

PIPELINE

Newsletter for residents of the South Texas Water Authority • 3Q 2012

You're invited: *Town Hall Meeting Oct. 3 to discuss STWA bond proposal*

The South Texas Water Authority Board of Directors will host a Town Hall Meeting at 5:30 p.m. Wednesday, Oct. 3 at the Kleberg County Courthouse Annex Law Enforcement Center, 1500 East King in Kingsville to discuss its three propositions on the Nov. 6 ballot.

The STWA Board voted July 30 to seek voter approval for the following propositions:

Proposition 1, Regional Water Line (\$1.9 million): The Texas Department of Transportation

(TXDOT) is expanding U.S. 77 between FM 892 to County Road 28. TXDOT will require STWA to move a portion of its 42-inch water line, the main artery for water to customers in Nueces and Kleberg counties.

Proposition 2, Kingsville Pump Station Renovations and Modifications (\$2.925 million): STWA's five-million-gallon water storage tank is deteriorating, and two of the three 5,000 gallon-per-minute pumps serving the tank don't work and need to be replaced.

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¡Usted está invitado!

Reunión pública sobre la propuestas de bonos de STWA

La junta directiva de la Autoridad del Agua del Sur de Texas, llevará a cabo una reunión pública (Town Hall meeting) a las 5:30 pm del 3 de octubre en Kleberg County Courthouse Annex Law Enforcement Center, 1500 E. King, Kingsville, para discutir sus tres proposiciones por papeletas de votación (o votación por escrito) el 6 de noviembre.

La Junta de STWA realizó votaciones el 30 de julio para buscar la aprobación de los votantes para las proposiciones que incluyen:

Proposición 1, Línea Regional de Agua (\$1.9 millones): El Departamento de Transporte de Texas (TXDOT) está expandiendo la autopista U.S. 77 entre la FM 892 hasta la County Road 28. El TXDOT requerirá que la STWA remueva una parte de su línea de agua de 42 pulgadas, la arteria principal de agua para los clientes en los condados de Nueces y Kleberg.

Proposición 2, Renovaciones y modificaciones a la estación de bombeo de Kingsville (\$ 2.925.000 millones): El tanque de almacenamiento de cinco millones de galones de la STWA está deteriorado, y dos de las tres bombas del tanque de 5,000 galones por minuto no funcionan y necesitan ser reemplazadas. Debido a que menos agua de lo inicialmente previsto fluye a través del tanque, la Administración propone sustituir el tanque con un tanque de

Vea la página 2, "Elección"

What's on the ballot:



What it would do: Move a portion of the STWA's main water artery to make way for Texas Department of Transportation to upgrade U.S. 77 to Interstate standards. TXDOT hopes to begin the project next spring. Federal funding is not available for the relocation.

Estimated cost:

- \$1,130,100 - Construction
- 64,700 - Right-of-Way Acquisition
- 300,000 - Pipeline Condition Assessment
- 312,600 - Construction-related Costs
- 92,600 - Bond issuance costs

\$1,900,000- TOTAL

Estimated effect on taxes annually:

\$14.07/year for owner of home on tax rolls at \$150,000.

Continued on Page 3, "On the ballot"

Questions and Answers

about

South Texas Water Authority

South Texas Water Authority was created by the Legislature in 1979 to provide water to residents in central Kleberg County and western Nueces County.

Who's in charge of the Authority?

The Authority is overseen by a nine-member Board of Directors. Five directors are named by the Kleberg County Commissioners Court, and four are named by the Nueces County Commissioners Court. Day-to-day operations are overseen by an Executive Director with 12 staff members.

What does the Authority do?

The Authority purchases surface water from the City of Corpus Christi and brings it 28 miles to Kingsville through a 42-inch water line and to western Nueces County through a smaller spurline. It provides water resources to communities in the area it serves. The Authority also manages the Nueces Water Supply Corporation and the Ricardo Water Supply Corporation through contracts with those entities.

Where does the Authority get its money?

The Authority has contracted with eight customers – Kingsville, Bishop, Ricardo WSC, Nueces WSC, Agua Dulce, Driscoll, Banquete and LCS Detention Center. The Authority passes through the cost-per-thousand-gallons rate from the City of Corpus Christi and adds a Fiscal Year 2013 Handling Charge of 42.6386 cents per thousand gallons.

In 2001, voters approved an operating-and-maintenance tax up to 12 cents per \$100 of property value. The tax rate adopted in August remained the same at 6.189 cents per \$100, so a home on the tax rolls at \$150,000 pays about \$8 a month.

About half of the Authority's salary costs are covered by its management contracts with the Nueces WSC and the Ricardo WSC.

BOND *From Page 1*

Because less water flows through the tank than originally projected, the Authority proposes to replace the tank with a one-million gallon tank and install smaller pumps. According to an engineering report, downsizing the facilities will improve operation and reduce the costs of maintenance and repair.

