

ATTACHMENT 6
TCEQ Enforcement Action

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 16, 2019
Re: Texas Commission on Environmental Quality (TCEQ) Enforcement Action

Background:

Since the December 4, 2018 Board meeting, staff has participated in a December 12th conference call. Enclosed is the email and agenda associated with that call. During the call, Mr. Michael Tucker reviewed the Order closure process. STWA was instructed to submit a certification of Order completion "that includes a summary of actions taken by STWA to address each ordering provision." Enclosed is that letter with certification language. In addition, the conference call informed STWA that the provision regarding compliance with the disinfectant residual would be based on the final quarter of calendar year 2018. Residual data for the final quarter ending December 31, 2018 had to be submitted by January 10, 2019 in the form of a DLQOR report. TCEQ staff indicated that the certification of Order summary letter could be submitted on that same date.

Analysis:

As indicated in the letter, it is a summary or compilation of the eight (8) Quarterly Reports filed in the last two (2) years. Aaron Archer, Walker Partners, and Bill Flickinger, Willatt and Flickinger, reviewed the certification of Order summary letter and indicated the information seemed complete. At this time, STWA has not received any response from the TCEQ other than an email read receipt. However, it is possible that TCEQ staff could request clarification or additional information.

Staff believes that the DLQOR submitted on January 10, 2019 will show that STWA complied with the 0.5 mg/l Total Chlorine requirement.

Finally, during the December 12th conference call, TCEQ staff indicated once the closure process was complete that STWA would receive a letter stating such. When asked if the Commission would review and take action on the matter as part of a Commissioners' meeting, TCEQ staff stated it would not and the TCEQ staff letter completed the process.

Staff Recommendation:

Await a response from the TCEQ staff. Keep the Board updated on this matter.

Board Action:

Provide feedback to staff and consultants.

Summarization:

Since this is the only closure process in STWA's approximately 40-year history, staff doesn't have an estimated time for TCEQ staff to review the certification letter and DLQOR submittal resulting in either a final approval or a requirement to make corrections and/or provide additional information.

mcgserrato@stwa.org

From: Joel Klumpp <joel.klumpp@tceq.texas.gov>
Sent: Tuesday, December 11, 2018 1:25 PM
To: Amanda Patel; Andrew Nidoh; Arron Archer; Bill Flickinger (bflickinger@wfaustin.com); Bonnie Evans; Brittney Teakell; Carola G. Serrato (mcgserrato@stwa.org); Craig Stowell; David Simons; Gary Chauvin; Joel Klumpp; Kenneth Dykes; Michael Tucker; Rita Setser; Stephanie Escobar; Vera Poe; Yadhira Resendez; Michele Risko
Cc: Kim Mann
Subject: TCEQ/STWA Teleconference on 12/12/18
Attachments: STWA Agenda for 12-12-18 Phone Conf Meeting.docx

Good afternoon,

Please see attached for the agenda for tomorrow's STWA/TCEQ teleconference.

Thank you,

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



STWA/TCEQ Phone Conference Agenda

Wednesday, December 12, 2018 - Room 3202A 9:00-10:00 a.m.

Participant's Dialing Instructions

- TCEQ Staff Access Number: 512-239-3446
- Toll Free (for external customers ONLY): 844-368-7161
- Participant's Collaboration code: 828230 #

1. Quarterly report comments and discussion (Item 8a and Item 10) - WSD Staff

- *In this last quarterly report, we noted that in all cases where a Nitrification Action Plan (NAP) trigger was hit after October 24, 2018 (our last conference call), there was a corrective action taken and documented. Therefore, STWA was able to demonstrate after 10/24/18 that they were implementing their NAP.*

Please note that when a NAP corrective action included resampling, there were some cases where the resampling as a corrective action was ceased even when the results showed that the issue was not resolved. If STWA chooses to address a NAP trigger by resampling, the TCEQ recommends that STWA should either a) continue sampling until the issue is documented to be resolved, or b) shift to a different corrective action if results don't show that the issue has been resolved (e.g. flushing).

2. Future Technical Assistance - David Simons

- *Per discussion between STWA and Water Supply Division staff on December 7, 2018, an additional technical assistance visit will be scheduled in January 2019. This visit will address the following issues: NAP optimization and disinfection byproduct formation in STWA customer systems.*

3. Wrap-up and discussion of the Order closure process - Michael Tucker

- *Please provide a certification of Order completion that includes a summary of actions taken by STWA to address each ordering provision.*
- *In the January 30, 2018 STWA/TCEQ Phone Conference Agenda, we stated that "TCEQ will use the Disinfectant Level Quarterly Operating Reports (DLQOR) as the standard for compliance." Once the 4th Quarter 2018 DLQOR is submitted, Water Supply Division staff will review the report to ensure STWA maintained compliance during the last quarter of 2018. The DLQORs for 2018 (all four quarters) will be the standard for determining and documenting compliance with Ordering Provision No. 10.*

From: mcgserrato@stwa.org
Sent: Thursday, January 10, 2019 1:42 PM
To: 'Michael Tucker'; Joel Klumpp
Cc: Aaron Archer; Bill Flickinger; 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: TCEQ Docket #2011-1647-PWS-E
Attachments: STWA Certification Letter 2011-1647-PWS-E 01102019.pdf

Importance: High

Tracking:	Recipient	Read
	'Michael Tucker'	
	Joel Klumpp	
	Aaron Archer	Read: 1/10/2019 1:41 PM
	Bill Flickinger	
	'Dony Cantu (dcantu@stwa.org)'	
	'Frances Rosales'	
	'Jacob Hinojosa'	
	'Jo Ella Wagner'	
	Frances Rosales - Deleon	Read: 1/10/2019 2:09 PM
	Joella Wagner	Read: 1/10/2019 2:08 PM
	Dony Cantu	Read: 1/11/2019 8:28 AM
	Jacob Hinojosa	Read: 1/11/2019 8:45 AM

Mr. Klumpp and Mr. Tucker,

Per Mr. Tucker's instruction during the last conference call, attached is South Texas Water Authority's summary certificate letter which outlines STWA responses to the Ordering Provisions of TCEQ Docket #2011-1647-PWS-E. It should be noted that the last quarter's DLQOR was filed by Jacob Hinojosa yesterday.

The original letter will be sent by certified mail to Mr. Tucker with a copy sent by certified mail to Mr. Klumpp.

Please let me know if additional information is required.

On behalf of South Texas Water Authority and our staff, thank-you for your departments' continued support and assistance throughout this process.

Carola

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

January 10, 2019

Water Supply Division, MC 154
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

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

Re: TCEQ Docket No. 2011-1647-PWS-E Effective Date October 26, 2016

Dear Water Supply Division and Order Compliance Team:

This letter serves as a summary of South Texas Water Authority's actions to comply with the Ordering Provisions of TCEQ Docket No. 2011-1647-PWS-E, Effective Date October 26, 2016. The summary is a compilation of Quarterly Reports submitted in February 2017, May 2017, August 2017, November 2017, February 2018, May 2018, August 2018, October 2018, and November 2018. The letter lists the applicable Ordering Provisions (*italic font*) and STWA's responses. A certification statement is included on page 16 of the letter.

1. *Within 30 days after the effective date of this Commission Order, South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation shall pay an administrative penalty in the amount of \$2,443 for its violations of the Commission's rules as noted above and considered in this case.*
2. *Checks rendered to pay penalties imposed by this Order shall be made out to "TCEQ." Administrative penalty payments shall be sent with the notation "Re: South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation, TCEQ Docket No. 2011-1647-PWS-E" to:*

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

3. *The payment of the administrative penalty listed herein and South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation's compliance with all the terms and conditions set forth in this Order will completely resolve the past violations set forth by this Order. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here.*
4. *The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas for further enforcement proceedings without notice to South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation if the Executive Director*

Kathleen Lowman, President
Dr. Alberto Ruiz, Vice-President
Rudy Galvan, Secretary-Treasurer
Lupita Perez

(361) 592-9323 Or (361) 692-0337 (C.C. line)
Fax: (361) 592-5965

Patsy A. Rodgers
Chuck Schultz
Filiberto Treviño III
Steven C. Vaughn
Carola G. Serrato, Executive Director

known as South Texas Water Authority Industrial Development Corporation if the Executive Director determines that South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation has not complied with one or more of the terms or conditions in this Order.

Ordering Provisions 1 through 4 – In the Quarterly Report dated February 23, 2017, STWA reported that it paid the \$2,443 administrative payment on November 1, 2016.

5. *Immediately upon the effective date of this Commission Order, South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation shall:*

a. *Begin providing access to the Facility to allow entry to employees and agents of the TCEQ for the purpose of inspecting and investigating conditions related to the Facility, in accordance with 30 Texas Administrative Code § 290.46(a); and*

Ordering Provision 5.a – In the Quarterly Report dated February 23, 2017, STWA reported that access to STWA facilities had been provided. Access to STWA facilities continues to be available.

b. *Respond completely and adequately, as determined by the Executive Director, to all requests for information regarding these Ordering Provisions within 15 days after the date of such request or otherwise specified in writing by the Executive Director, provided that no other applicable response deadline is set out elsewhere in this Commission Order.*

Ordering Provision 5.b – In the Quarterly Report dated February 23, 2017, STWA reported that no requests for information had been made by TCEQ during the last quarter. In the Quarterly Reports dated May 24, 2017, August 19, 2017 and November 17, 2017, STWA provided meter readings and residuals for the cumulative period of February 22, 2017 through November 14, 2017. For each of those Quarterly Reports, the information was included as Appendix A.

6. *Within 30 days after the effective date of the Commission Order, South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation shall:*

a. *Check the accuracy of the continuous disinfectant analyzers using chlorine solutions of known concentrations or by comparing the results from the on-line analyzer with the results of an approved benchtop method at least once every seven (7) days and properly verify the analyzers used to determine the effectiveness of chloramination every ninety (90) days, in accordance with 30 Texas Administrative Code § 290.46(s)(2.);*

Ordering Provision 6.a – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to the continuous disinfectant analyzers:

February 23, 2017 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were attached. The report also stated the work was being performed on the Central facility analyzers.

May 24, 2017 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were included as **Appendix B**. The report also stated that the online chlorine analyzer at Banquete was malfunctioning and was shipped to Hach for repairs.

August 19, 2017 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were included as **Appendix B**. Invoices for lab equipment purchased to perform Colorimeter calibrations were attached as **Appendix C**. The report stated that Jacob Hinojosa, O&M Supervisor, attended a calibration demonstration at the City of Corpus Christi water laboratory. In addition, STWA provided a colorimeter calibration SOP for use by STWA field technicians attached as **Appendix D**.

November 17, 2017 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were included as **Appendix B**. STWA addressed TCEQ's September 26, 2017 comments on the colorimeter calibration SOP for use by STWA field technicians. The updated SOP was included as **Appendix C**.

February 20, 2018 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were included as **Appendix A**. STWA addressed TCEQ's additional comments on the colorimeter calibration SOP for use by STWA field technicians. The updated SOP and TCEQ laboratory approval form were included as **Appendix B**.

May 21, 2018 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were included as **Appendix A**.

August 20, 2018 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were included as **Appendix A**. The report stated that STWA purchased a pH meter and three (3) additional Hach DR 900 Colorimeters, bringing the total to six (6) DR 900 Colorimeters and STWA would no longer use Hach Colorimeter II devices for regulatory sample results.

October 8, 2018 Quarterly Report – Update of August 2018 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were included as **Appendix A**. The report reiterated that a pH meter and three additional Hach DR 900 Colorimeters had been purchased and STWA will no longer use Hach Colorimeter II devices for regulatory sample results.

November 26, 2018 Quarterly Report – The accuracy of continuous disinfectant analyzers was checked by field technicians weekly by comparing their Hach Colorimeter to the Cl17 analyzer. The Hach Colorimeters were calibrated every 90 days. Verification sheets were included as **Appendix A**.

b. Locate, uncover, mark, document, and create a complete inventory of all existing sampling points, valves, and mains on all water lines, including the west branch, in accordance with 30 Texas Administrative Code § 290.46(n); and

Ordering Provision 6.b – In the Quarterly Report dated February 23, 2017, STWA reported that an inventory of existing sampling points, valves, and mains on all waterlines was submitted to TCEQ on January 12, 2017. Contracts 1 - 5 containing STWA's Regional System design were re-submitted on February 3, 2017 after STWA was notified that the previously submitted thumb drive was corrupt. After a February 22, 2017 conference call with TCEQ staff, additional information on the West Branch and the Central Pump Station was submitted.

- c. *Submit an up-to-date map of the Facility and as-built drawings of the chloramination facilities, in accordance with 30 Texas Administrative Code § 290.46(n).*

Ordering Provision 6.c – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to the chloramination facilities:

February 23, 2017 Quarterly Report – A map of the STWA facilities and record drawings were submitted to TCEQ on January 12, 2017 and re-submitted on February 3, 2017. STWA agreed to provide supplemental information including more detailed facility schematics based on feedback received during the February 22, 2017 conference call with TCEQ staff.

May 24, 2017 Quarterly Report – Supplemental information including more detailed facility schematics were prepared based on feedback received during the February 22, 2017 conference call with TCEQ staff and were attached as **Appendix C**.

7. *Within 45 days after the effective date of the Commission Order, South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation shall:*

- a. *Submit written certification in accordance with Ordering Provision No. 11 below, to demonstrate compliance with Ordering Provision No. 6.a.;*

Ordering Provision 7.a – In the Quarterly Report dated February 23, 2017, STWA reported that written certification demonstrating compliance with Ordering Provision 6.a had not been submitted per Michael Tucker's conversation with Carola G. Serrato, STWA Executive Director. Further, the Quarterly Report stated that certification would be prepared and delivered following said quarterly progress report based on feedback received from the February 22, 2017 conference call with TCEQ staff.

Ordering Provision 7.a - In the Quarterly Report dated May 24, 2017, written certification demonstrating compliance with Ordering Provision 6(a) was submitted to Mr. Michael Tucker.

- b. *Submit an updated monitoring plan for the system, including an updated sampling plan, in accordance with 30 Texas Administrative Code § 290.121. The monitoring plan shall include the complete inventory created pursuant to Ordering Provision No. 6.b. above, including documentation showing the location of all existing sampling points, valves, and mains on all water lines, including the west branch; and*

Ordering Provision 7.b – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to the Monitoring Plan and Sampling Siting Plan:

February 23, 2017 Quarterly Report – The report stated that an updated STWA Monitoring Plan for the system was submitted on January 12, 2017. TCEQ comments on the STWA Monitoring Plan were discussed during the February 22, 2017 conference call with TCEQ staff. It was agreed that TCEQ would submit written comments to STWA and STWA would coordinate with TCEQ staff persons to address the comments.

May 24, 2017 Quarterly Report – The report stated that an updated STWA Monitoring Plan was submitted on January 12, 2017. TCEQ comments on the STWA Monitoring Plan were discussed during the February 22, 2017 conference call with TCEQ staff. TCEQ submitted written comments on April 21, 2017. At STWA's request, a conference call with TCEQ staff was held on May 11, 2017. The following items regarding the STWA Monitoring Plan were agreed upon during the May 11th conference call:

- STWA requested direction on how to report positive coliform samples if STWA has a positive

coliform upstream of a wholesale customer delivery tank and the wholesale customer has no positive results on their side of the delivery point due to disinfection boosting at the delivery point. TCEQ stated they would discuss the matter and follow up with a response within two weeks of the May 11th conference call.

- STWA agreed to update the coliform sampling sites in the Sample Siting Plan (SSP) which is an attachment to the STWA Monitoring Plan.
- TCEQ staff stated that Sablatura Park and other customer delivery points can be used as representative sample taps on STWA West or South Branch lines, if the samples are drawn before disinfection boosting and the line is adequately flushed before sample collection.
- TCEQ ordered STWA to modify existing chloramine boosting stations to inject LAS before chlorine.
- TCEQ stated the agency would not require sampling taps between LAS and chlorine feeds on existing installations.

May 24, 2017 Quarterly Report – The report stated that the updated STWA Monitoring Plan, including the SSP, addressing the April 21 TCEQ letter comments would be submitted on or before June 30, 2017 and any additional sampling taps proposed under other ordering provisions would be added to STWA Monitoring Plans once the proposed location had been reviewed and accepted by TCEQ. The current STWA Monitoring Plan and SSP were included as **Appendix D**.

August 19, 2017 Quarterly Report – The report stated that a supplemental request for an extension of the compliance schedule was submitted to TCEQ on July 20, 2017. TCEQ approved an amended schedule on July 28, 2017. The STWA and TCEQ letters were attached as **Appendix E**.

August 19, 2017 Quarterly Report – The report stated that an updated STWA Monitoring Plan was submitted on June 30, 2017. TCEQ comments on the updated Plan were provided on July 7, 2017 and discussed during the July 12, 2017 conference call with TCEQ staff. Another updated STWA Monitoring Plan (including the SSP) addressing the July 7 TCEQ comments was submitted on August 1, 2017. The STWA Monitoring Plan and SSP were included as **Appendix F**.

November 17, 2017 Quarterly Report – The report stated that the updated STWA Monitoring Plan and Nitrification Action Plan were submitted on August 1, 2017. The report also stated that the plans were resubmitted on November 1, 2017. TCEQ approved both plans on November 8, 2017. The TCEQ approval letter was attached as **Appendix E** in the Quarterly Report. STWA conducted an internal meeting to review the Monitoring Plan, Nitrification Action Plan, and SSP with field personnel on November 14, 2017. The meeting minutes were attached as **Appendix F**.

- c. Submit a Nitrification Action Plan ("NAP"), in accordance with 30 Texas Administrative Code § 290.46(z), as well as Standard Operating Procedures for implementing the NAP and ensuring the sampling and monitoring plans referenced in Ordering Provision No. 7.b. are properly implemented.*

Ordering Provision 7.c – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to the Nitrification Action Plan (NAP):

February 23, 2017 Quarterly Report – The report stated that a NAP was submitted on January 12, 2017. TCEQ comments on the NAP were discussed during the February 22, 2017 conference call with TCEQ staff. TCEQ staff stated they would submit written comments to STWA. STWA agreed to coordinate with TCEQ staff persons to address the comments.

May 24, 2017 Quarterly Report – The report stated a NAP was submitted on January 12, 2017. TCEQ submitted written comments on April 21, 2017, following a February 22, 2017 conference call. Another

conference call with TCEQ staff was held on May 11, 2017. The following items regarding the STWA NAP were agreed upon during the conference call:

- TCEQ approved an update of the STWA NAP using City of Corpus Christi O.N. Stevens WTP nitrate data in lieu of requiring STWA to perform additional nitrate sampling at the system entry point immediately downstream of O.N. Stevens WTP. STWA will document the sampling location and frequency of nitrate data obtained from O.N. Stevens. Corpus Christi will submit May nitrate data to STWA on June 1.
- The updated NAP shall be submitted on or before June 30, 2017.

August 19, 2017 Quarterly Report – The report stated that a supplemental request for extension of compliance schedule was submitted to TCEQ on July 20, 2017. TCEQ approved an amended schedule on July 28, 2017. The STWA and TCEQ letters were attached as **Appendix E**.

August 19, 2017 Quarterly Report – The report stated a supplemental request for extension of compliance schedule was submitted to TCEQ on July 20, 2017. The TCEQ approved an amended schedule on July 28, 2017. The STWA and TCEQ letters were attached as **Appendix E**.

August 19, 2017 Quarterly Report – The report stated an updated NAP was submitted on June 30, 2017. An updated NAP that addressed July 7th TCEQ comments was submitted on August 1, 2017. The NAP was attached to the Monitoring Plan which was included as **Appendix E**.

November 17, 2017 Quarterly Report – The report stated that the STWA Monitoring Plan and Nitrification Action Plan were submitted on August 1, 2017. The plans were resubmitted on November 1, 2017. TCEQ approved both plans on November 8, 2017. The TCEQ approval letter was attached as **Appendix E**. STWA conducted an internal meeting with field personnel to review the Monitoring Plan, Nitrification Action Plan, and SSP on November 14, 2017. The meeting minutes were attached as **Appendix F**.

November 17, 2017 Quarterly Report – The report included water quality data obtained from the City of Corpus Christi's O. N. Stevens Water Treatment Plant which was utilized to evaluate compliance with STWA's Nitrification Action Plan. The information was attached as **Appendix G**. STWA prepared new data collection forms for implementation of the STWA Nitrification Action Plan. The forms were attached as **Appendix H**. The intention was to utilize the forms moving forward to record sampling data and to document actions and responses taken to meet the requirements of the Nitrification Action Plan.

8. Within 90 days after the effective date of this Commission Order, South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation shall:

a. Submit a progress report for the preceding 90-day period, and for each quarter thereafter, which shall include the following:

i. A brief summary of all actions taken and the results thereof during the preceding 90-day period, including implementation of the most recent monitoring plan and efforts made to maintain compliance with disinfectant residual levels; and

ii. All sampling data gathered during the preceding 90-day period.

All quarterly progress reports shall be submitted to the TCEQ no later than the fifteenth (15) day after the end of each quarter. South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation shall continue to submit quarterly progress reports to the TCEQ until it can demonstrate at least 12 consecutive months of compliance with the disinfectant residual requirements.

Ordering Provision 8.a(i) and 8.a(ii) – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to disinfectant residual levels, sampling, and disinfectant residual requirements:

February 20, 2018 Quarterly Report – The report stated that previous quarterly reports were submitted on February 23, 2017, May 25, 2017, August 19, 2017 and November 17, 2017. Further the report stated that STWA meter readings and residuals for November 15, 2017 through February 13, 2018 were included as **Appendix C**. This data was provided per the TCEQ’s approval of STWA’s Monitoring Plan, SSP, and NAP in November of 2017. Data collected for implementation of the STWA Nitrification Action Plan was attached as **Appendix D**. Water quality data obtained from the City of Corpus Christi’s O. N. Stevens Water Treatment Plant was attached as **Appendix E**.

May 21, 2018 Quarterly Report – The report stated that STWA meter readings and residuals were included for February 14, 2018 through May 11, 2018 were attached as **Appendix B**. Data collected for implementation of the STWA Nitrification Action Plan was attached as **Appendix C**. Water quality data obtained from the City of Corpus Christi’s O. N. Stevens Water Treatment Plant were attached as **Appendix D**.

August 20, 2018 Quarterly Report – The report stated that STWA meter readings and residuals for May 12, 2018 through August 3, 2018 and attached as **Appendix B**. Data collected for implementation of the STWA Nitrification Action Plan was attached as **Appendix C**. Water quality data obtained from the City of Corpus Christi’s O.N. Stevens Water Treatment Plant were attached as **Appendix D**.

October 8, 2018 Quarterly Report – Update of August 2018 – The report stated that STWA meter readings and residuals for May 12, 2018 through **August 15, 2018** were included as **Appendix B**. Data was updated to indicate if the sample is a compliance site or a non-compliance site. Disinfectant Residual Quarterly Operating Report (DLQOR) data for April 1, 2018 through August 15, 2018 was also included in **Appendix B**. TCEQ Staff was unable to confirm compliance with the disinfectant residual requirement for the last quarter. The report further stated that STWA staff understands that TCEQ staff was unable to reconcile their count of sampling with the number of samples reported in the DLQOR. According to TCEQ staff, the DLQOR includes approximately 200 more sample results than are included in the Quarterly Report.

November 26, 2018 Quarterly Report – The report stated that STWA meter readings and residuals for August 16, 2018 through November 21, 2018 were included as **Appendix B**. In addition, a notation was included to indicate if a sample was a compliance site or a non-compliance site. Compliance samples were marked with a “C” and other samples were marked with an “O”. A note was included when no residuals are reported due to no water flow. Disinfectant Residual Quarterly Operating Report (DLQOR) data and daily disinfection residuals for the same time period were also included in **Appendix B**. Data collected for implementation of the STWA Nitrification Action Plan was attached as **Appendix C**. Nitrate and nitrite data for August 2018 through November 2018 were provided in **Appendix D**. Nitrate/Nitrite results for collection of samples at Agua Dulce on November 20, 2018 were not included since the information had not been returned by the laboratory at the time the quarterly report was prepared. Water quality data obtained from the City of Corpus Christi from the O. N. Stevens Water Treatment Plant was attached as **Appendix E**. SOPs for STWA’s DR 900s which were modified after the October 5, 2018 quarterly report update were included as **Appendix F**

b. *Submit documentation demonstrating the installation of any additional sampling taps and valves, in accordance with 30 Texas Administrative Code§ 290.39;*

Ordering Provision 8.b – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to sampling taps and valves:

February 23, 2017 Quarterly Report – The report stated that STWA had identified locations for additional sampling taps and is coordinating with TCEQ to discuss the location of these taps before designing and constructing the sampling taps.

May 24, 2017 Quarterly Report – The report stated that during the May 11, 2017 conference call, TCEQ staff directed STWA to submit the proposed location of new sample taps prior to submitting plans for the design of the new taps. The report submitted the following sample taps locations for TCEQ's review and comment. Further, the report stated that STWA believes the selected locations together with existing taps would provide adequate process control. Maps and locations of the proposed taps were included in **Appendix E**.

- 12-inch West Line (3 taps):
 - Geo Detention Center off FM 2826 downstream of the Central Pump Station
 - Directly off the 12-inch line after the pipeline crosses through the open field on FM 666 upstream of the Banquete Pump Station
 - Sablatura Pump Station located upstream of both Sablatura Park rural residents and Agua Dulce

- 42-inch South Line (3-4 taps):
 - A new 42" waterline tap which is part of the Driscoll LAS Project just south of the Driscoll Pump Station
 - The Lopez ARV
 - The CR4 ARV
 - If necessary, the ARV at the intersection of FM 2826 and US 77

August 19, 2017 Quarterly Report – The report stated that a supplemental request for extension of compliance schedule was submitted to TCEQ on July 20, 2017. The TCEQ approved an amended schedule on July 28, 2017. The STWA and TCEQ letters were attached as **Appendix E**.

August 19, 2017 Quarterly Report – The report stated that the design of additional sampling taps would be submitted on or before September 30, 2017 per the amended compliance schedule which was included in **Appendix D**. The proposed location of the new sampling taps was included in the STWA Monitoring Plan submitted on August 1, 2017 which was included in **Appendix E**. Further, the report stated that STWA did not plan to begin design of the proposed facilities prior to receiving TCEQ's approval of the Monitoring Plan in the event that TCEQ commented on the proposed locations.

November 17, 2017 Quarterly Report – The report stated that a supplemental request for extension of compliance schedule was submitted to TCEQ on September 22, 2017. The schedule request was amended and resubmitted on November 13, 2017 based on discussion with TCEQ staff during a conference call on November 7, 2017. The amended request for extension of the compliance schedule was attached as **Appendix D**.

November 17, 2017 Quarterly Report – The report stated that the design of additional sampling taps would be submitted on or before December 7, 2017 per the amended compliance schedule discussed during a November 7, 2017 conference call. The amended compliance schedule was included in **Appendix E**. The proposed locations of the new sampling taps were included in the STWA Monitoring Plan. Further, the report stated that STWA planned for field personnel to install the new sampling taps.

February 20, 2018 Quarterly Report – The report stated that design of additional sampling taps was submitted to TCEQ on December 7, 2017 and approved for construction on December 20, 2017. The TCEQ approval letter was attached as **Appendix F**. Further, the report stated that construction of the sampling taps was ongoing. As such, the report stated that a letter documenting that the sampling taps were constructed in accordance with the plans would be submitted upon the completion of construction.

May 21, 2018 Quarterly Report – The report stated that the design of additional sampling taps was submitted to TCEQ on December 7, 2017 and approved for construction on December 20, 2017. The report stated that construction of the sampling taps was complete and an email certification was sent on March 7, 2018. The email certification was attached as **Appendix E**.

c. Submit an updated monitoring plan, including an updated sampling plan, reflecting the installation of any additional sampling taps and valves, in accordance with 30 Texas Administrative Code § 290.121;

Ordering Provision 8.c – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to an updated STWA Monitoring Plan and updated Sampling Plan, reflecting the installation of any additional sampling taps and valves:

February 23, 2017 Quarterly Report – The report stated an updated monitoring plan that reflects the addition of sampling taps will be submitted pending the outcome of discussions with TCEQ staff.

May 24, 2017 Quarterly Report – The report stated the updated STWA Monitoring Plan for the system was submitted on January 12, 2017. TCEQ comments on the monitoring plan were discussed during a February 22, 2017 conference call. TCEQ submitted written comments on April 21, 2017. At STWA's request, a conference call was held on May 11, 2017. The following items regarding the STWA monitoring plan were agreed upon during the conference call:

- STWA requested direction on how to report positive coliform samples if STWA has a positive coliform upstream of a wholesale customer delivery tank and the wholesale customer has no positive results on their side of the delivery point due to disinfection boosting at the delivery point. TCEQ stated they would discuss the matter and follow up with a response within two weeks of the May 11th conference call.
- STWA agreed to update the coliform sampling sites in the Sample Siting Plan (SSP) which is an attachment to the STWA Monitoring Plan.
- TCEQ staff stated that Sablatura Park and other customer delivery points can be used as representative sample taps on STWA West or South Branch waterlines, if the samples are drawn before disinfection boosting and the line is adequately flushed before sample collection.
- TCEQ ordered STWA to modify existing chloramine boosting stations to inject LAS before chlorine.
- TCEQ stated the agency would not require sampling taps between LAS and chlorine feeds on existing installations.

May 24, 2017 Quarterly Report – The report stated that the updated STWA Monitoring Plan, including the SSP, addressing the April 21, 2017 TCEQ comments would be submitted on or before June 30, 2017. Any additional sampling taps proposed under other ordering provisions would be included in an updated plan once the proposed locations had been reviewed and approved by TCEQ. The current STWA Monitoring Plan and SSP were included as **Appendix D**.

August 19, 2017 Quarterly Report – The report stated that an updated STWA Monitoring Plan was submitted on June 30, 2017. TCEQ comments on the plan were returned on July 7, 2017 and discussed during a July 12, 2017 conference call. An updated STWA Monitoring Plan including the SSP addressing the TCEQ’s July 7th comments was submitted on August 1, 2017 and were included as **Appendix F**.

November 17, 2017 Quarterly Report – The report stated that the STWA Monitoring Plan and Nitrification Action Plan were submitted on August 1, 2017. Further, the report stated that the plans were resubmitted on November 1, 2017. TCEQ approved both plans on November 8, 2017. The TCEQ approval letter was attached as **Appendix E**. STWA conducted an internal meeting to review the Monitoring Plan, Nitrification Action Plan, and SSP with field personnel on November 14, 2017. The meeting minutes were attached as **Appendix F**.

- d. *Submit for approval all plans and specifications to add ammonia boosting capabilities at the Driscoll Booster Station, in accordance with 30 Texas Administrative Code § 290.39. The plans and specifications shall be submitted to:*

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

Ordering Provision 8.d – In the Quarterly Report dated February 23, 2017, the report stated that the plans and specifications to add ammonia boosting capabilities at the Driscoll Booster Station were submitted to TCEQ on December 2, 2016. TCEQ denied approval of the plans on January 27, 2017 and requested additional information for approval. Supplemental information was provided. TCEQ comments were discussed during the February 22, 2017 conference call. The revised plans were resubmitted and approved by TCEQ.

- e. *Submit, to the address listed in Ordering Provision No. 8.d. above, engineering plans, specifications, maps, and other pertinent information for proposed additional sampling points and valves, including the west branch, pursuant to 30 Texas Administrative Code §290.46(n); and*

Ordering Provision 8.e – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to engineering plans, specifications, maps and other pertinent information for proposed additional sampling points and valves, including the West Branch:

February 23, 2017 Quarterly Report – The report stated that STWA would submit plans and other information for the proposed additional sampling taps after additional coordination with TCEQ, including a discussion and evaluation of the proposed location of the sampling taps.

May 24, 2017 Quarterly Report – The report stated that STWA would submit plans and other information for the proposed additional sampling taps after additional coordination with TCEQ, including a discussion and evaluation of the proposed location of the sampling taps.

August 19, 2017 Quarterly Report – The report stated a supplemental request for extension of compliance schedule was submitted to TCEQ on July 20, 2017. The TCEQ approved an amended schedule on July 28, 2017. The STWA and TCEQ letters were attached as **Appendix E**.

August 19, 2017 Quarterly Report – The report stated that the design of additional sampling taps would be submitted on or before September 30, 2017 per the amended compliance schedule included in **Appendix D**. The proposed location of the new sampling taps was included in the STWA Monitoring Plan submitted on

August 1, 2017 and included in **Appendix E**. Further, the report stated that STWA did not plan to begin design of the proposed facilities prior to receiving TCEQ's approval of the Monitoring Plan in the event that TCEQ had comments on the proposed location of the new sampling taps.

November 17, 2017 Quarterly Report – The report stated that the design of additional sampling taps would be submitted on or before December 7, 2017 per the amended compliance schedule discussed during a November 7, 2017 conference call. The amended compliance schedule was included in **Appendix E**. The proposed locations of the new sampling taps were included in the STWA Monitoring Plan. The report stated that STWA field personnel would be performing the construction of the new sampling taps.

February 20, 2018 Quarterly Report – The report stated that the design of additional sampling taps was submitted to TCEQ on December 7, 2017 and approved for construction on December 20, 2017. The TCEQ approval letter was attached as **Appendix F**. Further, the report stated that construction of the sampling taps was ongoing. A letter documenting that the sampling taps were constructed in accordance with the plans would be submitted upon the completion of construction.

May 21, 2018 Quarterly Report – The report stated that the design of additional sampling taps was submitted to TCEQ on December 7, 2017 and approved for construction on December 20, 2017. The report stated that construction of the sampling taps was complete and an email certification was sent on March 7, 2018. The email certification was attached as **Appendix E**.

f. Submit, to the address listed in Ordering Provision No. 8.d. above, a detailed engineering report that describes the strategies and facilities Respondent intends to employ to comply with the disinfectant residual requirement.

Ordering Provision 8.f – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to a detailed engineering report that describes the strategies and facilities STWA intends to employ to comply with the disinfectant residual requirement:

February 23, 2017 Quarterly Report – The report stated that an engineering report would be prepared and submitted after the requested meeting with TCEQ to clarify the requirements of the Ordering Provision.

May 24, 2017 Quarterly Report – The report stated that additional clarification on the scope and purpose of the engineering report had been requested. STWA also requested that the report be delayed until the Driscoll LAS project could be brought online and evaluated since the project in combination with the recent improvements at the City of Kingsville site (ground storage tank replacement, tank mixer and chemical feed system, and pump station rehabilitation) are the primary infrastructure and process control-based strategies to achieve compliance with the disinfectant residual requirement.

November 17, 2017 Quarterly Report – The report stated that a supplemental request for extension of compliance schedule was submitted to TCEQ on September 22, 2017. The schedule request was amended and resubmitted on November 13, 2017 based on discussion with TCEQ staff during a conference call on November 7, 2017. The amended request for extension of the compliance schedule was attached as **Appendix D**.

November 17, 2017 Quarterly Report – The report stated, per the schedule extension request, that an engineering report would be submitted on or before January 7, 2018.

February 20, 2018 Quarterly Report – The report stated that an engineering report was submitted to TCEQ on January 5, 2018. The report also stated that an email response from TCEQ was received on January 26,

2018 requesting additional SOPs. The updated engineering report with the requested SOPs was attached as **Appendix G**.

May 21, 2018 Quarterly Report – The report stated that the updated engineering report with the requested SOPs was submitted on March 30, 2018 and had been approved by TCEQ.

9. *Within 180 days after the effective date of this Commission Order, South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation shall:*
- a. *Submit documentation demonstrating the installation of ammonia boosting capabilities at the Driscoll Booster Station, in accordance with 30 Texas Administrative Code §§ 290.39 and 290.110;*

Ordering Provision 9.a – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to demonstrating the installation of ammonia boosting capabilities at the Driscoll Booster Station:

May 24, 2017 Quarterly Report – The report stated that the Driscoll LAS Project was advertised on April 17, 2017 and bids for the project were opened on May 12, 2017. The project was awarded to Mercer Controls during the May 23, 2017 Board meeting. Further, the report stated on May 19, 2017, according to Section 12 of the Order, that STWA requested an extension of the Section 9(a) deadline. The Request for Extension of Deadline and supplemental attachments related to the chronology set forth in the Request were included as **Appendix F** and **Appendix G**, respectively.

August 19, 2017 Quarterly Report – The report stated that a supplemental request for extension of compliance schedule was submitted to TCEQ on July 20, 2017. TCEQ approved an amended schedule on July 28, 2017. The STWA and TCEQ letters were attached as **Appendix E**.

August 19, 2017 Quarterly Report – The report stated that Change Order No. 1 for the Driscoll LAS project was approved on August 8, 2017 and was attached as **Appendix G**. The general contractor submitted the schedule attached in **Appendix H** on August 16, 2017. The revised schedule showed a project completion date of the end of November 2017.

November 17, 2017 Quarterly Report – The report stated that substantial completion of the Driscoll Booster Station project was scheduled for December 22, 2017 in accordance with the schedule submitted by the contractor which was included as **Appendix I**. Further, the report stated that STWA submitted an email to TCEQ explaining the schedule revision on November 16, 2017. Construction progress meeting minutes and an email from the contractor revising the construction schedule were also included in **Appendix I**. The report also stated that upon completion of the project, the engineer of record would prepare a project completion letter stating that the project is built in accordance with the drawings and would submit as-built changes and change order documentation. In addition, the engineer of record would certify that the facility can boost up to 4 mg/L total chlorine at the highest anticipated system flowrate. Finally, the report stated that all LAS and chlorine injection facilities had been switched to the order required by the TCEQ. A Certificate of Compliance was attached as **Appendix J**.

February 20, 2018 Quarterly Report – The report stated that the Driscoll Booster Station project is online but the chlorine delivery system is not yet functioning reliably. Further, the report stated that the regulator and one-ton cylinder had been switched out and the general contractor and engineer of record were troubleshooting the issues. As such, the report stated that substantial completion of the project was expected in March 2018. Change Order #3 and the general contractor's December payment application were attached as **Appendix H**. As reported in November 2017, upon completion of the project, the engineer of record would prepare a project completion letter stating that the project had been built in

accordance with the drawings and would submit as-built changes and change order documentation. The engineer of record would also certify that the facility can boost up to 4 mg/L total chlorine at the highest anticipated system flow rate.

May 21, 2018 Quarterly Report – The report stated that an extension request was approved to amend the schedule for Ordering Provision 9(a) to May 18, 2018. The TCEQ extension request approval was attached as **Appendix F**. The Driscoll Booster Station project was completed and a project completion letter was issued by the engineer-of-record on April 19, 2018 and attached as **Appendix G**.

b. Submit an updated monitoring plan, including an updated sampling plan, reflecting the installation of ammonia boosting capabilities at the Driscoll Booster Station, in accordance with 30 Texas Administrative Code§ 290.121.

Ordering Provision 9.b – In the following Quarterly Reports, STWA reported on and provided the supporting documentation with regards to an updated monitoring plan, including an updated sampling plan, reflecting the installation of ammonia boosting capabilities at the Driscoll Booster Station:

May 24, 2017 Quarterly Report – The report stated an updated monitoring plan was submitted on January 12, 2017. TCEQ comments on the monitoring plan were discussed during the February 22, 2017 conference call. TCEQ submitted written comments on April 21, 2017. At STWA's request, a conference call with TCEQ staff was held on May 11, 2017. The following items regarding the STWA monitoring plan were agreed upon during the conference call:

- STWA requested direction on how to report positive coliform samples if STWA has a positive coliform upstream of a wholesale customer delivery tank and the wholesale customer has no positive results on their side of the delivery point due to disinfection boosting at the delivery point. TCEQ stated they would discuss the matter and follow up with a response within two weeks of the May 11th conference call.
- STWA agreed to update the coliform sampling sites in the Sample Siting Plan (SSP) which is an attachment to the STWA Monitoring Plan.
- TCEQ staff stated that Sablatura Park and other customer delivery points can be used as representative sample taps on STWA West or South Branch lines, if the samples are drawn before disinfection boosting and the line is adequately flushed before sample collection.
- TCEQ ordered STWA to modify existing chloramine boosting stations to inject LAS before chlorine.
- TCEQ stated the agency would not require sampling taps between LAS and chlorine feeds on existing installations.

May 24, 2017 Quarterly Report – The report stated that the updated monitoring plan (including the SSP) addressing the April 21, 2017 TCEQ comments would be submitted on or before June 30, 2017. Any additional sampling taps proposed under other ordering provisions would be added to monitoring plans once the proposed location had been reviewed and accepted by TCEQ. The current monitoring plan and SSP was included as **Appendix D**.

August 19, 2017 Quarterly Report – The report stated that an updated monitoring plan for the system was submitted on June 30, 2017 and TCEQ comments on the monitoring plan were received on July 7, 2017. Further, the report stated that those comments were discussed during the July 12, 2017 conference call. An updated monitoring plan, including the SSP, addressing the TCEQ's July 7th comments was submitted on August 1, 2017. The monitoring plan and SSP were included as **Appendix F**.

November 17, 2017 Quarterly Report – The report reiterated that the STWA Monitoring Plan and

Nitrification Action Plan were submitted on August 1, 2017. Plans were resubmitted on November 1, 2017. TCEQ approved the resubmitted plans on November 8, 2017 and the approval letter was attached as **Appendix E**. STWA conducted an internal meeting with field personnel to review the Monitoring Plan, Nitrification Action Plan, and SSP on November 14, 2017. Meeting minutes were attached as **Appendix F**.

In addition to addressing specific Ordering Provisions, STWA provided **supplemental information** and documents as follows:

August 20, 2018 Quarterly Report – The report stated that the following actions were taken during the preceding 90-day period:

1. STWA completed trainings with FMT on four occasions covering three subjects. **Appendix E** contained a summary of the trainings.
2. STWA continued to negotiate a contract with the City of Bishop. During the July 31st STWA Board meeting, the Board agreed to the City's offered contract provision to buy 46% of their needs in Year 1 and increase the percentage each year by 1% to 50% by Year 5. The Board made it clear that this was based on the City agreeing to delete language objected to by STWA and have the same term as the contract between STWA and the City of Kingsville. The report further stated that STWA would update the monitoring plan and NAP as discussed during an August 2, 2018 conference call with TCEQ staff if the City of Bishop ceases purchasing water or takes water infrequently or in small volumes.
3. STWA attempted to reconcile the difference between the number of residual data reported in the Quarterly Report and the online forms. **Appendix F** included a memo to the STWA Board summarizing the research performed by STWA staff to reconcile the difference.

October 8, 2018 Quarterly Report – Update of August 2018 Report – The report stated that based on the September 18, 2018 conference call and follow-up email, STWA believes that the reconciliation of the number of sample results would not occur for two (2) reasons:

1. It is unclear whether TCEQ staff had counted samples *after* boosting as water enters a ground storage tank at a pump station.
2. STWA staff believed that the TCEQ did not have a copy of the actual sample location descriptions for the data included in the DLQOR reports. As such, STWA provided Excel spreadsheets with the location descriptions of the sample results reported in the DLQOR, which should allow TCEQ staff to reconcile the number of samples correctly excluding "after" boosting at pump stations immediately upstream of ground storage tanks.

October 8, 2018 Quarterly Report – Update of August 2018 – **Appendix C** provided an explanation for discrepancies noted by the TCEQ pertaining to Cl17 and colorimeter results differing by more than 15% for samples collected on June 29th and July 20th.

October 8, 2018 Quarterly Report – Update of August 2018 – The report stated that data collected for implementation of the STWA Nitrification Action Plan was attached as **Appendix D**. Compliance samples were marked with a "C" and other samples are marked with an "O" per TCEQ's request.

October 8, 2018 Quarterly Report – Update of August 2018 – In response to the TCEQ indicating that monitoring NAP data was lacking from (1) the Driscoll Booster Station "before boosting" location for the period of July 6, 2018 to August 3, 2018, (2) the "after boosting" location for the entire quarter, and (3) the Agua Dulce

"after boosting" location on August 3, 2108, the report included said information in **Appendix D**. Further, the report stated that the Agua Dulce information on August 3rd should have included a note stating "no water flow."

October 8, 2018 Quarterly Report – Update of August 2018 – The report stated in response to a discrepancy noted by the TCEQ that approximately 17% of NAP samples showed a monochloramine concentration in excess of the total chlorine concentration should be addressed by the purchase of three (3) additional DR 900 devices. In addition, the report stated that field personnel have been instructed by O&M Supervisor Jacob Hinojosa and Executive Director Carola G. Serrato to retest in any instance when monochloramine is higher than total chlorine. DR 900 SOPs were enclosed in **Appendix E**.

October 8, 2018 Quarterly Report – Update of August 2018 – The report stated that nitrite and nitrate samples were collected on August 27, 2018 and this information was provided in **Appendix F**. The report acknowledged that the sampling date fell outside of the 90-day period from the prior sample collected on April 25, 2018 and should have been collected on July 24th. Per TCEQ's instruction, a proposed sampling schedule for nitrite and nitrate for the next four quarters was provided in **Appendix G**.

October 8, 2018 Quarterly Report – Update of August 2018 – In response to the TCEQ's comments regarding NAP triggers, the report provided supplemental documentation of corrective actions and an explanation when no corrective action was taken as **Appendix H**.

October 8, 2018 Quarterly Report – Update of August 2018 – The report stated that the updated water quality data obtained from the City of Corpus Christi's O.N. Stevens Water Treatment Plant was attached as **Appendix I**.

October 8, 2018 Quarterly Report – Update of August 2018 – The report stated that the following actions were taken during the preceding quarter:

1. Based on TCEQ feedback, STWA updated STWA Monitoring Plan's Table D-3. Pages 1- 7 of the Monitoring Plan were updated and provided in **Appendix J**.
2. STWA completed FMT training on four occasions covering three subjects. STWA requested additional FMT assistance for the following:
 - a. DAM 2a: Establishing Appropriate Chemical Feed Rates
 - b. DAM 4: Chloramine Disinfection and DBP Control
 - c. DAM 12: How to Develop and Manage an Effective Cross-Connection Control Program
3. Negotiations to finalize a contract with the City of Bishop continued. A revised contract would be presented to the STWA Board and the Bishop City Council during October 2018.

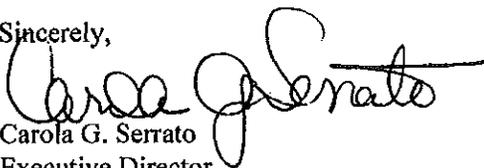
10. Within 730 days after the effective date of this Commission Order, South Texas Water Authority now known as South Texas Water Authority Industrial Development Corporation shall submit documentation demonstrating at least 12 consecutive months of compliance with the disinfectant residual requirements, in accordance with 30 Texas Administrative Code §§ 290.110 and 290.46.

Ordering Provision 10 – STWA believes, based on distribution system residuals as reported in the DLQORs submitted for the quarters associated with the period of November 2017 through December 2018, that documentation demonstrating at least 12 consecutive months of compliance with the disinfectant residual requirements, in accordance with 30 Texas Administrative Code §§ 290.110 and 290.46 has been submitted.

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

I trust that this information in conjunction with the previously submitted Quarterly Reports sufficiently addresses the Ordering Provisions. However, please contact me if you require additional information.

Sincerely,



Carola G. Serrato
Executive Director

CGS//

ATTACHMENT 7

Bishop Water Supply Contract

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 14, 2019
Re: City of Bishop - Revised Wholesale Water Supply Contract

Background:

During the January 8th joint meeting between the STWA Board and Bishop City Council, the most recent version of the Wholesale Water Supply Contract was discussed. This latest version was approved during the STWA December 2018 Board meeting and provided to Mr. Gerald Benadum, the City's attorney, by Mr. Bill Flickinger, Willatt and Flickinger, on December 13, 2018 via email (enclosed). The Board will recall that Contract responded to the City's revision listing a quarterly volume schedule as opposed to a daily one. In the latest version, STWA countered with a weekly schedule. Although there was a considerable discussion on the amount of time that the negotiations had been ongoing, based on City Council Members' comments during the joint meeting, it appears that the only item of contention is the volume schedule.

Analysis:

During the joint meeting, the City's position was that STWA should acknowledge the City has historically taken water daily. STWA's response was that, as such, it was not clear why the City would object to STWA's counter offer of a longer weekly schedule as opposed to the original daily one. This discussion continued for several minutes.

Ultimately, the question was asked whether there was a compromise between STWA's weekly schedule and the City's quarterly contract provision that both parties could agree upon. Both parties seemed to accept a monthly schedule as a compromise.

It was agreed Mr. Flickinger would be asked to make that change. Enclosed is my email to Mr. Flickinger regarding the contract revisions and monthly schedules calculated in two (2) ways – an average for each separate month and one monthly average calculated based on an annual volume. The schedules continue to use the volume increase from 46% to 50% for Year 1 – Year 5 which were previously agreed upon. Although the single monthly volume schedule is less complicated from a monthly "goal", staff and legal counsel agree that the specific monthly volume is likely easier to attain in terms of the City's seasonal demands and should assist STWA with maintaining a residual.

Staff Recommendation:

Review the revised Wholesale Water Supply Contract.

Board Action:

Determine whether the revised Contract should be approved contingent on prior or simultaneous execution of the License Agreement for the Bishop East PS.

Summarization:

Provided the City operates in good faith as suggested during the joint meeting, staff believes the City would need to purchase almost 100% of their water demand for at least half the time during any given month to meet the volumes of the calculated schedule – or, if the City ceases its recent pattern of taking zero gallons for consecutive days, then the City would be purchasing about ½ their demand from STWA daily.

From: mcserrato@stwa.org
Sent: Thursday, January 10, 2019 12:47 PM
To: Bill Flickinger
Cc: 'Dony Cantu (dcantu@stwa.org)'; 'Frances Rosales'; 'Jacob Hinojosa'; 'Jo Ella Wagner'
Subject: Bishop Contract - Exhibit for Monthly Volumes
Attachments: Bishop MONTHLY Contract Volume BASED ON 5 YR AVG Exhibit C.pdf; Bishop MONTHLY Contract Volume BASED ON 5 YR AVG Exhibit C.xlsx

Importance: High

Tracking:	Recipient	Read
	Bill Flickinger	
	'Dony Cantu (dcantu@stwa.org)'	
	'Frances Rosales'	
	'Jacob Hinojosa'	
	'Jo Ella Wagner'	
	Frances Rosales - Deleon	Read: 1/10/2019 1:38 PM
	Joella Wagner	Read: 1/10/2019 2:04 PM
	Dony Cantu	Read: 1/11/2019 8:28 AM
	Jacob Hinojosa	Read: 1/16/2019 4:43 PM

Bill,

Attached are two (2) draft Exhibits, in Excel and as a pdf file, of a Monthly Volume Calculation for the revised Bishop Water Supply Contract:

1. Using the entire five year volume and dividing by 60 to calculate a monthly average for both surface and groundwater calculates to 9,306,400 gallons. South Texas Water Authority's 5 year volume average is 4,932,200. These figures are based on January 2013 through December 2017. I could have used 2018; but, I hesitate to do that since there were more instances when the City took zero gallons for numerous days during 2018 and, in my opinion, would not be representative of their actual historic demand.
2. Using each Month and calculating a specific Month's five year average is also included. Either way the annual volume is the same.

The data clearly shows that the City has been buying more than 50% of its needs from STWA during the 5-year period.

Finally, if the City agrees to the gallons – recognizing there is not a penalty, but based on the City making a good faith effort – the City would still need to take water consistently for about ½ of the month – or perhaps every other day – based on an average daily consumption of about 300,000 gallons in order to accept delivery of the scheduled volumes. Although this is not ideal in Jacob's and my opinions, it should prevent the City from ceasing to take water for an entire month at a time. Therefore, it is a definite improvement over the City's proposed quarterly schedule.

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, January 16, 2019 4:19 PM
To: Carola Serrato (mcgserrato@stwa.org)
Cc: Allison Nix
Subject: STWA - Water Supply Contract with City of Bishop
Attachments: STWA Bishop Water Supply Contract BF Revised Clean Version with Month Usage Schedule bf11619.doc; STWA Bishop West PS schematic Dec 2018-ExA.pdf; STWA City of Bishop Ex B.pdf; STWA Bishop MONTHLY Contract Volume BASED ON 5 YR AVG Exhibit C.pdf

Dear Carola:

Attached for your review and use at the next STWA Board Meeting is a clean version of the Water Supply Contract with the City of Bishop and the three exhibits including your new Exhibit "C."

I have attempted to incorporate into the attached all of the changes proposed by the City into the attached. As you are aware, the attached Exhibit "C" created by you is new.

I will look at the License Agreements next. 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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each Wholesale Customer, including, but not limited to, accounting, administration, engineering, and legal expenses and a reasonable reserve to pay for any extraordinary or nonrecurring expenses of operation or maintenance of the System and for replacements and repairs if such expenses should become necessary. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply or other services for the System. Maintenance and Operating Expenses shall not include any costs or expenses incurred by the Authority in connection with Special Services.

- (D) "Maintenance and Operations Tax" shall mean the ad valorem tax levied by the Authority in accordance with Chapter 49 of the Texas Water Code as authorized by the election of August 11, 2001, at a rate not to exceed \$0.12 per \$100 taxable value.
- (E) "Special Services" shall mean services provided by the Authority to a Wholesale Customer or other entity for the operation, maintenance or management of any facilities or operations of such party that are not part of the Authority's System.
- (F) "System" shall mean the Authority's existing water supply and distribution system, together with all future extensions, improvements, enlargements and additions thereto, and all replacements thereof.
- (G) "System Operating Charge" shall mean the monthly charge, per 1,000 gallons described in Section 8 consisting of the "pass through charge" for the purchase of water from the City of Corpus Christi and the "handling charge" to pay Maintenance and Operating Expenses.
- (H) "Wholesale Customers" shall mean the Cities of Agua Dulce, