth in this Agreement, this Agreement as to such portion or portions abandoned, shall expire and terminate following thirty (30) days' written notice to the Licensee. The City shall thereafter have the right to enter the Licensed Property and any rights of the Licensee shall be terminated as of the date of the abandonment. All installations of Licensee not removed shall be deemed property of the City as of the time abandoned, and all such direct or indirect costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within thirty (30) days of receipt of the City's statement.
- B. Termination by the Licensee. This Agreement may be terminated by the Licensee by delivering written notice of termination to the City not later than thirty (30) days before the effective date of the termination. If the Licensee so terminates, then Licensee may remove the Licensed Improvements installed by the Licensee. In the event the Licensee fails to remove such Licensed Improvements on or before the expiration of ninety (90) days after the effective date of such termination, the Licensed Improvements will be retained by the City, and all such direct or indirect costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within thirty (30) days of receipt of the City's statement.
- C. Termination by the City. This Agreement may be terminated by the City by delivering written notice of termination to the Licensee not later than thirty (30) days before the effective date of the termination. If the City so terminates, then the Licensee shall remove the Licensed Improvements installed by the Licensee. In the event the Licensee fails to remove such Licensed Improvements on or before the expiration of three (3) years after the effective date of such termination, the Licensed Improvements will be retained by the City, and all such direct or indirect costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within thirty (30) days of receipt of the City's statement.

IX. APPLICATION OF LAW; ENTIRE AGREEMENT & SEVERABILITY

This Agreement shall be governed by the laws of the State of Texas. This Agreement embodies the complete agreement of the parties hereto, superseding all prior oral and written agreements between the parties with respect to the subject matter in this Agreement. If the final judgment of a court of competent jurisdiction invalidates any part of this Agreement, then the remaining parts shall be enforced, to the extent possible, consistent with the intent of the parties as evidenced by this Agreement.

X. VENUE

Venue for all claims and lawsuits concerning this Agreement shall be in Nueces County Texas.

XI. COVENANT RUNNING WITH THE LAND; WAIVER OF DEFAULT

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

XII. ASSIGNMENT

Licensee shall not assign, sublet or transfer its interest in this Agreement without the prior written consent of the City.

XIII. NOTICES

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

To Licensee at: South Texas Water Authority
Attn: Executive Director
P.O. Box 1701
Kingsville, Texas 78364

To City at: City of Bishop
Attn: City Secretary
203 E. Main Street
Bishop, Texas 78343

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

XIV. EXECUTION IN COUNTERPARTS

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

TERMS AND CONDITIONS ACCEPTED this the _____ day of _____, 2018.

CITY:

City of Bishop

Tem Miller, Mayor

ATTEST:

Cynthia L. Contreras, City Secretary

[CITY'S SEAL]

LICENSEE:

South Texas Water Authority

Kathleen Lowman, President, Board of Directors

ATTEST:

Rudy Galvan, Secretary, Board of Directors

[AUTHORITY'S SEAL]

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of _____, 2018, by Tem Miller, the Mayor of the City of Bishop, Texas, a political subdivision of the State of Texas, on behalf of said city.

Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2018, by Kathleen Lowman, the Board President of South Texas Water Authority, a governmental agency, conservation and reclamation district and body politic and corporate, on behalf of said authority.

Notary Public in and for the State of Texas

ATTACHMENT 7

Real Property Purchase – Bishop PS Facilities

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 19, 2018
Re: City of Bishop – Bishop East PS – Real Estate Purchase

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. As indicated in the email from Mr. Bill Flickinger, Willatt and Flickinger, PLLC, to Mr. Gerald Benadum, STWA continues to express interest in purchasing the property that the Bishop East PS is located on. As reported in recent Weekly Updates, staff has researched the deed history of the property particularly as it relates to the real estate being donated as a city park and the City's subsequently securing grant funds from the Texas Parks and Wildlife Department (TPWD) for park improvements.

Analysis:

Legal counsel confirms that any restrictions from the original land donation were eliminated by a second document provided by the grantor. In addition, it is apparent that the Bishop East Pump Station was in existence when the first TPWD grant was awarded. Staff has questioned legal counsel about any TPWD restrictions applying only to a change of use on the remaining property. The answer to that question will likely require a detailed written request addressed to TPWD.

Staff Recommendation:

Staff recommends executing a license agreement while continuing to pursue buying the property including contacting TPWD and attempting to have discussions with the City based on the information received from TPWD.

Board Action:

Provide feedback to staff and legal counsel on the possible purchase of the property.

Summarization:

Legal counsel and staff agree that purchase of the property is a better solution from a long-term perspective as compared to a license agreement.

mcserrato@stwa.org

From: mcserrato@stwa.org
Sent: Friday, November 16, 2018 10:52 AM
To: 'Alberto Ruiz'; 'Chuck Schultz (bigc1149@yahoo.com)'; 'Filiberto Trevino (ftrevinoiii@gmail.com)'; 'Kathleen Lowman'; 'Lupita Perez'; 'Patsy Rodgers'; 'Rudy Galvan'; 'Steven C. Vaughn'
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: FW: BISHOP / STWA
Attachments: STWA Bishop BF Revised Redline 111418 to GLB CHANGES 10-24-18 Revised Bishop Water Supply Contract_.doc

STWA Board:

Please see below. Bill has not provided a memo as he suggested several weeks ago. This item will be on the December 4th agenda.

I hope to send out a weekly update this afternoon. In response to my questions, Bill has provided two (2) separate agenda items for the December 4th meeting pertaining to the license agreement and possible real estate purchase.

Carola

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

From: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Wednesday, November 14, 2018 9:43 PM
To: gerald benadum <glbenadum@att.net>
Cc: Carola Serrato (mcserrato@stwa.org) <mcserrato@stwa.org>; Allison Nix <anix@wfaustin.com>
Subject: RE: BISHOP / STWA

Dear Jerry:

Please see the attached redline revision to the draft you provided on October 25, 2018.

Most of the changes I made are self-explanatory. However, I will be happy to discuss the reasoning behind those as needed. These are changes that will be recommended to the Board of Directors of STWA by me and Carola Serrato at the next STWA Board meeting.

We recommend using a Weekly Usage Schedule instead of the quarterly averaging you recommended. A quarterly average will really be of no value in maintaining the required residual.

Also, I have removed the license agreements from this draft. We are willing to work out an independent solution on the facilities at the Bishop Park, however, we will recommend against signing the Water Supply Contract with the City of Bishop until those other agreements (which includes the facilities now owned by NWSC) are signed. The Authority is still interested in obtaining fee simple title to the land on which the facilities are located and in the interim would accept a license agreement.

The STWA Board of Directors will meet on December 4, 2018 and the attached changes will be presented for Board approval. In the meantime it would be helpful to have the City's comments. After we receive the City's comments, we can finalize the exhibits. Thank you.

Very truly yours,

mcserrato@stwa.org

From: Bill Flickinger <bflickinger@wfaustin.com>
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To: gerald benadum
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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: Thursday, October 25, 2018 3:50 PM
To: Bill Flickinger <bflickinger@wfaustin.com>

Cc: Laura Cantwell <laurac3@peoplepc.com>

Subject: BISHOP / STWA

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It is my understanding that the City Council approved this attached version. I think that Cynthia Contreras was planning on sending a copy of this to Carola today.

Have a good evening
Jerry.

Gerald Benadum
gbenadum@att.net

ATTACHMENT 8

Driscoll Water Supply Contract

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 20, 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.

Analysis:

As before, staff will continue to contact Mr. John Valls, Interim Administrator. As stated in the attached emails, legal counsel and staff are interested in meeting face to face with City representatives to review the contract and address any City concerns.

Staff Recommendation:

Keep the Board updated on this matter.

Board Action:

Provide feedback to staff and legal counsel.

Summarization:

The annual anniversary of charging an incremental increase is about two (2) months away. Staff had thought that the Board's adoption of the \$0.426386 per 1000 gallons charge would be an incentive to encourage discussions. Staff believes it has been made clear that STWA is a willing participant in negotiating a contract.

mcserrato@stwa.org

From: mcserrato@stwa.org
Sent: Tuesday, November 20, 2018 12:08 PM
To: 'John Valls'
Cc: Bill Flickinger
Subject: RE: City of Driscoll - STWA Water Supply Contract

John,

Thanks for the update. I understand that the City's election is on December 18th.

Have Great Holidays – talk to you soon,

Carola

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

From: John Valls <jvalls@cityofdriscoll.com>
Sent: Tuesday, November 20, 2018 10:44 AM
To: mcserrato@stwa.org
Subject: Re: City of Driscoll - STWA Water Supply Contract

Carola,

I apologize for the delay as it was my hope to have this addressed in November, however, the council does not want to address this issue until the election for a new mayor has concluded at the middle of the month.

I'll be back in touch once that matter is resolved.

Regards and best wishes for a happy Thanksgiving.

John

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Tuesday, November 20, 2018 10:27:34 AM

To: John Valls
Cc: Jo Ella Wagner; Frances Rosales; Bill Flickinger
Subject: FW: City of Driscoll - STWA Water Supply Contract

Good Morning John,

I left a voice message for you at the 387-3011 extension 4 number. We are in the process of preparing the STWA Board Agenda and Packet for the December 4th meeting. I will be out of the office most of next week and was hoping to get a head start.

Do you have any information on the City Council's upcoming schedule? As mentioned previously, STWA's legal counsel and I would like to meet with City representatives to review the contract and address any concerns the City may have.

Looking 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: mogserrato@stwa.org <mogserrato@stwa.org>
Sent: Monday, October 15, 2018 10:58 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 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: mcserrato@stwa.org <mcserrato@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

ATTACHMENT 9

Bids – Track Hoe

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 29, 2018
Re: Bid Award for Purchase of a Track Hoe/Excavator

Background:

As reported in the last staff memo, STWA purchased the current trackhoe in 1999 for \$49,266. That equipment was used to install hundreds of sacrificial zinc anodes on the 42" waterline. In October, the Board authorized staff to advertise for bids on a replacement trackhoe. In consultation with legal counsel, a request for bids was issued through BuyBoard on November 13, 2018 with a deadline of Thursday, November 29th at 10 a.m. Thirteen (13) vendors received a notice of the request for bids. The budgeted amount for purchase of the trackhoe is \$95,000.

Analysis:

Below are the results of issuing the notice for bids through BuyBoard:

Company	Location	Model	Warranty	Delivery Days	Price	Trade-In
Anderson Machinery	No Bid					
Bobcat Company	Corpus Christi	E85-T4R	2 yr/2000 hrs	60 – 90	\$84,589.52	\$13,000.00
Doggett Machinery	Corpus Christi	Deere 75G	3 yr/3000 hrs	14 – 30	\$98,565.00	\$10,500.00
H&V Equipment	Bid does not meet specifications					
Hlavinka Equipment	Houston	JCB 100 C-1	2 yr/2000 hrs	180	\$116,453.00	\$11,000.00
Holt Texas, Ltd	Bid does not meet specifications					
John Deere Const.	See Doggett					
Kubota Tractor Corp.	Corpus Christi	KX 080-4553	2 yr/2000 hrs	n/a	\$84,892.84	n/a
New Holland Const.	Bid does not meet specifications					
Nueces Power Equip.	Corpus Christi	Case CX80C	2 yr/3000 hrs	90	\$95,642.00	\$14,000.00
Romco Equip. Co.	Bid does not meet specifications					
Vermeer Texas	No Trackhoes available					
Waukesha-Pearce Ind.	No Bid					

Staff Recommendation:

Award the bid to Doggett Machinery in the amount of \$98,565.00 minus \$10,500.00 for trade in of STWA's current trackhoe.

Board Action:

Determine whether to award the bid to Doggett Machinery in the amount of \$98,565.00 minus \$10,500.00 for trade in of STWA's current trackhoe for the purchase of a Deere 75G track hoe.

Summarization:

This equipment will be an essential factor in the success of rebooting the cathodic protection program.

Armando

From: Armando <ayruegas@stwa.org>
Sent: Thursday, November 29, 2018 11:51 AM
To: Carola Serrato
Subject: Bids on Excavator
Attachments: Track Hoe Purchase DEC 4 2018 2.docx

Carola, here are the quotes for the excavator. H&V Equipment and Holt Cat are not up to specs on the tracks. They both have smaller and rubber tracks. Romco Equipment Co. are below our digging depth specs. I talked with Dony and we both think that Doggett Deere would be the first choice because of the warranty on the machine and the availability. They have one in Houston which would take about a week to get it. And if that one already sold they can get one within 14 to 30 days. Second choice would be the NPE case. Delivery time till March.

I spoke with Mr. Xavier Gonzalez from the Buyboard this morning. He said all we had to do was make out a PO and take it to the company we plan on buying the equipment from. And later he would just come by and get a copy of the PO and send it to the Buyboard. He is also willing to come down to the board meeting in case they have any questions about the Buyboard. Just to let him know. If any questions please call me.

Thanks;;

Armando Yruegas
CP Technician
South Texas Water Authority
P.O. Box 1701 Kingsville Tx, 78364
Shipping Address : 2302 E. Sage Rd Kingsville Tx 78363
Office 361/592-9323
Cell 361/445-5109

ATTACHMENT 10

Resolution 18-20

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 18-20

RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE (1) TRACK
HOE/EXCAVATOR.

WHEREAS, the South Texas Water Authority solicited bids to acquire one (1) track hoe
/excavator for the Authority's use, and

WHEREAS, the Board of Directors of the South Texas Water Authority has reviewed the
bids and finds that _____ has submitted the lowest responsible bid.

NOW, THEREFORE, BE IT RESOLVED that the South Texas Water Authority Board
of Directors awards the bid for one (1) track hoe/excavator to _____.

Duly adopted this 4th day of December, 2018.

KATHLEEN LOWMAN, PRESIDENT

ATTEST:

RUDY GALVAN, SECRETARY/TREASURER

ATTACHMENT 11

WP Construction Proposal – Kingsville PS Rehab

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 27, 2018
Re: Quote for Kingsville Pump Station Rehab – WP Construction to Replace Mercer Controls Quote

Background:

As reported in a recent Weekly Update, the subcontractor to Mercer Controls, Inc. (Mercer) is no longer working in this area. This subcontractor has performed the pump station rehabilitations on the Agua Dulce, Bishop East, Central, and Driscoll Pump Stations. These stations were built as part of the original Regional Water System construction which was completed in 1986. The remaining pump station requiring a rehabilitation is the Kingsville Pump Station. Enclosed is the quote from Mercer received on July 25, 2018 in the amount of \$37,900. This quote was used as part of the FY 2019 budget process.

Analysis:

Enclosed is an email to Mr. William Pope, WP Construction, discussing the quote for the rehabilitation of the Kingsville PS building. Mr. Pope contacted our office in response to conversations with Mr. Sherrel Mercer. Mr. Mercer acknowledges that he provided the quote; but, as a result of his previous subcontractor working out of State, he has asked STWA to agree to a quote being provided from Mr. Pope. As such, enclosed is a quote from WP Construction in the amount of \$22,450. This amount is \$15,450 less than the budgeted amount of \$37,900.

Staff Recommendation:

Staff recommends awarding the bid to WP Construction in the amount of \$22,450.

Board Action:

Determine whether to approve the quote from WP Construction in the amount of \$22,450 for the rehabilitation of the Kingsville Pump Station building.

Summarization:

This is the last pump station building requiring rehabilitation. The building has been in existence for approximately 32 years.

Will Pope Construction, Inc.

PROPOSAL

11/27/2018

Will Pope Construction
P.O. Box 525
Inez, TX. 77968-0525
(361) 782-6690 Office
(361) 782-8084 Cell

PROPOSAL SUBMITTED TO:

South Texas Water Authority
Carola Serrato
361-592-9323 Ext. 112

Will Pope Construction hereby submits specifications for:

- Demo existing roof panels
- Install new 26 Gauge galvalume roof panels
- Install hat channel on existing panels
- Sheet over existing wall panels with 26 gauge colored panels
- Trim around existing wall penetrations
- Install new gutters and downspouts
- Demo existing base angle
- Install new galvanized angle
- Paint existing doors and vents
- Cut and repair columns
- Pour cement beneath pads as needed
- Includes all travel expenses
- *Extra frame repair will be done at cost plus

Will Pope Construction proposes hereby to furnish all labor complete in accordance with the above specifications for the sum of:

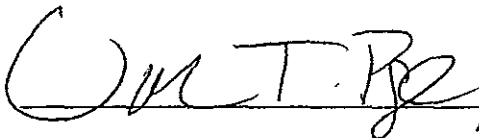
Twenty Two Thousand Four Hundred Fifty Dollars and no/100's

\$22,450.00

With payment to be made in installments as follows: 1.) Half due on the delivery of material 2. Balance due within five days of turnkey completion.

Any alteration or deviation from above specifications involving extra costs will be executed only upon written order and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Damages, delays, and/or material overages due to inclement weather may result in additional charges. Prices are guaranteed for fifteen (15) days from proposal date.

Respectfully Submitted



Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Signature _____ Date of acceptance _____



MERCER CONTROLS, INC.

P. O. BOX 777 / 804 APOLLO DRIVE

EDNA, TEXAS 77957

PH: (361) 782-7168 FAX: (361) 782-7706

S.A. Mercer, P.E.

(361) 782-5678

www.MERCERCONTROLS.com

July 25, 2018

To: South Texas Water Authority
Sage Rd.
Kingsville TX
Attn: Carola Serrato

Re: South Texas Water Authority – Building Improvements

Mercer Controls and its subcontractor propose the following improvements to the pump building located at the Sage Road Site:

Install hat channel and overlay all exterior metal siding and trim. Remove metal roof. Cut and repair deteriorated steel columns and pour new elevated pads for column bases. Install all new roofing panels with trim and gutters. Install new base angle metal, new siding, and trim on exterior walls. Paint existing doors and vents.

Price Complete, \$37,900*.

*This price is based on our present knowledge of site conditions. Price will be subject to change in the price of material from July 25.

We await your instructions.

Respectfully Submitted,

MERCER CONTROLS, INC.

S. A. Mercer, P.E., President

SAM/ag

mcgserrato@stwa.org

From: mcgserrato@stwa.org
Sent: Tuesday, November 20, 2018 4:54 PM
To: William Pope (wp_construction@yahoo.com)
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: South Texas Water Authority - Photos of Pump Station Rehabs and Flashing
Attachments: IMG_0610.jpg; IMG_0611.jpg; IMG_0612.jpg; IMG_0613.jpg; IMG_0614.jpg; IMG_0615.jpg; IMG_0616.jpg

Good Afternoon Mr. Pope,

I am forwarding some photos of recent work to South Texas Water Authority's pump stations which are examples of how certain areas were addressed. As you discussed with Jacob Hinojosa, O&M Supervisor, these are being sent to assist in your development of the quote. I was unaware that you had requested the information. Apparently, Jacob's email bounced back due to a missing letter in the email address. Please excuse this oversight.

I did call yesterday to your 361-782-6690 office number and inquire about the proposal. Regardless, I want to be certain that your office has my correct email address - mcgserrato@stwa.org.

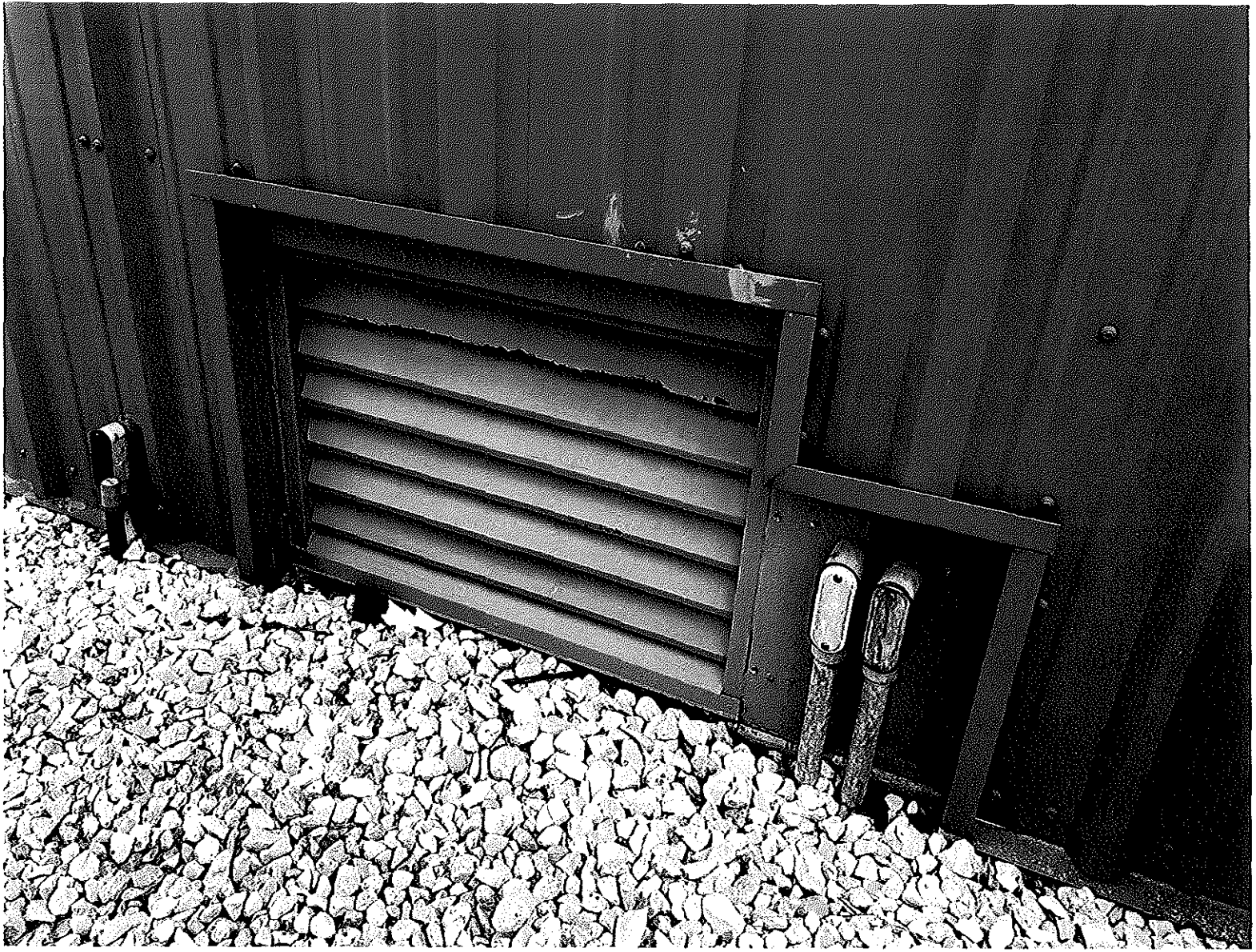
Please let me know if you need any additional information. As I indicated during my call yesterday, STWA is in the process of finalizing our agenda packet for the STWA Board Meeting on December 4th. Our office is closed this Thursday and Friday for Thanksgiving. I will be out of the office next week beginning Tuesday, November 27th at noon until December 3rd.

I look forward to receiving your proposal.

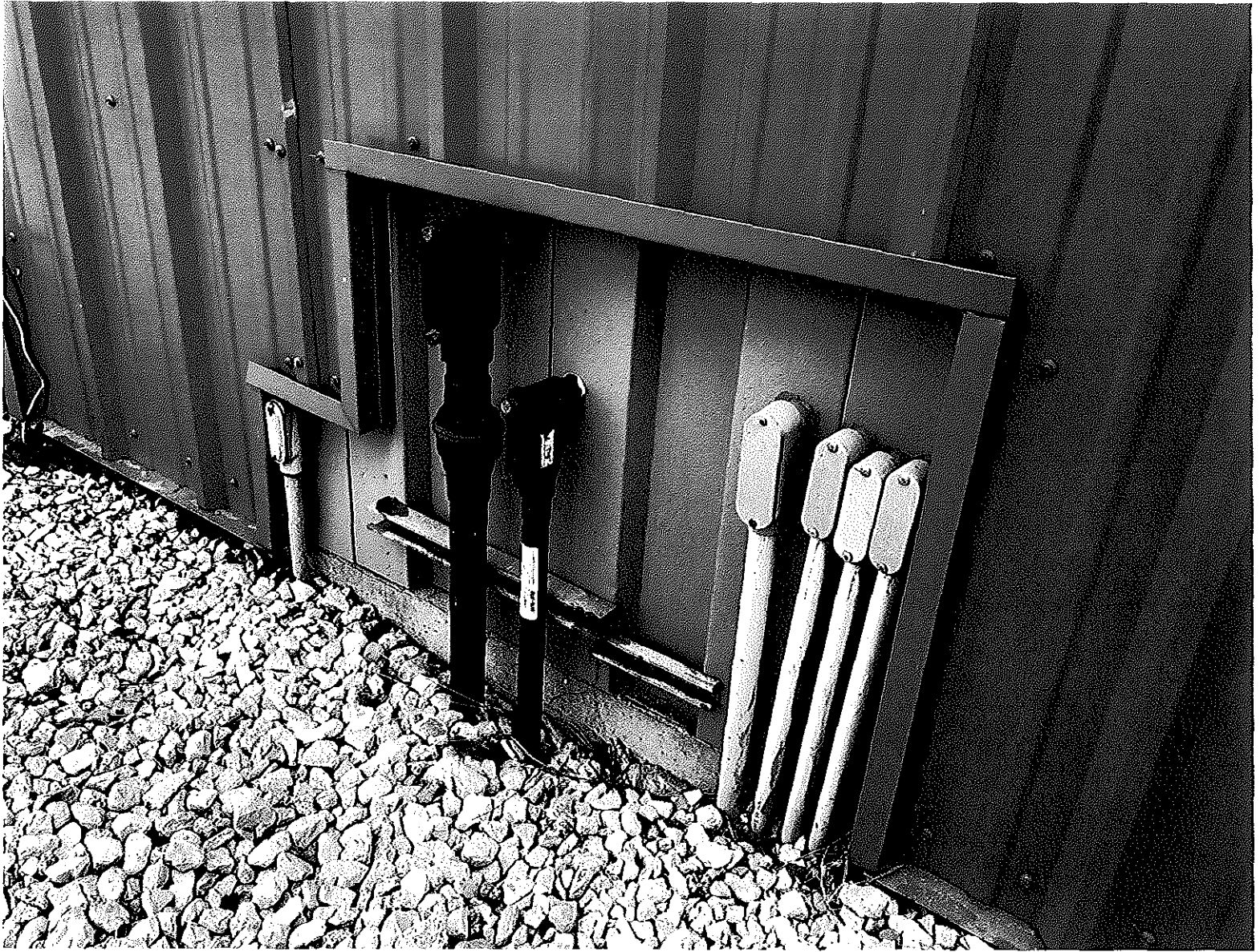
Thanks and have a Good Evening,

Carola

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















ATTACHMENT 12

Corpus Christi True Up

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 20, 2018
Re: City of Corpus Christi Annual Rate "true-up" and Fiscal Year 2019 Rates

Background:

As the Board is aware, there has been a delay in receiving information from the City of Corpus Christi pertaining to their rate model. In the last month and a half, staff has worked with Mr. Chris Ekrut, NewGen Strategies, Mr. Mark Young, Nueces County Water Control and Improvement District #4, and Bill Flickinger, Willatt and Flickinger, to assess the City's latest model provided by Ms. Reba George, Corpus Christi Assistant Director of Support Services, on October 12th. Enclosed are the emails associated with this matter.

Analysis:

As reported in the previous staff memo and recent Weekly Updates, 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, the City Council is not expected to pass the Ordinance adopting the Public Agency for Resale Rate until December 4 (first reading) and December 11 (second reading). Enclosed is the draft template letter notifying STWA's Wholesale Customers of the City's action. Staff proposes to send the letters once the Council has taken final action.

Staff Recommendation:

Send the drafted letter to Wholesale Customers after the Corpus Christi City Council has adopted the Public Agency for Resale Rate.

Board Action:

Provide feedback to staff and/or consultants.

Summarization:

Another item that was brought to the Board's attention is the City's plan to allocate the cost of expanding their utility building to water. STWA's and NCWCID#4 raised our objections to the City during a recent conference call. As the Board is also aware, this objection was documented in the enclosed letter to City Attorney Miles Risley.

December 12, 2018

«Name»
«Company»
«Address1»
«Address2»

Re: Updated City of Corpus Christi Rates

Dear «Salutation»:

In August, South Texas Water Authority (STWA) provided the «Company» with STWA's proposed FY 2019 budget. However, at that time, the City of Corpus Christi's FY 2019 rates, which take effect in January, were not yet known. In October, the City provided its updated rate model and these past two months STWA staff worked with our rate consultant, NewGen Strategies, to ensure that the City has (1) performed the true-up per the Settlement Agreement and (2) allocated projected costs to its wholesale customers correctly. In August, STWA also indicated that the Corpus Christi rate, which is passed through to STWA's customers, would likely be lower than the projected \$2.66/1000 gallons included in the proposed budget. Based on the City's recently received model, anticipated rates are almost 13.5 cents per 1000 gallons less than the rate estimated in August. Below is a table with the updated Corpus Christi rates for January 2019 through September 2019.

Month	Handling Charge (unchanged)	Updated Corpus Christi Rate	Updated Total Price Per 1000g	Price Per Resolution 18-12	Difference Updated vs. Original
January-2019	\$0.426386	\$2.558527	\$2.984913	\$3.119721	-\$0.134808
February-2019	\$0.426386	\$2.560181	\$2.986567	\$3.121375	-\$0.134808
March-2019	\$0.426386	\$2.558390	\$2.984776	\$3.119584	-\$0.134808
April-2019	\$0.426386	\$2.557517	\$2.983903	\$3.118712	-\$0.134809
May-2019	\$0.426386	\$2.556946	\$2.983332	\$3.118142	-\$0.134810
June-2019	\$0.426386	\$2.556583	\$2.982969	\$3.117780	-\$0.134811
July-2019	\$0.426386	\$2.554395	\$2.980781	\$3.115602	-\$0.134821
August-2019	\$0.426386	\$2.554459	\$2.980845	\$3.115665	-\$0.134820
September-2019	\$0.426386	\$2.556963	\$2.983349	\$3.118159	-\$0.134810

If you have any questions regarding this information, please contact me at 361-592-9323, extension 112 or by email at mcgserrato@stwa.org.

Sincerely,

Carola G. Serrato
Executive Director

CGS//

mcgserrato@stwa.org

From: Reba George <RebaG@cctexas.com>
Sent: Wednesday, November 21, 2018 9:46 AM
To: Chris Ekrut
Cc: mcgserrato@stwa.org; Mark Young; Brian Williams; Jo Ella Wagner; Dan Grimsbo
Subject: RE: 11/2 Conf Call: RESPONSE to wholesale customers
Attachments: Ex A Summary of impacts 2018 to 2019 FINAL.pdf

Chris—my sincere apologies – you have the correct rate model, unfortunately I attached the wrong Exhibit.

Please see attached Exhibit A to replace the one previously sent.

As far as a map – that may take a few days. Was the verbal description not adequate?

Thank you,
Reba

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Tuesday, November 20, 2018 8:06 PM
To: Reba George <RebaG@cctexas.com>
Cc: mcgserrato@stwa.org; Mark Young <myoung@ncwcid4.org>; Brian Williams <BGW@spmwd.net>; Jo Ella Wagner <jwagner@stwa.org>; Dan Grimsbo <DanG@cctexas.com>
Subject: RE: 11/2 Conf Call: RESPONSE to wholesale customers

Reba –

At your convenience, could you please provide the rate model that corresponds with the calculation of the raw water rate shown in your previously provided attachment of \$0.942? The attached model that was provided on 10-12-18 does not correspond with this figure.

Additionally, can the City provided a map highlighting all of the lines involved with the City-wide IDIQ project?

Thanks,
Chris

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: Tuesday, November 20, 2018 2:57 PM
To: Chris Ekrut <cekrut@newgenstrategies.net>
Cc: mcgserrato@stwa.org; Mark Young <myoung@ncwcid4.org>; Brian Williams <BGW@spmwd.net>; Jo Ella Wagner

Exhibit A

Rate per 1000 gallons	1/1/2018	1/1/2019
Raw Water		
Rate payer rate	0.924	0.963
Development charge	0.05	0.05
TOTAL	0.974	1.013
<i>% increase</i>		4.0%
<i>\$ increase</i>		\$ 0.039
Resale Treated		
Raw diversion	0.086	0.086
Treatment	1.318	1.441
TOTAL	\$ 1.404	\$ 1.527
<i>% increase</i>		8.8%
<i>\$ increase</i>		\$ 0.123
Resale Treated. Delivered		
Raw diversion	0.086	0.086
Treatment	1.318	1.441
Network	0.670	0.680
TOTAL	\$ 2.075	\$ 2.207
<i>% increase</i>		6.4%
<i>\$ increase</i>		\$ 0.133

mcserrato@stwa.org

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Tuesday, November 20, 2018 8:06 PM
To: Reba George
Cc: mcserrato@stwa.org; Mark Young; Brian Williams; Jo Ella Wagner; Dan Grimsbo
Subject: RE: 11/2 Conf Call: RESPONSE to wholesale customers
Attachments: DRAFT URM 10_12_18 _public agencies.xlsm

Reba –

At your convenience, could you please provide the rate model that corresponds with the calculation of the raw water rate shown in your previously provided attachment of \$0.942? The attached model that was provided on 10-12-18 does not correspond with this figure.

Additionally, can the City provided a map highlighting all of the lines involved with the City-wide IDIQ project?

Thanks,
Chris

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: Tuesday, November 20, 2018 2:57 PM
To: Chris Ekrut <cekrut@newgenstrategies.net>
Cc: mcserrato@stwa.org; Mark Young <myoung@ncwid4.org>; Brian Williams <BGW@spmwd.net>; Jo Ella Wagner <jwagner@stwa.org>
Subject: RE: 11/2 Conf Call: RESPONSE to wholesale customers

My apologies.....Reba

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Tuesday, November 20, 2018 2:10 PM
To: Reba George <RebaG@cctexas.com>
Subject: RE: 11/2 Conf Call: RESPONSE to wholesale customers

Thanks Reba. The e-mail I received did not have the referenced attachment. Could you provide at your convenience?

Thanks,
Chris

Chris Ekrut | NewGen Strategies & Solutions, LLC
Vice President, Corporate Services
Director, Environmental Practice

mcgserrato@stwa.org

From: mcgserrato@stwa.org
Sent: Tuesday, November 20, 2018 3:53 PM
To: 'Chris Ekrut'
Cc: 'Jo Ella Wagner'; Frances Rosales
Subject: RE: 11/2 Conf Call: RESPONSE to wholesale customers

Chris,

The \$0.992 for Raw Water doesn't seem correct.

I thought it was \$0.993 per thousand plus the 5 cent/1000g for future resources for a total of \$1.043/1000g? Where did the 0.942 come from?

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: Tuesday, November 20, 2018 2:57 PM
To: Chris Ekrut <cekrut@newgenstrategies.net>
Cc: mcgserrato@stwa.org; Mark Young <myoung@ncwid4.org>; Brian Williams <BGW@spmwd.net>; Jo Ella Wagner <jwagner@stwa.org>
Subject: RE: 11/2 Conf Call: RESPONSE to wholesale customers

My apologies.....Reba

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Tuesday, November 20, 2018 2:10 PM
To: Reba George <RebaG@cctexas.com>
Subject: RE: 11/2 Conf Call: RESPONSE to wholesale customers

Thanks Reba. The e-mail I received did not have the referenced attachment. Could you provide at your convenience?

Thanks,
Chris

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

mcgserrato@stwa.org

From: Reba George <RebaG@cctexas.com>
Sent: Tuesday, November 20, 2018 12:24 PM
To: Chris Ekrot; Mark Young; mcgserrato@stwa.org; Jo Ella Wagner; MANAGEMENT CENTER; Brian Williams
Cc: Dan Grimsbo; Mark Van Vleck; Martha Messer; Kevin Norton; Adriane Ferraro
Subject: 11/2 Conf Call: RESPONSE to wholesale customers

Good afternoon --

Dan asked me to follow up on a couple of outstanding item from the 11/2 conference call:

- Water IDIQ for 2019: Wwe are planning two projects, both classified as 'Network' (greater than 16" pipe): Flour Bluff Dr from Yorktown to Holly, and Padre Island Dr from Aquarius to Sandollar. The total for both is estimated at \$5 million, the amount included in the Water CIP.
- Utility Building Expansion Project: Letters from both STWA and NWCID#4 were received. We will follow this email up with a written response, but as we proceed with the design and construction portion of this project, we will utilize an appropriate cost allocation plan based on shared workspace among Water, Wastewater, and Storm Water employees. Cost allocations will be included in the rate model update for 2020. We've confirmed that the current rate model does not include the debt from the Utility Building Expansion Project in the Raw Water, Treatment or Network rates.

I've attached a copy of the Exhibit that will be included in the Agenda Item for this rate change on December 4 (1st reading) and December 11 (2nd reading).

Thank you for your continued support,

Reba N. George

Assistant Director of Support Services
Water Utilities
361-826-1648



From: Dan Grimsbo <DanG@cctexas.com>
Sent: Friday, November 02, 2018 3:07 PM
To: Chris Ekrot <cekrot@newgenstrategies.net>; Mark Young <myoung@ncwid4.org>; mcgserrato@stwa.org; Jo Ella Wagner <jwagner@stwa.org>; Reba George <RebaG@cctexas.com>; Martha Messer <MarthaMe@cctexas.com>
Cc: Mark Van Vleck <MarkVV@cctexas.com>; Kevin Norton <KevinN@cctexas.com>; Itzel Ojeda <ItzelO@cctexas.com>
Subject: RE: (844) 676-8471; Conference ID: 41695672#

Wholesale Customer Team,

Good afternoon. Good talking with your all today. Based on the meeting, I owe the project list for the Water IDIQ contract as related to Wholesale Customers, with the difference in distribution vice transmission. Buy the way, the Water IDIQ Contract does not affect STWA or SPMWD because there is no network cost in the those rates. To answer your question about if the rates are adjusted yearly, I answer correctly in the meeting that we adjust the rates yearly. Second question was when the rates are going to council, I thought November, but it will be 4th and 11th of December and will go in effect 01 Jan 2016. Lastly, Chris will be sending a letter requesting the information needed as related to the Building Expansion Project. Please let me know if you have any questions or need additional information. Thanks.

Very respectfully,
Dan Grimsbo
Executive Director of Water Utilities
City of Corpus Christi
Office: 361-826-1718



-----Original Appointment-----

From: Chris Ekrut <cekrut@newgenstrategies.net>

Sent: Tuesday, October 30, 2018 11:27 AM

To: Chris Ekrut; Itzel Ojeda; Reba George; Dan Grimsbo; Mark Young; mcserrato@stwa.org

Cc: Jo Ella Wagner

Subject: (844) 676-8471; Conference ID: 41695672#

When: Friday, November 2, 2018 2:00 PM-3:00 PM (UTC-06:00) Central Time (US & Canada).

Where: Discussion between City of Corpus and Wholesale Customer Group

Please feel free to forward this invite as needed:

(844) 676-8471; Conference ID: 41695672#

Join Skype Meeting

Trouble Joining? [Try Skype Web App](#)

Join by phone

+1 (844) 676-8471,,41695672# (NA Region)

English (United States)

+1 (801) 676-7621,,41695672# (NA Region)

English (United States)

[Find a local number](#)

Conference ID: 41695672

[Forgot your dial-in PIN?](#) | [Help](#)

Exhibit A

Rate per 1000 gallons	1/1/2018	1/1/2019
Raw Water		
Rate payer rate	0.924	0.942
Development charge	0.05	0.05
TOTAL	0.974	0.992
<i>% increase</i>		1.8%
<i>\$ increase</i>		\$ 0.018
Resale Treated		
Raw diversion	0.086	0.086
Treatment	1.318	1.441
TOTAL	\$ 1.404	\$ 1.527
<i>% increase</i>		8.8%
<i>\$ increase</i>		\$ 0.123
Resale Treated, Delivered		
Raw diversion	0.086	0.086
Treatment	1.318	1.441
Network	0.670	0.680
TOTAL	\$ 2.075	\$ 2.207
<i>% increase</i>		6.4%
<i>\$ increase</i>		\$ 0.133

mcserrato@stwa.org

From: Carola G. Serrato <mcserrato@stwa.org>
Sent: Thursday, November 15, 2018 8:34 AM
To: Dan Grimsbo
Cc: Reba George; Chris Ekrut; Mark Young; Bill Flickinger; Mark Van Vleck; Jo Ella Wagner; Frances Rosales; Martha Messer
Subject: Re: City Council - Rate Adoption

Dan,

Thanks for the information.

Carola

Sent from my iPhone

On Nov 15, 2018, at 8:13 AM, Dan Grimsbo <DanG@cctexas.com> wrote:

Ms. Serrato,

Good morning. Reba is out this week. The item is going on the 4th and 11th of Dec. We are also looking at the Water IDIQ projects which may change the rate. Reba will be back on Monday and we are going to run the model with respect to the Water IDIQ projects. We will provide any changes early next week. Thanks.

Very respectfully,
Dan Grimsbo
Executive Director of Water Utilities
City of Corpus Christi
Office: 361-826-1718

<image002.png>

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Wednesday, November 14, 2018 1:46 PM
To: Reba George <RebaG@cctexas.com>
Cc: Chris Ekrut <cekrut@newgenstrategies.net>; Mark Young <myoung@ncwcid4.org>; Bill Flickinger <bflickinger@wfaustin.com>; Mark Van Vleck <MarkVV@cctexas.com>; Dan Grimsbo <DanG@cctexas.com>; Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>
Subject: City Council - Rate Adoption

Good Afternoon Reba,

Can you provide an update on when the City Council will be adopting the Public Agency for Resale rate that becomes effective on January 1st – per the latest model provided via your email of 10-12-18?

I was hoping to send letters to STWA's seven (7) wholesale customers to let them know what to rate to expect – STWA passes through the cost of the City's water and adds a Handling Charge.

The City's agenda from yesterday did not seem to include a rate item. The agenda for 11-27-18 is not posted yet.

Thanks,

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

mcserrato@stwa.org

From: mcserrato@stwa.org
Sent: Tuesday, November 13, 2018 9:52 AM
To: 'Mark Young'; 'Chris Ekzut'; 'Bill Flickinger'
Cc: 'Jo Ella Wagner'
Subject: RE: Corpus Call Follow-up

We will send ours today.

Carola

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

From: Mark Young <myoung@ncwcid4.org>
Sent: Tuesday, November 13, 2018 9:28 AM
To: mcserrato@stwa.org; 'Chris Ekzut' <cekrut@newgenstrategies.net>; 'Bill Flickinger' <bflickinger@wfaustin.com>
Cc: 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: RE: Corpus Call Follow-up

Sure, want us to send it today?

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Tuesday, November 13, 2018 9:25 AM
To: Mark Young <myoung@ncwcid4.org>; 'Chris Ekzut' <cekrut@newgenstrategies.net>; 'Bill Flickinger' <bflickinger@wfaustin.com>
Cc: 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: RE: Corpus Call Follow-up

The letter is good for STWA as well.

Mark, instead of one letter – not sure what letterhead – I suggest we send identical letters each on our own letterhead. Is that okay with you?

Carola

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

From: Mark Young <myoung@ncwcid4.org>
Sent: Tuesday, November 13, 2018 9:02 AM

To: Chris Ekrut <cekrut@newgenstrategies.net>; Bill Flickinger <bflickinger@wfaustin.com>; mcserrato@stwa.org
Cc: Jo Ella Wagner <jwagner@stwa.org>
Subject: RE: Corpus Call Follow-up

I'm good with the letter.

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Tuesday, November 13, 2018 7:57 AM
To: Bill Flickinger <bflickinger@wfaustin.com>; mcserrato@stwa.org
Cc: Jo Ella Wagner <jwagner@stwa.org>; Mark Young <myoung@ncwcid4.org>
Subject: RE: Corpus Call Follow-up

Thanks Bill.

Carola, Mark – Let me know what you need from me to finalize and get the letter to the City.

Thanks,
Chris

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: Bill Flickinger <bflickinger@wfaustin.com>
Sent: Monday, November 12, 2018 3:23 PM
To: Chris Ekrut <cekrut@newgenstrategies.net>; mcserrato@stwa.org
Cc: Jo Ella Wagner <jwagner@stwa.org>; Mark Young <myoung@ncwcid4.org>
Subject: RE: Corpus Call Follow-up

Dear All:

Chris' draft letter to Miles Risley is very well written and I have no changes. 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: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Monday, November 5, 2018 11:34 AM
To: mcserrato@stwa.org
Cc: Bill Flickinger <bflickinger@wfaustin.com>; Jo Ella Wagner <jwagner@stwa.org>; Mark Young <myoung@ncwcid4.org>
Subject: RE: Corpus Call Follow-up

Carola, Mark –

Please see the initial draft of the letter prepared for Corpus. On review, please let me know what additional edits/changes you may have.

Thanks,
Chris

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: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Friday, November 2, 2018 4:53 PM
To: Chris Ekrut <cekrut@newgenstrategies.net>
Cc: Bill Flickinger <bflickinger@wfaustin.com>; Jo Ella Wagner <jwagner@stwa.org>; Mark Young <myoung@ncwcid4.org>
Subject: FW: Corpus Call Follow-up

Chris,

Bill and I discussed the call with Dan. He would like you to write the first draft and he will review and likely finalize the letter. It wasn't decided to whom the letter should be addressed.

Carola

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

From: mogserrato@stwa.org <mogserrato@stwa.org>
Sent: Friday, November 2, 2018 3:11 PM
To: 'Chris Ekrut' <cekrut@newgenstrategies.net>; 'Mark Young' <myoung@ncwcid4.org>
Cc: 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: RE: Corpus Call Follow-up

Chris,

After the call, Jo Ella and I speculated it would be in the fifth or sixth decimal place. But, I think it's important to send a letter for the record. The City needs to know that it isn't okay for them to again start lumping in Stormwater expenses with Water costs.

I left a message for our attorney to call me on Monday. I will let you know his thoughts on who should draft the letter.

Thanks and have a good weekend,

Carola

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

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Friday, November 2, 2018 2:55 PM
To: Mark Young <myoung@ncwcid4.org>; mogserrato@stwa.org
Cc: Jo Ella Wagner <jwagner@stwa.org>
Subject: Corpus Call Follow-up
Importance: High

Mark, Carola –



As a follow-up to our call, I will reach out to Reba and confirm final rates that are proposed for adoption as well as timing.

With regards to the utility building, even if this entire amount is removed from the model, it has no measurable impact on the rate. In other words, it get's lost in the rounding – basically impacting the 7th decimal place. Given its total insignificance, I still think it important a letter be drafted and sent indicating the concern, but I personally don't think it warrants further action than that. However, I will defer to you on the path forward. If you'd like me to take a stab at crafting the letter, let me know.

If you have any other questions or issues we need to discuss, please let me know that as well.

Appreciate it,
Chris

7th

Decimal Place

Chris Ekrut | NewGen Strategies & Solutions, LLC
Vice President, Corporate Services
Director, Environmental Practice
275 W. Campbell | Suite 440 | Richardson, TX 75080

mcserrato@stwa.org

From: Reba George <RebaG@cctexas.com>
Sent: Friday, October 26, 2018 9:52 AM
To: Chris Ekrut
Cc: mcserrato@stwa.org; Mark Young; Brian Williams; Mark Van Vleck; Martha Messer; Dan Grimsbo; Lisa Aguilar [LGL]
Subject: RE: FINAL Questions Regarding Latest Wholesale Water Rate Model

Chris ---

The capital equipment expenditures are not a result of Hurricane Harvey.

Development of the 'capital replacement schedule' is part of our budget process – we provided you information from that schedule. Fleet Maintenance (Asset Management Department) assists with an annual review of our vehicle inventory (age, hours, repairs to date) to develop a schedule each year, then upon which we develop our budget.

Reba

From: Chris Ekrut <cekrut@newgenstrategies.net>
Sent: Thursday, October 25, 2018 4:17 PM
To: Reba George <RebaG@cctexas.com>; mcserrato@stwa.org; Mark Young <myoung@ncwcid4.org>; Brian Williams <BGW@spmwd.net>
Cc: Mark Van Vleck <MarkVV@cctexas.com>; Dan Grimsbo <DanG@cctexas.com>; Martha Messer <MarthaMe@cctexas.com>; Lisa Aguilar [LGL] <LisaA@cctexas.com>
Subject: RE: FINAL Questions Regarding Latest Wholesale Water Rate Model

Reba –

Thank you for the additional information. Can you also provide the referenced “capital replacement schedule of vehicles and major equipment” so the wholesale customer group can have a better understanding of what to expect in the future?

The capital vehicles and equipment expenditures for 2019 are quite extensive. Are any of these the result of Hurricane Harvey and subject to potential insurance reimbursement?

Thanks,
Chris

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: Thursday, October 25, 2018 2:05 PM
To: Chris Ekrut <cekrut@newgenstrategies.net>; mcserrato@stwa.org; Mark Young <myoung@ncwcid4.org>; Brian Williams <BGW@spmwd.net>
Cc: Mark Van Vleck <MarkVV@cctexas.com>; Dan Grimsbo <DanG@cctexas.com>; Martha Messer <MarthaMe@cctexas.com>;

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

Subject: FINAL Questions Regarding Latest Wholesale Water Rate Model

All:

I believe we have covered all the questions now – I've attached a spreadsheet to respond to #8, and attached the responses provided earlier this week from the 2nd round of questions sent.

We are trying to put a conf call together to further discuss the capital projects...we will coordinate through Chris.

Thank you for your patience,

Reba

====

FY19 CIP:

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

From: Reba George

Sent: Tuesday, October 23, 2018 11:02 AM

To: Reba George <RebaG@cctexas.com>

Subject: 10/23 Questions Regarding Latest Wholesale Water Rate Model

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? Per Paragraph Section 5a of Exhibit A to the 2013 Settlement Agreement with SPMWD and South Texas Water Authority: "The raw water cost adjustment ("RWCA") will be calculated on an annual basis..." In addition, Section 55-50(d) of the City Code provides that the raw water cost adjustment shall be calculated on an annual basis for those large volume wholesale customers with contracts containing such provisions.
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?
See response to #4 in attached.

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.
See response to #5 in attached.
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. (See attached) 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. MELINDA (Eng) 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? Costs were charged to a designated org for Hurricane Harvey expenditures, but the cost was not included in the rate model. The cost has been submitted to FEMA for reimbursement.

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.

#8.

Dept ID	Acct Category	Acct Detail	2017 Actual	2018 Year end estimate (not Actuals or Budget) **	FY18 Budget	2019 Proposed	FY18 Budget v FY19 Budget		NOTES
							2019 \$ Increase	2019 % Increase	
30005	Water Utility Admin	Salaries and Wages	666,940	916,509	1,075,437	1,064,865	(10,572)	-1%	Vacancy savings included in year end estimate.
30200	Wesley Seale Dam	Vehicles & Machinery (1)	64,639	46,181	46,181	161,500	115,319	71%	Based on capital replacement schedule of vehicles and major equipment
30210	Choke Canyon Dam	Vehicles & Machinery (1)	72,103	43,250	43,250	150,000	106,750	71%	Based on capital replacement schedule of vehicles and major equipment
30250	Lake Texana Pipeline	Salaries & Wages	164,469	50,606	168,191	168,192	1	0%	Data entry incomplete for year end estimate. No vacancies in this category.
31010	Stevens Filter Plant	Other Contractual Services	1,143,198	1,816,036	2,320,699	2,219,093	(101,606)	-5%	FY18 Budget for these 'other contractual services', was \$2,320,699, a decrease of 5% for FY19.
31010	Stevens Filter Plant	Other Allocations	1,242,565	1,258,152	1,258,152	1,396,712	138,560	10%	Increase in internal service allocations (Fleet, Building Maint, MIS) and increase in self insurance (based on per employee)
31520	Water Construction	Retirement	768,214	686,834	825,062	883,110	58,048	7%	TFRS contributions scheduled to increase 2% effective 1/1/19; staff re-alignments
31520	Water Construction	Vehicles & Machinery (1)	311,358	315,288	315,288	876,500	561,212	64%	Based on capital replacement schedule of vehicles and major equipment
31501	Water Quality	Salaries & Wages	469,267	491,685	551,661	671,301	119,440	18%	Increase of 5 full time Water Quality technicians. Temp positions were converted-net change in salaries about \$120,000
30251	Mary Rhodes Pipeline II	Light & Power	276,705	99,626	170,000	250,000	80,000	32%	Data entry incomplete for year end estimate. Light Heat and Power estimate for FY18 \$220,000. In process of developing historical data on energy requirements.

** FY18 actual expenditures not yet available.

(1) Capital Vehicles and Equipment:

30200 Wesley Seale Dam	Evnrude Motor 115 HP	11,700
	McClain Alum Trailer W/SS PKG, Torsion Axle, Sticks	3,000
	Weld Craft 20-70 UV	14,800
	1/2 ton full-sized pickup truck (heavy)	32,000
	Backhoe	100,000
30210 Choke Canyon	1/2 ton full-sized pickup truck (heavy)	36,000
	1/2 ton full-sized pickup truck (heavy)	36,000
	72" deck ride-on slope mower	78,000
31520 Water Construction	Eager Beaver B6 DOW trailer	11,500
	Eager Beaver B6 DOW trailer	11,500
	Eager Beaver B6 DOW trailer	11,500
	John Deere 410K Backhoe	100,000
	John Deere 75G Excavator	90,000
	John Deere 26G Excavator	45,000
	Sullair 185 Portable Air Compressor	15,000
	Ford F-550 (for Wachs Valve Skid)	65,000
	Ford F-750 Crew Truck (Valve Crew)	125,000
	Sullair 185 Portable Air Compressor	15,000
	Ford F-750 Crew Truck (Leak Crew)	125,000
	Ford F-750 Crew Truck (Leak Crew)	125,000
	Wachs Valve Skid (Mount to F-550)	75,000
	Big Tex 10 ET Pro Series Trailer x 16'	7,000
	Ford F-550, Crew Cab, Service Body	55,000

mcgserrato@stwa.org

From: Reba George <RebaG@cctexas.com>
Sent: Tuesday, October 2, 2018 4:48 PM
To: mcgserrato@stwa.org
Cc: Bill Flickinger; Chris Ekrut; Jo Ella Wagner; Frances Rosales
Subject: RE: FY 2019 Rates and Updated Rate Model

Carola –
Thank youas a matter of fact, we should have a draft version of the rate model to send you tomorrow –

Reba

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Tuesday, October 02, 2018 4:18 PM
To: Reba George <RebaG@cctexas.com>
Cc: Martha Messer <MarthaMe@cctexas.com>; Dan Grimsbo <DanG@cctexas.com>; Mark Van Vleck <MarkVV@cctexas.com>; Bill Flickinger <bflickinger@wfaustin.com>; Chris Ekrut <cekrut@newgenstrategies.net>; Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>
Subject: RE: FY 2019 Rates and Updated Rate Model

Good Afternoon Reba,

Our office has been following the news reports related to the City's new billing system; however, I thought to ask anyway if you have an update on when the rate model could be expected.

I hope things are beginning to get resolved.

Thanks,
Carola

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

From: Reba George <RebaG@cctexas.com>
Sent: Wednesday, July 25, 2018 10:36 AM
To: mcgserrato@stwa.org
Cc: Martha Messer <MarthaMe@cctexas.com>; Dan Grimsbo <DanG@cctexas.com>; Mark Van Vleck <MarkVV@cctexas.com>
Subject: RE: FY 2019 Rates and Updated Rate Model

Good morning ---
We hope to run an update of the rate model by the end of September in order to provide our public agencies with 2019 rates, then the process of adoption would begin following the review.

Thank you,
Reba

From: mcgserrato@stwa.org <mcgserrato@stwa.org>
Sent: Tuesday, July 24, 2018 8:49 AM
To: Reba George <RebaG@cctexas.com>

Cc: Martha Messer <MarthaMe@cctexas.com>; Dan Grimsbo <DanG@cctexas.com>; Mark Van Vleck <MarkVV@cctexas.com>; Bill Flickinger <bflickinger@wfaustin.com>; Chris Ekrut <cekrut@newgenstrategies.net>; 'Dony Cantu' <dcantu@stwa.org>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jacob Hinojosa' <jhinojosa@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>
Subject: FW: FY 2019 Rates and Updated Rate Model

Reba,

STWA is preparing our agenda for next Tuesday's Board meeting. Is it correct that there would not be any information available until much later in the year? Any idea what the timeframe is? When is the Corpus Christi Council expected to adopt rates?

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: Thursday, June 28, 2018 5:38 PM
To: 'Reba George' <RebaG@cctexas.com>
Cc: 'Martha Messer' <MarthaMe@cctexas.com>; 'Dan Grimsbo' <DanG@cctexas.com>; 'Mark Van Vleck' <MarkVV@cctexas.com>; 'Bill Flickinger' <bflickinger@wfaustin.com>; 'Frances Rosales' <fvrosales@stwa.org>; 'Jo Ella Wagner' <jwagner@stwa.org>; Chris Ekrut (cekrut@newgenstrategies.net) <cekrut@newgenstrategies.net>; Chris Ekrut (cekrut@jstoweco.com) <cekrut@jstoweco.com>
Subject: RE: FY 2019 Rates and Updated Rate Model

STWA is scheduled to adopt a budget on September 4th in order to provide information to our wholesale customers whose fiscal years begin on October 1. In addition Nueces Tax office has a deadline for tax rate adoption the following week.

There would not be any information whatsoever?

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

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

Carola –

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

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

Thank you,
Reba

From: mogserrato@stwa.org <mogserrato@stwa.org>
Sent: Monday, June 18, 2018 4:38 PM
To: Martha Messer <MarthaMe@cctexas.com>; Reba George <RebaG@cctexas.com>
Cc: Dan Grimsbo <DanG@cctexas.com>; Mark Van Vleck <MarkVV@cctexas.com>; Bill Flickinger <bflickinger@wfaustin.com>; Frances Rosales <fvrosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>
Subject: FW: FY 2018 Rates and Updated Rate Model

Good Afternoon Martha and Reba,

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

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

STWA continues to appreciate your assistance.

Thanks,
Carola

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

From: Martha Messer <MarthaMe@cctexas.com>
Sent: Wednesday, June 28, 2017 1:21 PM
To: Carola Serrato <cserrato@stwa.org>
Cc: Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>; Chris Ekrut <cekrut@newgenstrategies.net>; Mark Van Vleck <MarkVV@cctexas.com>; Lisa Aguilar [LGL] <LisaA@cctexas.com>; Bill Flickinger <bflickinger@wfaustin.com>; Adriane Ferraro <AdrianeF@cctexas.com>; Reba George <RebaG@cctexas.com>
Subject: RE: FY 2018 Rates and Updated Rate Model

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

Martha

From: Carola Serrato [<mailto:cserrato@stwa.org>]
Sent: Wednesday, June 28, 2017 10:58 AM
To: Martha Messer

Cc: Jo Ella Wagner; Frances Rosales; Chris Ekrut; Mark Van Vleck; Lisa Aguilar [LGL]; Bill Flickinger
Subject: FY 2018 Rates and Updated Rate Model

Good Morning Martha,

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

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

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

As always, we very much appreciate you continued assistance.

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

P.O. Box 1701

Kingsville, Texas 78364

cserrato@stwa.org

361-592-9323 x12

361-592-5965 fax

November 13, 2018

Mr. Miles Risley
City Attorney
P.O. Box 9277
Corpus Christi, Texas 78469

Subject: Wholesale Customer Response to proposed Wholesale Water Rates Effective January 1, 2019

Dear Mr. Risley:

This letter is provided as a follow-up to a conference call held between representatives of South Texas Water Authority and Nueces County Water Control and Improvement District No. 4 (collectively referred to herein as "Wholesale Customers") and representatives of the City of Corpus Christi (City) on Friday, November 2nd to discuss the City's current water rate model and calculation of wholesale water rates which are anticipated to be effective for the wholesale customers as of January 1, 2019.

The Wholesale Customers appreciate the opportunities provided recently to interface and work with the City in a collaborative environment with regard to water rates to be adopted by the City. We believe this is a productive and beneficial use of everyone's time and is in the best interest of all parties involved. We appreciate the City's time and effort expended in engaging with us and responding to our concerns.

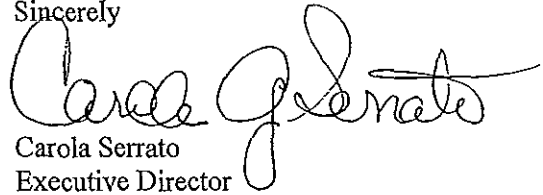
The Wholesale Customers favor the continuation of this relationship, but we would be remiss if we did not express concern with regard to one aspect of the City's currently proposed water rate model for FY 2019. Specifically, the City has plans to fund a new Utility Building Expansion in 2019 and 2020. Based on information received from the City, this expansion will serve the Water, Wastewater, and Stormwater Departments of the City. Despite the departments being served, City staff has indicated that the funds for this building expansion will be fully generated from water rates only. When questioned on this point, City staff indicated, on the aforementioned conference call, that this funding solely by the Water Department would continue despite the reservations expressed by the wholesale customer group.

The City's reluctance to reconsider the sole sourcing of its planned funding of this expansion by the Water department is of great concern to the Wholesale Customers as it represents a return to past practices of the City, practices which have resulted in extensive and unnecessary litigation between the parties. As the Wholesale Customer group receives no service from the City's Stormwater and Wastewater utilities, they should not be responsible for the funding of any stormwater or wastewater related assets. Thus, the funding of the Utility Building Expansion should be properly allocated between the applicable service functions, and only the portion of the expansion serving the water utility should be embedded within the calculation of the Wholesale Customer rate. Failure to do so is a violation of the wholesale contracts between the parties and potential grounds for legal action by the Wholesale Customer group.

While the Wholesale Customers recognize that amending the aforementioned funding will have no measurable impact on the rates proposed to be charged in 2019, properly accounting for the cost to serve the wholesale customers is an essential hallmark of the agreements between the City and its Wholesale Customer group. Additionally, it is of fundamental importance to continuing to build trust between the parties and for sustaining a quality working relationship.

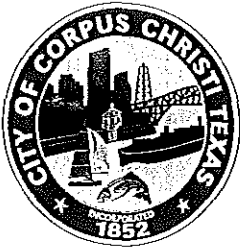
The Wholesale Customers appreciate the City's recent efforts to properly implement the contracts between the parties, and we desire for these actions to continue. It would be a disservice to both our ratepayers, and the ratepayers of the City, for us to relitigate issues that have previously been settled. We respectfully request that the City reconsider its planned funding the Utility Building Expansion and realign this funding to be reflective of the current wholesale water contracts. We appreciate your prompt attention to this matter and successful resolution of this issue.

Sincerely

A handwritten signature in black ink, appearing to read "Carola Serrato". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Carola Serrato
Executive Director

cc: Joe McComb, Mayor
Mark Van Vleck, Assistant City Manager
Dan Grimsbo, Executive Director of Water Utilities
Reba George, Assistant Director of Support Services



RECEIVED

NOV 26 2018

November 21, 2018

SOUTH TEXAS WATER AUTHORITY

UTILITIES

*Maintenance of Lines
& Treatment*
2726 Holly Road
Corpus Christi
Texas 78415
Phone 361-826-1800
Fax 361-826-1889
www.cctexas.com

Gas
4225 S. Port Ave.
Corpus Christi
Texas 78415
Phone 361-885-6900
Fax 361-853-3200
www.cctexas.com

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

Subject: Response to Wholesale Customer Letter dated November 13, 2018

Ms. Serrato:

This letter is provided as a follow up to your letter of November 13, 2018 regarding proposed wholesale water rates effective January 1, 2019, specifically plans to fund a Utility Building Expansion in 2019 and 2020.

As summarized in an email from Reba George on Tuesday, November 20, 2018, the City will utilize an appropriate cost allocation plan as the design and construction phases for the Utility Building Expansion Project proceeds. The allocation will be based on shared workspace among Water, Wastewater, and Storm Water employees and will be included in the utility rate model update for 2020.

The current rate model, used to determine rates effective January 1, 2019 for wholesale customers, does not include any debt service impact from the Utility Building Expansion Project in the raw water, diversion, treatment or network rates.

We appreciate the opportunity to work through this process and build on the partnership we have developed. Please let us know if there are any further questions.

Respectfully,

Dan Grimsbo

Executive Director for Water Utilities

Cc: Joe McComb, Mayor
Mark Van Vleck, Assistant City Manager
Miles Risley, City Attorney
Reba George, Assistant Director of Support Services

ATTACHMENT 13

High Touch Technologies Proposals

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 19, 2018
Re: High Touch Technologies – Network and IT Support Proposal

Background:

Enclosed is information from High Touch Technologies (High Touch), a software, technology and communications provider. For the last five (5) years, STWA has utilized two (2) companies called Pinnacle and Praesidium Systems, Inc. for these types of services – with the exception of Cloud storage offered in the enclosed proposals. Pinnacle is no longer in business. Previously, STWA used Interconnect for some types of assistance as well as two (2) individuals. Interconnect remains STWA's email and web hosting provider. The types of services included replacing hardware (such as network switches or hard drives), retrieving data (such as files or emails), troubleshooting email or internet access, setting up new computers including connecting to the network and shared printers, and installing security hardware/software.

Analysis:

STWA had been "purchasing" blocks of time at a special rate from Pinnacle to save money, particularly when computer projects were in the works. Since Pinnacle is no longer in business, staff began researching other options. One of the principals with Pinnacle now works for High Touch and arrangements were made to meet with Ms. Jessica Neblett, Account Executive. It warrants noting that High Touch is an employee owned business that got its start in the 1980's.

Since 2015, STWA has paid \$20,258.49 for IT services, not including monthly recurring costs for internet service. Attached are each year's costs. With the exception of FY 2016, a "good" year without many issues, STWA has averaged \$6,543.66 for correcting problems, changing out computers, servers or hardware, and managing computer communications. The average including FY 2016 is \$5,064.62.

STWA will receive an invoice from High Touch for installing the new computers including software in the amount of \$2,640. Enclosed are two (2) proposals from High Touch. One proposal (MSA) includes ongoing support and the other proposal (MSA Hybrid) provides more limited services with troubleshooting charged at High Touch's hourly rates, found on page 5 of both MSAs and range from \$100/hour for remote support to \$200 for a holiday rate. If STWA agreed to enter into a Partnership Agreement (MSA) at a cost of \$9,840 per year or \$820 per month, the \$2,640 invoice would be "absorbed" into those fees.

The \$820 per month covers one (1) STWA server, thirteen (13) personal computers including the Corporation's middleware server, and fourteen Antivirus licenses. However, since utilizing computers is an essential component of the tasks for the Nueces and Ricardo Water Supply Corporations, attached are spreadsheets showing each of the computers and the percentages which should be allocated to the Corporations. The percentages are the same ones used in the biennial analysis to re-coup employees' salaries and benefits in the Special Services Fund. Please note, there is a savings for entering into a MSA for two years or three years. STWA's annual cost ranges from \$3,690 (1-year MSA) to \$3,093 (3-year MSA).

There are two (2) additional items that require review and consideration. Enclosed is a hardware quote in the amount of \$2,825 for a NAS server and Drive. This hardware is a one-time investment which will enable STWA to begin saving data/files to the Cloud. An item that is not enclosed is the addition of an applicate called Barracuda to STWA's email filter. High Touch has quoted a cost of \$2.00 per mailbox per month. This service is available from Interconnect at about twice the cost and a \$250 installation fee.

Memo
11/19/18
Page 2 of 2

Staff Recommendation:

Consider approving the purchase of the necessary hardware for backup storage in the Cloud in the amount of \$2,825. Consider authorizing execution of a MSA for three years with High Touch in the amount of \$8,280 plus the addition of Barracuda email protection with costs to be allocated to the Nueces and Ricardo Water Supply Corporations per the attached spreadsheet.

Board Action:

Determine whether to authorize purchase of hardware to enable Cloud storage and enter into a MSA for 1, 2 or 3 years with High Touch.

Summarization:

Daily offsite storage is an improvement in continued operations in the event of some type of unfortunate event. Securing support service as a contracted client should limit the amount of down time that, depending on which piece or pieces of equipment are affected, could mean an employee needs to use another work station or the entire office (main server) is performing at reduced efficiency. Also enclosed is a memo to the Nueces and Ricardo Water Supply Corporation Boards of Directors notifying them of this STWA agenda item, providing the possible cost for the service, and the potential impact on the Corporations' day to day operations when equipment fails to work as expected – particularly the Corporations' middleware server.

Finally, an item that is difficult to measure or place a price tag on is the peace of mind as a result of having an outside firm also monitoring the data backups and functions of the servers. Management would rest easier knowing this safety net is in place.



MSA

Prepared for:
South Texas Water Authority

Expires: 12/01/2018

BRINGING THE HUMAN TOUCH TO TECHNOLOGY



CORPUS CHRISTI | DALLAS | DENVER | KANSAS CITY | SAN ANTONIO | WICHITA

Partnership Agreement

Thursday, November 08, 2018

South Texas Water Authority
Frances Rosales
2302 E Sage
Kingsville, TX 78363

Dear Frances,

This Pro Plan Partnership Package Agreement addresses technology support for South Texas Water Authority.

1. **You can expect increased profitability and productivity.** More capacity to serve your customers and get work done because computer-related tools work every day as planned.
 - ✓ You will go from reactive mode to proactive planning.
 - ✓ You will minimize your costs associated with technology down time.

2. **You can expect increased peace of mind.** Plan for fewer disruptions to your technology tools.
 - ✓ You will be able to get your work done.
 - ✓ You will have reduced employee frustration.
 - ✓ You will receive prompt response to technology challenges.

3. **You can expect increased partnership.** High Touch Technologies is your partner to help you accomplish your technology business needs and growth.
 - ✓ You will receive service from engineers that understand your needs.
 - ✓ You will receive technology consulting and advice in your company's best interest.

4. **You will receive discounted hourly rates and as a contracted customer you receive priority service.**
In addition to network support, your organization will receive a kickoff planning meeting, a 90-day quality assurance meeting, and semiannual technology consulting to ensure an excellent partnership.
We want to partner with you to understand your goals & help you accomplish them using technology!

Jessica Neblett
Account Executive
(361) 402-5621
jessican@hightouchinc.com

Partnership Agreement

What distinguishes High Touch Technologies?



Your IT Partner

High Touch Technologies provides business solutions to small and mid-size companies and organizations. We deliver exceptional service and successful solutions to our clients, which include non-profit organizations, higher education institutions, local independent business owners, and multi-unit franchise companies.

- Over 30 years in the technology business
- Clients in 50 states as well as seven countries worldwide
- Offices in Corpus Christi, Dallas, Denver, Kansas City, San Antonio, Wichita
- Over 180 employees nationwide



Solutions

We offer customized solutions to meet your growing and changing needs. Among the most frequently requested products and services are:

- Technical Support / Help Desk (US Based)
- Total network and data security products
- WAN, LAN, WLAN design, administration, management and 24/7/365 monitoring
- Imaged and file based backup solution
- Comprehensive disaster recovery solutions
- Mobile Device Management (Android, iPhone, Tablet)
- Cloud File Sync
- Website Consulting
- Server, Email, and Website Hosting
- ShoreTel VoIP Phone Systems
- LifeSize Video Conference Systems
- Envia Forms?custom mobile application that digitizes paper forms
- Technology Consulting (CIO)
- Virtualization and Cloud Services



Experience

Our engineers are industry certified, and experienced to offer you the best service.

- Over 850 clients
- Support and manage over 55,000 devices nationwide
- Process over 6 terabytes of information daily







Recent Awards



High Touch Technologies is consistently recognized for excellent service.

- Microsoft Gold Partner
- DELL Platinum Premier Partner
- World's Top 100 Managed Service Providers, MSP Mentors 2014 Annual Report
- ShoreTel Outstanding Achievement for Customer Satisfaction
- SonicWALL MSP Partner
- Everything Channel CRN VAR 500 List

Partnership Agreement

Partnership Package Comparison		Monthly Investment:	\$820.00
Devices Supported in this package 1 Servers 0 Microsoft Office 365 License's 13 PCs Y Hours Onsite Support Monthly 0 Laptops 0 Mobile Device Management (MDM) 14 Antivirus Licenses 0 Cloud File Sync 0 Email Accounts 0 Managed Switch 0 Firewall 1 Up to 2TB per server offsite backup			
Remote Monitoring and Management (RMM) Monitoring 24x7x365 Device availability, threshold violations, abnormal reboots, server & computer health, failed processes, virus monitoring, backup/archival monitoring. Preventative Maintenance Patches/updates, backup/archival, performance optimization. Reporting Incidents, electronic asset inventory, availability, utilization, alerts, patching			
Antivirus Protection Managed enterprise antivirus licensing will be on network servers & PCs			
Email Security, Anti-Spam Filtering, Management Email filtering, anti-spam, & user administration on all email accounts (Example: Office 365, Barracuda on premise device)			
Offsite Server Backup with up to 2TB of data per server Automatic real-time Image-based offsite cloud backup/disaster recovery solution Images stored locally on a backup device (Hard Drive, NAS, or Backup Disaster Recovery Server) for easy file recovery Offsite backup daily for entire network recovery in case of a catastrophic failure			
Firewall Management Requires current manufacturer service agreement (Example: Meraki Product)			
Virtual CIO Annual technology planning, equipment purchasing support, project proposals and planning, point of escalation, scheduled one-on-one/report reviews			

Partnership Agreement

Partnership Package Comparison	
	Monthly Investment: \$820.00
<p>Help Desk Remote Support - UNLIMITED End users call into the US-based help desk for remote support Monday - Friday 8:00 am to 5:00 pm (CST) Evening and weekend support is available at 1 ½ of the hourly rate Standard US holiday support is available at 2 times the hourly rate *High Touch Technologies monitors call volume by client. If remote hour overage is needed consistently to support the client, High Touch Technologies reserves the right to renegotiate the agreement for the benefit of both parties</p>	
<p>Hours of Onsite Support Monthly Onsite support hours for Priority 1 issues and support issues that cannot be resolved remotely. All labor will be covered by this agreement and included.</p>	
<p>0 Mobile Device Management MDM Agent will be installed on 0 Android Devices, 0 Windows Phones, 0 iPad(s), and 0 iPhone(s) <i>No Blackberry or RIM Servers are supported with this solution</i></p>	
<p>Managed Switches</p>	
<p>0 Cloud File Sync User(s) Feature rich file sync & sharing services with secure access to data from devices</p>	
<p>General Website Assessment The High Touch Web Team will assess your current website and provide a general report of recommendations. Examples of assessment results include whether or not your website is mobile friendly, user friendly, up-to-date, and secure.</p>	
<p>Search Engine Optimization (SEO) Assessment The High Touch Web Team will assess your website's ranking potential with search engines and provide a report of recommendations. Examples of assessment results include the quality of content currently on your website for SEO strategies, social media use, Google Business listing setups and whether or not result's information is accurate</p>	

Partnership Agreement

Service Labor Rates for Outside Partnership Package	
Remote hourly rate for outside of plan	\$100.00
Onsite hourly rate for outside of plan: 1 hour minimum	\$125.00
After hours & weekends (Bill at 1 ½, with 1 hour minimum)	\$150.00
Standard US holidays (Billed at 2 times hourly rate with minimum 2 hours)	\$200.00
Trip charge for clients that are over 15 Miles (Hourly onsite rate from start of travel until returned)	\$0.00

**Note: Move-add-changes to environment, mass-upgrades of software, mass-deployment of hardware, and project work are not included and will be evaluated as a separate project.*

This Pro Plan Partner Package Agreement is offered subject to customer's acceptance of:

1. High Touch Technologies' Standard Terms and Conditions located at <http://hightouchtechnologies.com/terms/std/2015/>

Acceptable User Policy which is incorporated into this Proposal and the two constitute the full agreement of the parties. Term of agreement is 12 months. If terminating an agreement with a remaining balance, (12 months) is due. Customer's signature or its use of services or receipt of equipment shall conclusively establish Customer's acceptance of this Proposal and the Standard Terms and Conditions. To the extent any express terms of this proposal conflict with the Standard Terms and Conditions posted on High Touch's website, the terms of this Proposal shall control. Invoices will be sent out the 1st of each month for the services that will be rendered during that month.

Partnership Agreement

Quality Standards

- Standard Business Hours are 8:00am to 5:00pm CST, Monday thru Friday, excluding Holidays
- All onsite service request must be scheduled unless deemed necessary to address a Priority 1 emergency
- All new service requests must be submitted via msrequest@hightouchinc.com or 855-696-9470. New requests submitted via other forms are not subject to SLA response targets
- All service requests outside of standard business hours, weekends and holidays MUST be submitted using 855-696-9470. Requests during these times submitted to msrequest@hightouchinc.com will be addressed during the next standard business hour

Service Level Agreement

Description / SLA / Escalation

Priority 1 Emergency	<p>Catastrophic business impact: Generally reserved for an enterprise-wide outage</p> <ul style="list-style-type: none"> <input type="checkbox"/> Work cannot reasonably continue <input type="checkbox"/> Response Target: 1 Hour <input type="checkbox"/> Escalation Target: <ul style="list-style-type: none"> o Hourly: Follow-up calls to Client o Two hours: Consultant Director notified ? Call to Client Peer
Priority 2 Urgent	<p>High Business Impact:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Clients business has significant loss or degradation of services <input type="checkbox"/> Response Target: 4 hours <input type="checkbox"/> Escalation Target: <ul style="list-style-type: none"> o Hourly: Follow-up calls to Client o Four hours: Consultant Director notified Call to Client Peer o Eight hours: Consultant VP notified Call to Client Peer
Priority 3 Standard Important Note: Tickets are assigned as a P3 status unless, specifically identified as a P1, or P2 by the Client.	<p>Moderate Business Impact:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Clients business has moderate loss or degradation of services but work can reasonable continue in an impaired manner. <input type="checkbox"/> No server impact, but a problem/bug is affecting the system <input type="checkbox"/> Response Target: 4 hours <input type="checkbox"/> Escalation Target:
Priority 4 Scheduled	<ul style="list-style-type: none"> <input type="checkbox"/> Consultant will email or call Client to determine when the work can be scheduled or supplies ordered <input type="checkbox"/> Response target: 8 hours

Partnership Agreement

Covered Products

Covered Products - Hardware (desktop, laptops, server, mobile devices, appliances, and software).

Minimum Standards for Covered Products:

- Environment must have a current license, up-to-date and vendor-supported server-based antivirus solution protecting all covered products
- Environment must have a current license, vendor-supported firewall between the internal network and the Internet
- Environment must have current license, vendor-supported data archive system and applicable media required to back up the installed Operating System (OS), application and data.
- Any wireless data traffic in the environment must be secure with a minimum of 128bit encryption
- All covered products must be genuine, licensed and vendor-supported.

Non-Covered Product: Wiring, cables, wall plates, power outlets, and any other devices that are not eligible for the services as specified.

Partnership Agreement

Additional Services

High Touch offers other technology services clients can take advantage of outside of the original engagement description. Additional services may require authorized writing by the Client and may include addendums or new agreements to the original document.

- Standards/policy definition**
- Assets** Hardware and software audits, hardware moves, software deployments, asset tagging, network cabling
- Procurement Services** Ordering, warehousing, disposal, installation, configuration
- Website** Development and Hosting
- End User Services** Voice/telephony support, audio/visual support, consultation on approved systems
- Database Management** Backup, repair & restoration; performance and capacity management; installation, upgrades, maintenance, and support
- Software Development and Support**
- ERP** Enterprises Resource Plan
- Project Management** Project plans, release schedules, status reports
- ShoreTel Phone System** Hosted, on premise, or hybrid Based
- LifeSize Video Conferencing** Real-time video conferencing
- Business Analyst** Requirements gathering, document generation, training, custom reporting, procedures/policy creation

Services: These services can be added as a monthly fee or as a project. High Touch Consultant will obtain requirements from the Client and provide either a change to the Partner Package Agreement or a project quote will be generated for the Client to review

Client Responsibilities

To provide the most optimal client experience High Touch has found that the following is beneficial in developing strong partnerships with our Clients.

- Monitored systems must be on and connected to the internet to provide patching as well as performance feedback.
- Identify and make available at least one qualified Client employee with authority to:
 - Advise Consultant of Clients requirements,
 - Provide information and give data with respect to the requested service
 - Act and make binding decisions on behalf of Client
 - Provide the necessary facilities and equipment required to deliver the services
 - Provide hardware and software maintenance coverage for all Covered Products
 - Provide a clear communication path between Consultant and all Covered Products for the following protocols: ICMP, SNMP, SYSLOG, HTTP, SHTTP, SSH, Telnet, Windows Terminal Server, monitored service ports and any future protocols that may be necessary and mutually agreed upon
 - Allow WMI and SNMP agent and MIBs to be installed and configured on the Covered Products.
 - Provide Consultant with WMI and SNMP read access to all Covered Products
 - Permit Consultant to access Covered Products remotely using Telnet, HTTP, SHTTP, SSH, Windows Terminal Server and any other access protocol agreed upon between Consultant and the Client
- Provide administrator accounts, usernames, and passwords
- If required, provide Letters of Agency for telecommunications carriers that Consultant may contact.
- Provide Internet connectivity to users required to access the Service Desk
- Inform Consultant in advance of any changes that may affect network or device connectivity/ availability

Partnership Agreement

Client Environment

The Client environment is an unknown factor that may incur additional expense to the Client. If the Client's environment needs to be brought up to minimum standards, any additional hardware and/or software necessary to support Client's infrastructure will be the responsibility of the client.

- Required Third-Party tools to support the Covered Products, including but not limited to:
 - Vendor software, licensing, renewal, upgrade, and support fees
 - Vendor support/incident fees
 - Cost of parts, equipment or software not covered by vendor/manufacture warranty/support and the related shipping charges.
 - Cost of services/repairs made necessary by alteration/modification of Covered Products other than by Service Provider.
- Programming, software administration, not listed under Covered Products
- Failures due to Acts of God, building modifications, power failures, or other adverse environmental conditions/factors

Addendum Related

The following hardware/services fall outside of this specific agreement:

- Website Development and Hosting
- Wiring, Cabling or moving office equipment
- Hardware failure and/or corruption (server motherboard, RAID controller failure, hard drive failure, etc)
- Customer Operator error. Repair or replacement of any hardware or software product, electrical work, or repair of damage resulting from operator error, configuration changes made by the customer, accident, vandalism, electrical or environmental problems, excessive heat or humidity, or maintenance provided by personnel other than authorized High Touch representatives
- Printers, document imaging stations, copiers and faxes
- Home/residence technology related issues; for example: residence Internet service provider (ISP) / home Internet, home computer, home network and mobile phone
- Television, digital Signage, digital billboard communication/connectivity
- Telephone and voicemail support, installation, training
- Conference room equipment (interactive whiteboards)
- Videoconferencing, Digital Video Recorder (DVR), tape backup
- Secure Socket Layer (SSL) Certificates, Payment Card Industry (PCI) Data Security Standard certifications
- Mobile devices/smart phones (remote access) subsequent connection support to the main company network
- Adds/Moves/Changes to network or systems

Partnership Agreement

Transition

To ensure a smoother transition, the following items are required:

1. Administrative login credentials
 - a. Including (but not limited to): Server Administrators, Virtual Hosts, Firewall, Backups, etc.
 - b. User IDs and Password
2. Reseller accounts
 - a. Including (but not limited to) Microsoft Volume Licensing
 - b. Cooperation with necessary Change of Reseller accounts
3. Internet Service Provider (ISP) phone number, PIN credentials, Account number

Note: The Client is responsible for helping obtain the necessary technology information for the items above. Improper information sharing can delay services, result in business and/or network downtime and could result in unnecessary costs.

Onboarding The First 90 Days

The first 90 days are critical to the client experience and successful transition. Communication and setting expectations help to alleviate unnecessary challenges. We ask for your cooperation and patience as we upgrade your Information Technology to industry standards.

Technology upgrades do not happen overnight. Our 90 Day Project Plan helps prepare the Client and key stakeholders of potential downtime that could impact business productivity. To maintain the integrity of the partnership, our expectation is that critical information shared by our team be communicated to the Client enterprise by the defined Client point of contact.

All support requests received by High Touch will be billed accordingly. If a support resolution is questionable from a billing perspective, the client can request in advance if the support will incur additional costs.

Projects or tasks outside of scope and within the first 90 days of this agreement that are deemed excessive will be billable (ie: fix or cleanup long overdue or outstanding issues).

The Client is responsible for understanding this agreement in its entirety.

Partnership Agreement

Partnership Package Comparison 2		
		Monthly Investment: \$820.00
Devices Supported in this package		
1 Servers	0 Microsoft Office 365 Licenses	This Pro Plan Partnership Package Agreement effective date is: For a term of (12) Months - \$820 /mo For a term of (24) Months - \$740 /mo For a term of (36) Months - \$690 /mo
13 PCs	Y Hours Onsite Support Monthly	
0 Laptops	0 Mobile Device Management (MDM)	
14 Antivirus Licenses	0 Cloud File Sync	
0 Email Accounts	0 Managed Switch	
0 Firewall	1 Up to 2TB per server offsite backup	

Summary

Customer Signature

Date

Customer Print

Title

Customer Name: South Texas Water Authority
 Customer Mailing Address: 2302 E Sage Kingsville, TX 78363

Jessica Neblett
 Account Executive

Date

High Touch, Incorporated
 711 N. Carancahua Suite 1500
 Corpus Christi, TX 78401

Please Sign, Scan, and return to: jessican@hightouchinc.com

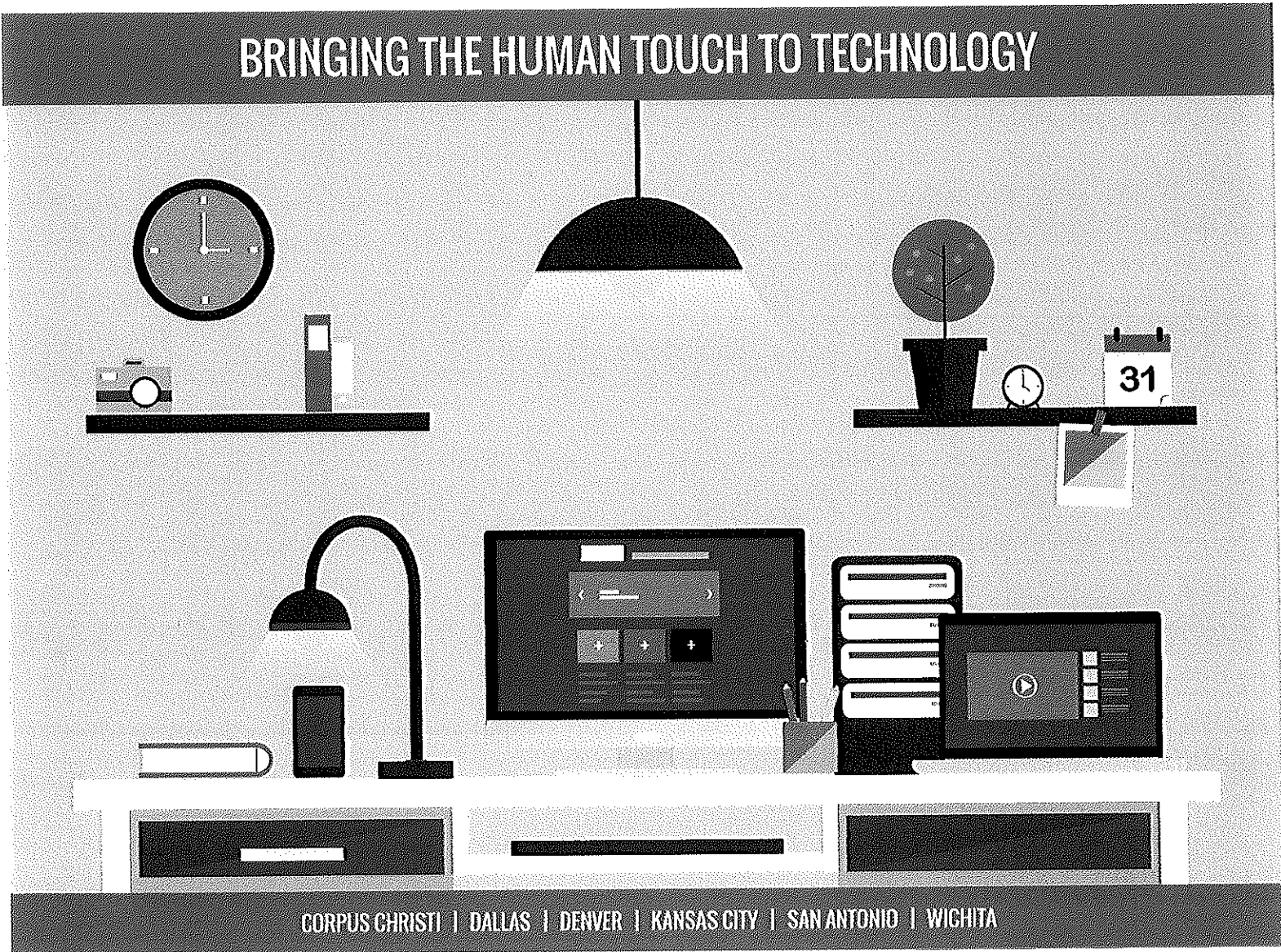


MSA - Hybrid Plan

Prepared for:
South Texas Water Authority

Expires: 12/08/2018

BRINGING THE HUMAN TOUCH TO TECHNOLOGY



Partnership Agreement

Thursday, November 08, 2018

South Texas Water Authority
Frances Rosales
2302 E Sage
Kingsville, TX 78363

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In addition to network support, your organization will receive a kickoff planning meeting, a 90-day quality assurance meeting, and semiannual technology consulting to ensure an excellent partnership.

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Jessica Neblett
Account Executive
(361) 402-5621
jessican@hightouchinc.com



Partnership Agreement

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- ShoreTel Outstanding Achievement for Customer Satisfaction
- SonicWALL MSP Partner
- Everything Channel CRN VAR 500 List

Partnership Agreement

Partnership Package Comparison		Monthly Investment:	\$465.00
Devices Supported in this package 1 Servers 0 Microsoft Office 365 License's 13 PCs Y Hours Onsite Support Monthly 0 Laptops 0 Mobile Device Management (MDM) 14 Antivirus Licenses 0 Cloud File Sync 0 Email Accounts 0 Managed Switch 0 Firewall 1 Up to 2TB per server offsite backup		Server \$125 ⁰⁰ Desk Top 13 @ \$45 ⁰⁰ B/U \$110 ⁰⁰	
Remote Monitoring and Management (RMM) Monitoring 24x7x365 Device availability, threshold violations, abnormal reboots, server & computer health, failed processes, virus monitoring, backup/archival monitoring. Preventative Maintenance Patches/updates, backup/archival, performance optimization. Reporting Incidents, electronic asset inventory, availability, utilization, alerts, patching			
Antivirus Protection Managed enterprise antivirus licensing will be on network servers & PCs			
Email Security, Anti-Spam Filtering, Management Email filtering, anti-spam, & user administration on all email accounts (Example: Office 365, Barracuda on premise device)			
Offsite Server Backup with up to 2TB of data per server Automatic real-time Image-based offsite cloud backup/disaster recovery solution Images stored locally on a backup device (Hard Drive, NAS, or Backup Disaster Recovery Server) for easy file recovery Offsite backup daily for entire network recovery in case of a catastrophic failure			
Firewall Management Requires current manufacturer service agreement (Example: Meraki Product)			
Virtual CIO Annual technology planning, equipment purchasing support, project proposals and planning, point of escalation, scheduled one-on-one/report reviews			

Partnership Agreement

Partnership Package Comparison	
	Monthly Investment: \$465.00
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<p>Managed Switches</p>	
<p>0 Cloud File Sync User(s) Feature rich file sync & sharing services with secure access to data from devices</p>	
<p>General Website Assessment The High Touch Web Team will assess your current website and provide a general report of recommendations. Examples of assessment results include whether or not your website is mobile friendly, user friendly, up-to-date, and secure.</p>	
<p>Search Engine Optimization (SEO) Assessment The High Touch Web Team will assess your website's ranking potential with search engines and provide a report of recommendations. Examples of assessment results include the quality of content currently on your website for SEO strategies, social media use, Google Business listing setups and whether or not result's information is accurate</p>	

Partnership Agreement

Service Labor Rates for Outside Partnership Package	
Remote hourly rate for outside of plan	\$100.00
Onsite hourly rate for outside of plan: 1 hour minimum	\$125.00
After hours & weekends (Bill at 1 ½, with 1 hour minimum)	\$150.00
Standard US holidays (Billed at 2 times hourly rate with minimum 2 hours)	\$200.00
Trip charge for clients that are over 15 Miles (Hourly onsite rate from start of travel until returned)	\$0.00

**Note: Move-add-changes to environment, mass-upgrades of software, mass-deployment of hardware, and project work are not included and will be evaluated as a separate project.*

This Pro Plan Partner Package Agreement is offered subject to customer's acceptance of:

1. High Touch Technologies' Standard Terms and Conditions located at <http://hightouchtechnologies.com/terms/std/2015/>

Acceptable User Policy which is incorporated into this Proposal and the two constitute the full agreement of the parties. Term of agreement is 12 months. If terminating an agreement with a remaining balance, (12 months) is due. Customer's signature or its use of services or receipt of equipment shall conclusively establish Customer's acceptance of this Proposal and the Standard Terms and Conditions. To the extent any express terms of this proposal conflict with the Standard Terms and Conditions posted on High Touch's website, the terms of this Proposal shall control. Invoices will be sent out the 1st of each month for the services that will be rendered during that month.

Partnership Agreement

Quality Standards

- Standard Business Hours are 8:00am to 5:00pm CST, Monday thru Friday, excluding Holidays
- All onsite service request must be scheduled unless deemed necessary to address a Priority 1 emergency
- All new service requests must be submitted via msrequest@hightouchinc.com or 855-696-9470. New requests submitted via other forms are not subject to SLA response targets
- All service requests outside of standard business hours, weekends and holidays MUST be submitted using 855-696-9470. Requests during these times submitted to msrequest@hightouchinc.com will be addressed during the next standard business hour

Service Level Agreement

Description / SLA / Escalation

Priority 1 Emergency	<p>Catastrophic business impact: Generally reserved for an enterprise-wide outage</p> <ul style="list-style-type: none"> <input type="checkbox"/> Work cannot reasonably continue <input type="checkbox"/> Response Target: 1 Hour <input type="checkbox"/> Escalation Target: <ul style="list-style-type: none"> ○ Hourly: Follow-up calls to Client ○ Two hours: Consultant Director notified ? Call to Client Peer
Priority 2 Urgent	<p>High Business Impact:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Clients business has significant loss or degradation of services <input type="checkbox"/> Response Target: 4 hours <input type="checkbox"/> Escalation Target: <ul style="list-style-type: none"> ○ Hourly: Follow-up calls to Client ○ Four hours: Consultant Director notified Call to Client Peer ○ Eight hours: Consultant VP notified Call to Client Peer
Priority 3 Standard Important Note: Tickets are assigned as a P3 status unless, specifically identified as a P1, or P2 by the Client.	<p>Moderate Business Impact:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Clients business has moderate loss or degradation of services but work can reasonable continue in an impaired manner. <input type="checkbox"/> No server impact, but a problem/bug is affecting the system <input type="checkbox"/> Response Target: 4 hours <input type="checkbox"/> Escalation Target:
Priority 4 Scheduled	<ul style="list-style-type: none"> <input type="checkbox"/> Consultant will email or call Client to determine when the work can be scheduled or supplies ordered <input type="checkbox"/> Response target: 8 hours

Partnership Agreement

Covered Products

Covered Products - Hardware (desktop, laptops, server, mobile devices, appliances, and software).

Minimum Standards for Covered Products:

- Environment must have a current license, up-to-date and vendor-supported server-based antivirus solution protecting all covered products
- Environment must have a current license, vendor-supported firewall between the internal network and the Internet
- Environment must have current license, vendor-supported data archive system and applicable media required to back up the installed Operating System (OS), application and data.
- Any wireless data traffic in the environment must be secure with a minimum of 128bit encryption
- All covered products must be genuine, licensed and vendor-supported.

Non-Covered Product: Wiring, cables, wall plates, power outlets, and any other devices that are not eligible for the services as specified.

Partnership Agreement

Additional Services

High Touch offers other technology services clients can take advantage of outside of the original engagement description. Additional services may require authorized writing by the Client and may include addendums or new agreements to the original document.

- Standards/policy definition**
- Assets** Hardware and software audits, hardware moves, software deployments, asset tagging, network cabling
- Procurement Services** Ordering, warehousing, disposal, installation, configuration
- Website Development and Hosting**
- End User Services** Voice/telephony support, audio/visual support, consultation on approved systems
- Database Management** Backup, repair & restoration; performance and capacity management; installation, upgrades, maintenance, and support
- Software Development and Support**
- ERP** Enterprises Resource Plan
- Project Management** Project plans, release schedules, status reports
- ShoreTel Phone System** Hosted, on premise, or hybrid Based
- LifeSize Video Conferencing** Real-time video conferencing
- Business Analyst** Requirements gathering, document generation, training, custom reporting, procedures/policy creation

Services: These services can be added as a monthly fee or as a project. High Touch Consultant will obtain requirements from the Client and provide either a change to the Partner Package Agreement or a project quote will be generated for the Client to review

Client Responsibilities

To provide the most optimal client experience High Touch has found that the following is beneficial in developing strong partnerships with our Clients.

- Monitored systems must be on and connected to the internet to provide patching as well as performance feedback.
- Identify and make available at least one qualified Client employee with authority to:
- Advise Consultant of Clients requirements,
- Provide information and give data with respect to the requested service
- Act and make binding decisions on behalf of Client
- Provide the necessary facilities and equipment required to deliver the services
- Provide hardware and software maintenance coverage for all Covered Products
- Provide a clear communication path between Consultant and all Covered Products for the following protocols: ICMP, SNMP, SYSLOG, HTTP, SHTTP, SSH, Telnet, Windows Terminal Server, monitored service ports and any future protocols that may be necessary and mutually agreed upon
- Allow WMI and SNMP agent and MIBs to be installed and configured on the Covered Products.
- Provide Consultant with WMI and SNMP read access to all Covered Products
- Permit Consultant to access Covered Products remotely using Telnet, HTTP, SHTTP, SSH, Windows Terminal Server and any other access protocol agreed upon between Consultant and the Client
- Provide administrator accounts, usernames, and passwords
- If required, provide Letters of Agency for telecommunications carriers that Consultant may contact.
- Provide Internet connectivity to users required to access the Service Desk
- Inform Consultant in advance of any changes that may affect network or device connectivity/ availability

Partnership Agreement

Client Environment

The Client environment is an unknown factor that may incur additional expense to the Client. If the Client's environment needs to be brought up to minimum standards, any additional hardware and/or software necessary to support Client's infrastructure will be the responsibility of the client.

- Required Third-Party tools to support the Covered Products, including but not limited to:
 - Vendor software, licensing, renewal, upgrade, and support fees
 - Vendor support/incident fees
 - Cost of parts, equipment or software not covered by vendor/manufacturer warranty/support and the related shipping charges.
 - Cost of services/repairs made necessary by alteration/modification of Covered Products other than by Service Provider.
- Programming, software administration, not listed under Covered Products
- Failures due to Acts of God, building modifications, power failures, or other adverse environmental conditions/factors

Addendum Related

The following hardware/services fall outside of this specific agreement:

- Website Development and Hosting
- Wiring, Cabling or moving office equipment
- Hardware failure and/or corruption (server motherboard, RAID controller failure, hard drive failure, etc)
- Customer Operator error. Repair or replacement of any hardware or software product, electrical work, or repair of damage resulting from operator error, configuration changes made by the customer, accident, vandalism, electrical or environmental problems, excessive heat or humidity, or maintenance provided by personnel other than authorized High Touch representatives
- Printers, document imaging stations, copiers and faxes
- Home/residence technology related issues; for example: residence Internet service provider (ISP) / home Internet, home computer, home network and mobile phone
- Television, digital Signage, digital billboard communication/connectivity
- Telephone and voicemail support, installation, training
- Conference room equipment (interactive whiteboards)
- Videoconferencing, Digital Video Recorder (DVR), tape backup
- Secure Socket Layer (SSL) Certificates, Payment Card Industry (PCI) Data Security Standard certifications
- Mobile devices/smart phones (remote access) subsequent connection support to the main company network
- Adds/Moves/Changes to network or systems

Partnership Agreement

Transition

To ensure a smoother transition, the following items are required:

1. Administrative login credentials
 - a. Including (but not limited to): Server Administrators, Virtual Hosts, Firewall, Backups, etc.
 - b. User IDs and Password
2. Reseller accounts
 - a. Including (but not limited to) Microsoft Volume Licensing
 - b. Cooperation with necessary Change of Reseller accounts
3. Internet Service Provider (ISP) phone number, PIN credentials, Account number

Note: The Client is responsible for helping obtain the necessary technology information for the items above. Improper information sharing can delay services, result in business and/or network downtime and could result in unnecessary costs.

Onboarding The First 90 Days

The first 90 days are critical to the client experience and successful transition. Communication and setting expectations help to alleviate unnecessary challenges. We ask for your cooperation and patience as we upgrade your Information Technology to industry standards.

Technology upgrades do not happen overnight. Our 90 Day Project Plan helps prepare the Client and key stakeholders of potential downtime that could impact business productivity. To maintain the integrity of the partnership, our expectation is that critical information shared by our team be communicated to the Client enterprise by the defined Client point of contact.

All support requests received by High Touch will be billed accordingly. If a support resolution is questionable from a billing perspective, the client can request in advance if the support will incur additional costs.

Projects or tasks outside of scope and within the first 90 days of this agreement that are deemed excessive will be billable (ie: fix or cleanup long overdue or outstanding issues).

The Client is responsible for understanding this agreement in its entirety.

Partnership Agreement

Partnership Package Comparison 2

Devices Supported in this package

1 Servers	0 Microsoft Office 365 Licenses	This Pro Plan Partnership Package
13 PCs	Y Hours Onsite Support Monthly	Agreement effective date is:
0 Laptops	0 Mobile Device Management (MDM)	
14 Antivirus Licenses	0 Cloud File Sync	For a term of (12) Months
0 Email Accounts	0 Managed Switch	
0 Firewall	1 Up to 2TB per server offsite backup	

Summary

Customer Signature

Date

Customer Print

Title

Customer Name: South Texas Water Authority
 Customer Mailing Address: 2302 E Sage Kingsville, TX 78363

Jessica Neblett
Account Executive

Date

High Touch, Incorporated
 711 N. Carancahua Suite 1500
 Corpus Christi, TX 78401

Please Sign, Scan, and return to: jessican@hightouchinc.com



Hardware

Prepared for:
South Texas Water Authority

Expires: 12/01/2018

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High Touch Technologies

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P: 361-993-1790 F:
www.hightouchtechnologies.com



Prepared For:

South Texas Water Authority
Frances Rosales
2302 E Sage
Kingsville, TX 78363
FVRosales@stwa.org

Prepared By



Jessica Neblett
Phone: (361) 402-5621
Email: jessican@hightouchinc.com

Quote ID: CC011392

Date: Thursday, November 01, 2018

Expires: Saturday, December 01, 2018

Products

Description	Price	Qty	Ext. Price
NAS NAS server - 6 bays - SATA 6Gb/s - RAID 0, 1, 5, 6, 10, JBOD, 5 spare, 6 spare, 10 spare - RAM 8 GB - Gigabit Ethernet - iSCSI	\$1,665.00	1	\$1,665.00
Hard Drive WD Red 4 TB 3.5" Internal Hard Drive - SATA - 5400rpm - 64 MB Buffer	\$290.00	4	\$1,160.00
Products Subtotal			\$2,825.00

Non-Recurring Expenses

Description	Amount
Products	\$2,825.00
Subtotal	\$2,825.00
Tax	\$233.06
Total	\$3,058.06

This Proposal is offered subject to customer's acceptance of High Touch Technologies' Standard Terms and Conditions (as posted in 2015) located at <http://hightouchtechnologies.com/terms/std/2015/> which are incorporated into this Proposal and the two constitute the full agreement of the parties. Customer's signature or its use of services or receipt of equipment shall conclusively establish Customer's acceptance of this Proposal and the Standard Terms and Conditions. To the extent any express terms of this Proposal conflict with the Standard Terms and Conditions posted on High Touch's website, the terms of this Proposal shall control.

Quote is subject to applicable tax and freight.

Signature

Date

mcserrato@stwa.org

From: Jessica Neblett <jessican@hightouchinc.com>
Sent: Thursday, November 15, 2018 5:50 PM
To: mcserrato@stwa.org
Cc: Jo Ella Wagner; Frances Rosales
Subject: RE: Cost Savings for 2 or 3 year Service Agreement

Hello Carola,

I actually made a mistake on my 2 year calculation, however I will honor that price. Here is the breakdown:

1 YEAR

1 server @ 125ea = 125
13 desktops @ 45ea = 585
1 Backup @ 110 ea = 110
1 Year Plan = \$820

2 YEAR

1 server @ 110ea = 110 – Here is the error
13 desktops @ 40ea = 520
1 Backup @ 110 ea = 110
2 Year Plan = \$740

3 YEAR

1 server @ 125ea = 125
13 desktops @ 35ea = 455
1 Backup @ 110 ea = 110
3 Year Plan = \$690

Jessica Neblett | Account Executive
Phone: 361-402-5621 | jessican@hightouchinc.com

HIGH TOUCH TECHNOLOGIES

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hightouchtechnologies.com
Corpus Christi | Dallas | Denver | Kansas City | San Antonio | Wichita
[Facebook](#) | [Twitter](#) | [Google+](#) | [LinkedIn](#)

From: mcserrato@stwa.org <mcserrato@stwa.org>
Sent: Thursday, November 15, 2018 5:18 PM
To: Jessica Neblett <jessican@hightouchinc.com>
Cc: Jo Ella Wagner <jwagner@stwa.org>; Frances Rosales <fvrosales@stwa.org>
Subject: Cost Savings for 2 or 3 year Service Agreement

Jessica,

Attached is a pdf file with our analysis of the 1, 2, and 3 year MSA proposals. I recall your breakdown that the desktop amount would change from \$45 to \$40 and \$35 in years 2 and 3. But, there must also be some other adjustment in those years. I thought perhaps it was the Server monthly amount – see the boxed figure at the top of the Year 2 and Year 3 sheets. But, it doesn't work for Year 3 unless I revert to the \$125 from Year 1. Could you assist in what the breakdown should be?

Thanks,

Carola

Carola G. Serrato
Executive Director

South Texas Water Authority

PO Box 1701

Kingsville, Texas 78364

361-592-9323 x112

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High Technology Breakdown

One (1) Server	\$ 125.00	
Thirteen (13) Desktops including Mid-Ware	\$ 585.00	\$ 45.00
One (1) Back Up Storage in Cloud	<u>\$ 110.00</u>	\$ 7.86
Monthly	\$ 820.00	
Annual	\$9,840.00	

Hardware RMM AP Remote/Onsite Support	WSC %	STWA	NWSC	RWSC	Total
Server - 1/3 each	66.67%	\$ 41.66	\$ 41.67	\$ 41.67	\$ 125.00
1 Mid-Ware Server - 1/2 each to WSCs	100.00%	\$0.00	\$ 22.50	\$ 22.50	\$ 45.00
2 Part - Time Clerk	90.00%	\$ 4.50	\$ 20.25	\$ 20.25	\$ 45.00
3 Receptionist Clerk	75.00%	\$ 11.25	\$ 16.88	\$ 16.88	\$ 45.00
4 Billing Clerk	85.00%	\$ 6.75	\$ 19.13	\$ 19.13	\$ 45.00
5 Accountant Assistant	75.00%	\$ 11.25	\$ 16.88	\$ 16.88	\$ 45.00
6 Business - Risk Manager	25.00%	\$ 33.75	\$ 5.63	\$ 5.63	\$ 45.00
7 Finance Manager	27.00%	\$ 32.85	\$ 6.08	\$ 6.08	\$ 45.00
8 CP Tech	0.00%	\$ 45.00	\$0.00	\$0.00	\$ 45.00
9 Field Foreman	75.00%	\$ 11.25	\$ 16.88	\$ 16.88	\$ 45.00
10 O&M Supervisor	35.00%	\$ 29.25	\$ 7.88	\$ 7.88	\$ 45.00
11 Executive Director	15.00%	\$ 38.25	\$ 3.38	\$ 3.38	\$ 45.00
12 Front Counter - WSC Bills	100.00%	\$0.00	\$ 22.50	\$ 22.50	\$ 45.00
13 Reception Area - Online Bill Pay	100.00%	<u>\$0.00</u>	<u>\$ 22.50</u>	<u>\$ 22.50</u>	<u>\$ 45.00</u>
		\$ 265.76	\$ 222.12	\$ 222.12	\$ 710.00

Back Up Storage in Cloud - \$110/14 = \$7.86	WSC %	STWA	NWSC	RWSC	Total
Server - 1/3 each	66.67%	\$ 2.62	\$ 2.62	\$ 2.62	\$ 7.86
1 Mid-Ware Server - 1/2 each to WSCs	100.00%	\$0.00	\$ 3.93	\$ 3.93	\$ 7.86
2 Part - Time Clerk	90.00%	\$ 0.79	\$ 3.54	\$ 3.54	\$ 7.86
3 Receptionist Clerk	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
4 Billing Clerk	85.00%	\$ 1.18	\$ 3.34	\$ 3.34	\$ 7.86
5 Accountant Assistant	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
6 Business - Risk Manager	25.00%	\$ 5.89	\$ 0.98	\$ 0.98	\$ 7.86
7 Finance Manager	27.00%	\$ 5.74	\$ 1.06	\$ 1.06	\$ 7.86
8 CP Tech	0.00%	\$ 7.86	\$0.00	\$0.00	\$ 7.86
9 Field Foreman	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
10 O&M Supervisor	35.00%	\$ 5.11	\$ 1.38	\$ 1.38	\$ 7.86
11 Executive Director	15.00%	\$ 6.68	\$ 0.59	\$ 0.59	\$ 7.86
12 Front Counter - WSC Bills	100.00%	\$0.00	\$ 3.93	\$ 3.93	\$ 7.86
13 Reception Area - Online Bill Pay	100.00%	<u>\$0.00</u>	<u>\$ 3.93</u>	<u>\$ 3.93</u>	<u>\$ 7.86</u>
		\$ 41.75	\$ 34.13	\$ 34.13	\$ 110.00

	STWA	NWSC	RWSC	Total
Hardware RMM AP Remote/Onsite Support	\$ 265.76	\$ 222.12	\$ 222.12	\$ 710.00
Back Up Storage in Cloud - \$110/14 = \$7.86	<u>\$ 41.75</u>	<u>\$ 34.13</u>	<u>\$ 34.13</u>	<u>\$ 110.00</u>
	\$ 307.51	\$ 256.25	\$ 256.25	\$ 820.00
Times 12 months	<u>x12</u>	<u>x12</u>	<u>x12</u>	<u>x12</u>
	\$3,690.12	\$3,075.00	\$3,075.00	\$9,840.00

High Technology Breakdown

One (1) Server	\$ 110.00	
Thirteen (13) Desktops including Mid-Ware	\$ 520.00	\$ 40.00
One (1) Back Up Storage in Cloud	\$ 110.00	\$ 7.86
Monthly	\$ 740.00	
Annual	\$8,880.00	

Hardware RMM AP Remote/Onsite Support	WSC %	STWA	NWSC	RWSC	Total
Server - 1/3 each	66.67%	\$ 36.66	\$ 36.67	\$ 36.67	\$ 110.00
1 Mid-Ware Server - 1/2 each to WSCs	100.00%	\$0.00	\$ 20.00	\$ 20.00	\$ 40.00
2 Part - Time Clerk	90.00%	\$ 4.00	\$ 18.00	\$ 18.00	\$ 40.00
3 Receptionist Clerk	75.00%	\$ 10.00	\$ 15.00	\$ 15.00	\$ 40.00
4 Billing Clerk	85.00%	\$ 6.00	\$ 17.00	\$ 17.00	\$ 40.00
5 Accountant Assistant	75.00%	\$ 10.00	\$ 15.00	\$ 15.00	\$ 40.00
6 Business - Risk Manager	25.00%	\$ 30.00	\$ 5.00	\$ 5.00	\$ 40.00
7 Finance Manager	27.00%	\$ 29.20	\$ 5.40	\$ 5.40	\$ 40.00
8 CP Tech	0.00%	\$ 40.00	\$0.00	\$0.00	\$ 40.00
9 Field Foreman	75.00%	\$ 10.00	\$ 15.00	\$ 15.00	\$ 40.00
10 O&M Supervisor	35.00%	\$ 26.00	\$ 7.00	\$ 7.00	\$ 40.00
11 Executive Director	15.00%	\$ 34.00	\$ 3.00	\$ 3.00	\$ 40.00
12 Front Counter - WSC Bills	100.00%	\$0.00	\$ 20.00	\$ 20.00	\$ 40.00
13 Reception Area - Online Bill Pay	100.00%	\$0.00	\$ 20.00	\$ 20.00	\$ 40.00
		\$ 235.86	\$ 197.07	\$ 197.07	\$ 630.00

Back Up Storage in Cloud - \$110/14 = \$7.86	WSC %	STWA	NWSC	RWSC	Total
Server - 1/3 each	66.67%	\$ 2.62	\$ 2.62	\$ 2.62	\$ 7.86
1 Mid-Ware Server - 1/2 each to WSCs	100.00%	\$0.00	\$ 3.93	\$ 3.93	\$ 7.86
2 Part - Time Clerk	90.00%	\$ 0.79	\$ 3.54	\$ 3.54	\$ 7.86
3 Receptionist Clerk	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
4 Billing Clerk	85.00%	\$ 1.18	\$ 3.34	\$ 3.34	\$ 7.86
5 Accountant Assistant	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
6 Business - Risk Manager	25.00%	\$ 5.89	\$ 0.98	\$ 0.98	\$ 7.86
7 Finance Manager	27.00%	\$ 5.74	\$ 1.06	\$ 1.06	\$ 7.86
8 CP Tech	0.00%	\$ 7.86	\$0.00	\$0.00	\$ 7.86
9 Field Foreman	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
10 O&M Supervisor	35.00%	\$ 5.11	\$ 1.38	\$ 1.38	\$ 7.86
11 Executive Director	15.00%	\$ 6.68	\$ 0.59	\$ 0.59	\$ 7.86
12 Front Counter - WSC Bills	100.00%	\$0.00	\$ 3.93	\$ 3.93	\$ 7.86
13 Reception Area - Online Bill Pay	100.00%	\$0.00	\$ 3.93	\$ 3.93	\$ 7.86
		\$ 41.75	\$ 34.13	\$ 34.13	\$ 110.00

	STWA	NWSC	RWSC	Total
Hardware RMM AP Remote/Onsite Support	\$ 235.86	\$ 197.07	\$ 197.07	\$ 630.00
Back Up Storage in Cloud - \$110/14 = \$7.86	\$ 41.75	\$ 34.13	\$ 34.13	\$ 110.00
	\$ 277.61	\$ 231.19	\$ 231.19	\$ 740.00
Times 12 months	x12	x12	x12	x12
	\$3,331.32	\$2,774.31	\$2,774.31	\$8,879.95

High Technology Breakdown

One (1) Server	\$ 125.00	
Thirteen (13) Desktops including Mid-Ware	\$ 455.00	\$ 35.00
One (1) Back Up Storage in Cloud	\$ 110.00	\$ 7.86
Monthly	\$ 690.00	
Annual	\$ 8,280.00	

Hardware RMM AP Remote/Onsite Support	WSC %	STWA	NWSC	RWSC	Total
Server - 1/3 each	66.67%	\$ 41.66	\$ 41.67	\$ 41.67	\$ 125.00
1 Mid-Ware Server - 1/2 each to WSCs	100.00%	\$0.00	\$ 17.50	\$ 17.50	\$ 35.00
2 Part - Time Clerk	90.00%	\$ 3.50	\$ 15.75	\$ 15.75	\$ 35.00
3 Receptionist Clerk	75.00%	\$ 8.75	\$ 13.13	\$ 13.13	\$ 35.00
4 Billing Clerk	85.00%	\$ 5.25	\$ 14.88	\$ 14.88	\$ 35.00
5 Accountant Assistant	75.00%	\$ 8.75	\$ 13.13	\$ 13.13	\$ 35.00
6 Business - Risk Manager	25.00%	\$ 26.25	\$ 4.38	\$ 4.38	\$ 35.00
7 Finance Manager	27.00%	\$ 25.55	\$ 4.73	\$ 4.73	\$ 35.00
8 CP Tech	0.00%	\$ 35.00	\$0.00	\$0.00	\$ 35.00
9 Field Foreman	75.00%	\$ 8.75	\$ 13.13	\$ 13.13	\$ 35.00
10 O&M Supervisor	35.00%	\$ 22.75	\$ 6.13	\$ 6.13	\$ 35.00
11 Executive Director	15.00%	\$ 29.75	\$ 2.63	\$ 2.63	\$ 35.00
12 Front Counter - WSC Bills	100.00%	\$0.00	\$ 17.50	\$ 17.50	\$ 35.00
13 Reception Area - Online Bill Pay	100.00%	\$0.00	\$ 17.50	\$ 17.50	\$ 35.00
		\$ 215.96	\$ 182.02	\$ 182.02	\$ 580.00

Back Up Storage in Cloud - \$110/14 = \$7.86	WSC %	STWA	NWSC	RWSC	Total
Server - 1/3 each	66.67%	\$ 2.62	\$ 2.62	\$ 2.62	\$ 7.86
1 Mid-Ware Server - 1/2 each to WSCs	100.00%	\$0.00	\$ 3.93	\$ 3.93	\$ 7.86
2 Part - Time Clerk	90.00%	\$ 0.79	\$ 3.54	\$ 3.54	\$ 7.86
3 Receptionist Clerk	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
4 Billing Clerk	85.00%	\$ 1.18	\$ 3.34	\$ 3.34	\$ 7.86
5 Accountant Assistant	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
6 Business - Risk Manager	25.00%	\$ 5.89	\$ 0.98	\$ 0.98	\$ 7.86
7 Finance Manager	27.00%	\$ 5.74	\$ 1.06	\$ 1.06	\$ 7.86
8 CP Tech	0.00%	\$ 7.86	\$0.00	\$0.00	\$ 7.86
9 Field Foreman	75.00%	\$ 1.96	\$ 2.95	\$ 2.95	\$ 7.86
10 O&M Supervisor	35.00%	\$ 5.11	\$ 1.38	\$ 1.38	\$ 7.86
11 Executive Director	15.00%	\$ 6.68	\$ 0.59	\$ 0.59	\$ 7.86
12 Front Counter - WSC Bills	100.00%	\$0.00	\$ 3.93	\$ 3.93	\$ 7.86
13 Reception Area - Online Bill Pay	100.00%	\$0.00	\$ 3.93	\$ 3.93	\$ 7.86
		\$ 41.75	\$ 34.13	\$ 34.13	\$ 110.00

	STWA	NWSC	RWSC	Total
Hardware RMM AP Remote/Onsite Support	\$ 215.96	\$ 182.02	\$ 182.02	\$ 580.00
Back Up Storage in Cloud - \$110/14 = \$7.86	\$ 41.75	\$ 34.13	\$ 34.13	\$ 110.00
	\$ 257.71	\$ 216.14	\$ 216.14	\$ 690.00
Times 12 months	x12	x12	x12	x12
	\$3,092.52	\$2,593.71	\$2,593.71	\$8,279.95

South Texas Water Authority
Vendor Transaction History

For the Period From Oct 1, 2017 to Sep 30, 2018

Filter Criteria includes: 1) Vendor ID: PRASYS. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
PRASYS	22712	12/1/17	2,092.99
PRAESIDIUM SYSTEMS, INC.	22815	11/9/17	95.00
	22849	11/15/17	95.00
	23059	1/2/18	475.00
	23072	1/5/18	475.00
	23090	1/8/18	47.50
	23111	1/10/18	475.00
	23114	1/11/18	47.50
	23176	1/24/18	95.00
	23594	4/22/18	95.00
	23638	4/27/18	47.50
	23845	6/4/18	95.00
	23878	6/11/18	380.00
	24036	7/12/18	665.00
PRASYS			5,180.49
Report Total			5,180.49

FY
2018

South Texas Water Authority
Vendor Transaction History

For the Period From Oct 1, 2017 to Sep 30, 2018

Filter Criteria includes: 1) Vendor ID: pinnacle. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
pinnacle	37648	10/1/17	15.00
Pinnacle Computer Service, Inc.	37713	11/1/17	15.00
	37735	11/28/17	2,000.00
	37768	12/1/17	15.00
	37826	1/1/18	15.00
	37889	2/1/18	15.00
	37908	2/16/18	109.00
	37944	3/1/18	15.00
	37947	3/2/18	207.00
	37995	3/29/18	15.00
	38064	5/1/18	15.00
	38127	6/1/18	15.00
	38167	7/1/18	15.00
pinnacle			2,466.00
Report Total			2,466.00

FY 2018

South Texas Water Authority
Vendor Transaction History

For the Period From Oct 1, 2017 to Sep 30, 2018

Filter Criteria includes: 1) Vendor ID: INTCNT. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
INTCNT Interconnect	121317	12/13/17	87.00
	24401	10/16/17	87.00
	24566	11/15/17	87.00
	24892	1/15/18	87.00
	25059	2/14/18	87.00
	25216	3/14/18	87.00
	25382	4/13/18	87.00
	25552	5/12/18	87.00
	25711	6/12/18	87.00
	25878	7/18/18	87.00
	26031	8/10/18	87.00
	26199	9/11/18	87.00
	INTCNT		
Report Total			1,044.00

Fy 2018

South Texas Water Authority
Vendor Transaction History

For the Period From Oct 1, 2016 to Sep 30, 2017

Filter Criteria includes: 1) Vendor ID: PRASYS. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
PRASYS	22147	6/29/17	475.00
PRAESIDIUM SYSTEMS, INC.	22521	9/16/17	95.00
PRASYS			570.00
Report Total			570.00

FY
2017

South Texas Water Authority
Vendor Transaction History
For the Period From Oct 1, 2016 to Sep 30, 2017

Filter Criteria includes: 1) Vendor ID: pinnacle. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
pinnacle	36891	11/29/16	2,000.00
Pinnacle Computer Service, Inc.	37040	2/1/17	15.00
	37051	2/3/17	69.00
	37080	2/21/17	1,750.00
	37108	3/1/17	15.00
	37168	3/27/17	15.00
	37254	5/1/17	15.00
	37315	6/1/17	15.00
	37423	7/1/17	15.00
	37508	8/1/17	15.00
	37600	9/1/17	15.00
	4109	2/1/17	749.00
			<hr/>
pinnacle			4,688.00
			<hr/>
Report Total			4,688.00
			<hr/> <hr/>

FY 2017

South Texas Water Authority
Vendor Transaction History

For the Period From Oct 1, 2016 to Sep 30, 2017

Filter Criteria includes: 1) Vendor ID: INTCNT. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
INTCNT Interconnect	22387	10/22/16	87.00
	22553	11/21/16	87.00
	22715	12/21/16	87.00
	22886	1/20/17	87.00
	23055	2/17/17	87.00
	23216	3/19/17	87.00
	23377	4/19/17	87.00
	23554	5/18/17	87.00
	23720	6/19/17	87.00
	23896	7/15/17	87.00
	24074	8/17/17	87.00
	24242	9/14/17	87.00
	INTCNT		
Report Total			1,044.00

FY 2017

South Texas Water Authority
Vendor Transaction History
For the Period From Oct 1, 2015 to Sep 30, 2016

Filter Criteria includes: 1) Vendor ID: Multiple IDs. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
PRASYS	19460	1/25/16	295.00
PRAESIDIUM SYSTEMS, INC.	20676	9/19/16	47.50
	20701	9/21/16	142.50
	20728	9/28/16	142.50
PRASYS			627.50
Report Total			627.50

Fy 2016

South Texas Water Authority
Vendor Transaction History

For the Period From Oct 1, 2015 to Sep 30, 2016

Filter Criteria includes: 1) Vendor ID: INTCNT. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
INTCNT Interconnect	062516	6/25/16	89.00
	20235	10/4/15	89.00
	20423	11/3/15	89.00
	20586	12/2/15	89.00
	20752	1/2/16	89.00
	20907	1/29/16	89.00
	21048	2/25/16	89.00
	21223	3/27/16	89.00
	21384	4/25/16	89.00
	21552	5/25/16	89.00
	21888	7/24/16	89.00
	22050	8/24/16	89.00
	22222	9/19/16	89.00
INTCNT			1,157.00
Report Total			1,157.00

FY 2016

South Texas Water Authority
Vendor Transaction History

For the Period From Oct 1, 2014 to Sep 30, 2015

Filter Criteria includes: 1) Vendor ID: pinnacle; 2) Vendor Name from Pinnacle Computer Service, Inc. to . Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
pinnacle	34141	10/13/14	50.00
Pinnacle Computer Service, Inc.	34221	10/29/14	999.00
	34222	10/29/14	810.00
	34223	11/1/14	75.00
	34268	11/5/14	50.00
	34553	1/9/15	389.00
	34798	2/24/15	63.00
	34860	3/5/15	60.00
	35026	4/7/15	342.00
	35142	4/27/15	270.00
	35352	6/16/15	444.00
	35383	6/24/15	225.00
	35554	7/30/15	727.00
	35639	8/24/15	2,175.00
			<hr/>
pinnacle			6,679.00
			<hr/>
Report Total			6,679.00
			<hr/> <hr/>

fy 2015

+ 47⁵⁰

6726⁵⁰

South Texas Water Authority
Vendor Transaction History
For the Period From Oct 1, 2014 to Sep 30, 2015

Filter Criteria includes: 1) Vendor ID: INTCNT. Report order is by Vendor ID. Report is printed in Summary Format.

Vendor ID Vendor Name	Invoice No.	Date	Amount
INTCNT Interconnect	17168	10/1/14	69.00
	17325	10/23/14	69.00
	17496	11/23/14	69.00
	17676	12/20/14	69.00
	17824	1/18/15	69.00
	18187	3/17/15	89.00
	18397	4/17/15	89.00
	18473	2/18/15	89.00
	18600	5/14/15	89.00
	18790	9/10/15	47.50
	18916	6/12/15	89.00
	19079	7/10/15	89.00
	19916	8/8/15	89.00
	20057	9/4/15	89.00
	INTCNT		
Report Total			1,104.50

FY 2015

*69⁰⁰ ÷ 89⁰⁰
recurring
monthly
charge*

ATTACHMENT 14

ERCOT Membership Meeting and Proxy

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: November 27, 2018
Re: ERCOT Membership Meeting and Proxy

Background:

Enclosed please find a proxy form for the December 11, 2018 Annual ERCOT membership meeting. The ERCOT representative is asking that the proxy form be submitted by December 7th in order to determine whether a quorum can be established. In addition, Chris Brewster, an attorney that works for TCAP (the energy coalition that STWA is part of) has asked for the proxy to be returned. Typically, Mr. Brewster acts as STWA's proxy.

Analysis:

There are no plans to attend the ERCOT meeting. Therefore, it is appropriate to provide a proxy. As in the past, Mr. Brewster has been appointed as the proxy since he has indicated he will be attending.

Staff Recommendation:

Approve submitting the necessary form naming Chris Brewster as STWA's proxy for the ERCOT Membership meeting on December 11, 2018.

Board Action:

Determine whether to approve submitting the necessary form naming Chris Brewster as STWA's proxy for the ERCOT Membership meeting on December 11, 2018.

Summarization:

Staff continues to be pleased with the services being provided through our energy coalition, Texas Coalition for Affordable Power (TCAP). STWA became a member of TCAP when the South Texas Aggregate Power (STAP) merged with Cities Aggregation Power Project (CAPP). Involvement with ERCOT is of utmost importance in insuring that fair energy prices are secured for public entities.



**Electric Reliability Council of Texas, Inc.
Form for Designation of an Alternate Representative or Proxy**

For meetings of the ERCOT Corporate Members, Board, TAC or any Subcommittee thereof

Use this form if you are a Corporate Member designating as your representative a person who is not already a voting member in the group identified below (an "Alternate Representative") or if you are assigning your vote to a person who is already a voting member of the group (a "Proxy").

An Alternate Representative exercises the authority of the voting member at the meeting and counts towards establishing a quorum. A Proxy holder may exercise the vote of the voting member at the meeting. A Proxy does not count towards establishing a quorum except for meetings of the Corporate Members. Designation of an Alternate Representative or Proxy is only effective for a single meeting on a single date as listed below; a new form must be executed for each or any subsequent designation or assignment. A signed copy must be delivered to the General Counsel (for Board meetings), the Organization Support Specialist of Market Services (for all other meetings), or his or her designee prior to the time of the vote(s) for which the form will be effective. The voting member may revoke the designation or Proxy at any time.

I am a voting member of the ERCOT Corporate Members.

I hereby designate Chris Brewster of the City of Eastland:

Alternative Representative

Proxy

to represent me at the Annual Membership Meeting on December 11, 2018.

Signed: _____

Printed Name: Insert your Name

Name of ERCOT Member Represented: Insert Member Company Name

Please fill out the form and return it to Amy Loera at ERCOT no later than Friday, December 7, 2018. The form can be submitted by email (.pdf) to membership@ercot.com, facsimile to (512) 225-7079 or first class mail to ERCOT, Attn.: Membership, 7620 Metro Center Drive, Austin, Texas 78744.