Proposition 3: Bishop Facilities Renovation and Modifications (\$375,000): This project would relocate Authority pumps from one pump station to the Bishop Westside Pump Station and expand the pump station building.

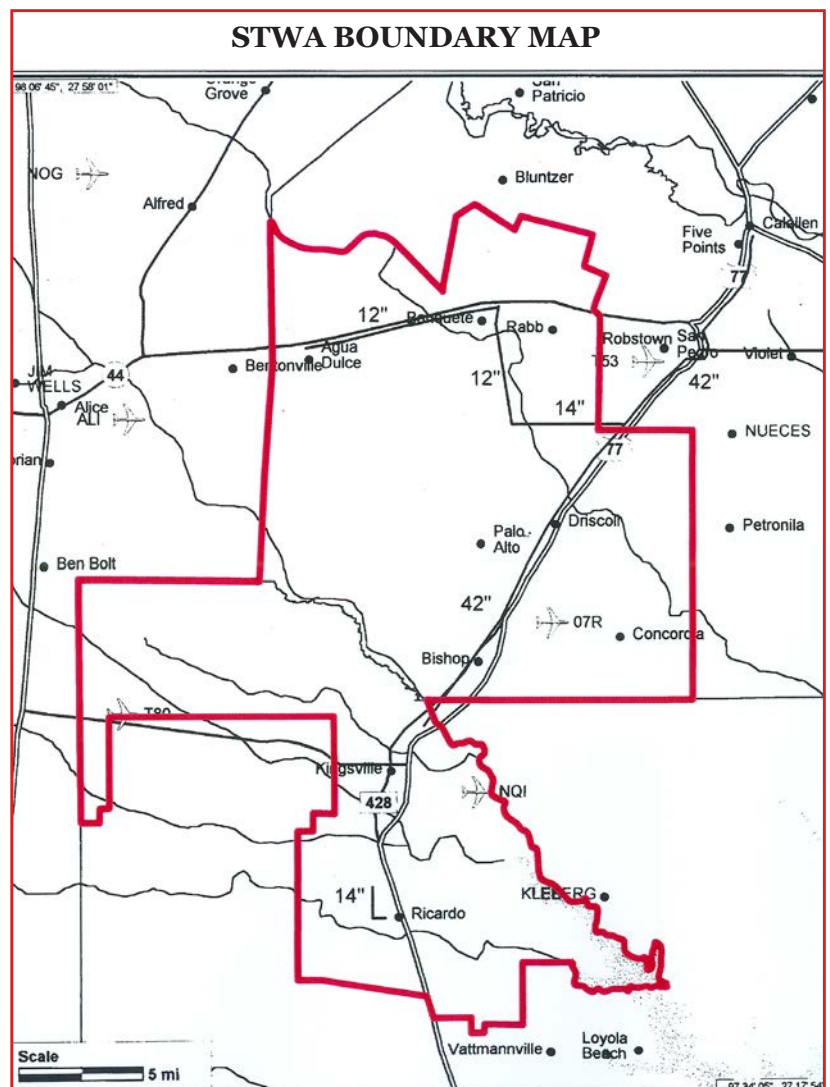
Elección *desde pagina 1*

un millón de galones e instalar bombas más pequeñas. De acuerdo a un informe de ingeniería, la reducción de las instalaciones mejorará el funcionamiento y reducirá los costos de mantenimiento y reparación.

Proposición 3: Renovaciones y modificaciones a las instalaciones de Bishop (\$375.000): Este proyecto reubicará las bombas de la Autoridad desde una estación de bombeo a la estación de bombeo de la parte occidental de Bishop, y ampliará el edificio de la estación de bombeo.

Un informe de ingeniería se encuentra archivado en las oficinas STWA, 111 E. Sage Rd. en Kingsville, y está disponible al público.

Vea la traducción completa de este boletín de noticias en nuestro sitio web, www.stwa.org.



On the ballot *From Page 1*



What it would do: Replace the 5 million gallon tank (left) at the STWA's Kingsville Pump Station and install three 1,500-gallon-per-minute pumps. The project would also demolish the water tank.

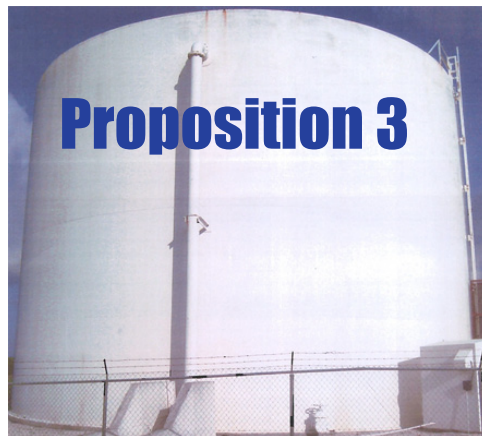
Estimated cost:

\$2,242,000 - Construction
560,500 - Construction-related Costs
122,500 - Bond issuance costs

\$2,925,000 - TOTAL

Estimated effect on taxes annually: \$22.08/year for owner of home on tax rolls at \$150,000.

Please note: Totals are the amounts that will appear on the Nov. 6 ballot. Actual costs and effects on taxes are good-faith estimates and are subject to change.



What it would do: Relocate two 1,000 gallons-per-minute pumps from the Bishop East Facility (left) to an expanded City-owned pump station building at the Bishop Westside Pump Station.

Estimated cost:

\$277,100 - Construction
69,300 - Construction-related Costs
28,600 - Bond issuance costs

\$375,000 - TOTAL

Estimated effect on taxes annually: \$2.88/year for owner of home on tax rolls at \$150,000.

STWA eyes sale of water to oil-and-gas firms

At the suggestion of the Texas Commission on Environmental Quality, South Texas Water Authority has begun exploring the possibility of selling potable water to oil-and-gas firms.

Oil-and-gas production has been increasingly active in South Texas as companies drilled wells into the deep Eagle Ford Shale formation. Water is critical to the extraction of the hydrocarbons.

In communication from the TCEQ, the Authority was advised to explore the sale of water to oil-and-gas interests, partly as a way to increase the flow through the Authority's main transmission line and address the problems of dissipating disinfectants.

The Authority is looking for a



public-private partnership that would pay for the infrastructure. The partnership would have to lease property for a fill station and install the equipment, and the oil-and-gas firm (or firms) would have to pay for the water at the prevailing rate.

“There are several methods for filling the various types of tanker trucks used by oil-and-gas related

companies. Our goal is to work with one or more companies to build a station that meets their needs while protecting the integrity of the Authority's facilities and safeguarding the quality of our water,” said Executive Director Carola Serato.

“The South Texas Water Authority Board hired HDR Engineering to develop a technical memorandum for a water loading station. We sent it out to more than 130 oil-and-gas companies. We have not had any response,” said Board President Kathleen Lowman.

Any arrangement between oil-and-gas firms would require approval from the City of Corpus Christi, the Authority's wholesale provider.

SOUTH TEXAS WATER AUTHORITY

111 E. Sage Road
PO Box 1701
Kingsville, TX 78364

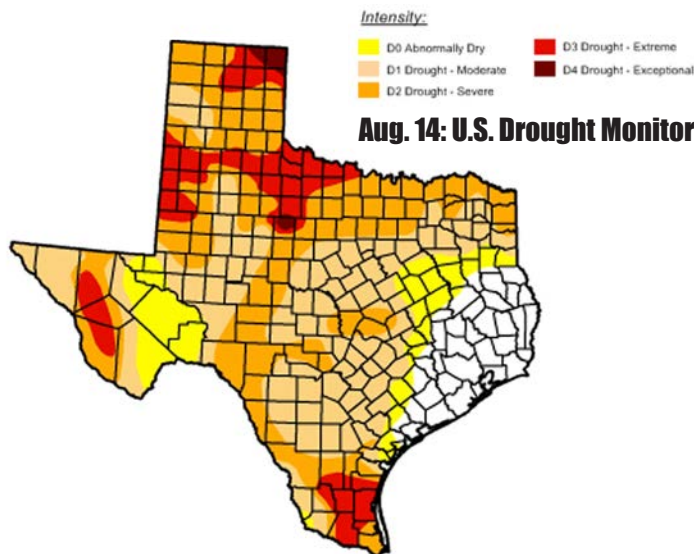
Information: 361-592-9323

BOARD OF DIRECTORS

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Carola G. Serrato, Executive Director

*JOIN US 5:30pm OCT. 3 AT THE KLEBERG COUNTY COURTHOUSE ANNEX LAW ENFORCEMENT CENTER
1500 East KING, KINGSVILLE, FOR A TOWN HALL MEETING ON STWA'S BOND PROPOSALS
Para obtener una copia de esta informacion traducida al español,
favor llame a telefono 361-592-9323*



Another dry summer in South Texas

There are some parts of Texas that think that the record 2011 drought has left. South Texas knows it just spent the summer here.

Much of the area between the Nueces and the Rio Grande remains in “Extreme Drought” for the second summer in a row.

In the period of June 1 through mid-August, the Lower Rio Grande Valley received only about 20 percent of its usual rainfall. Corpus Christi wasn’t much better, notching only 40 percent.

Come visit us at www.stwa.org

South Texas Water Authority, which provides water to customers in Kleberg and Nueces Counties, has launched a new website to inform voters about its Nov. 6 bond election.

South Texans can visit www.stwa.org to learn more about the Authority and its plans for the future.

The South Texas Water Authority Board of Directors is asking voters to decide the fate of three propositions on the Nov. 6 ballot.

“We want district voters to have all the information they need when they cast their ballots,” said STWA Executive Director Carola G. Serrato.

South Texas Water Authority was created by the State Legislature in 1979 to provide dependable water supplies to residents in central Kleberg County and western Nueces County.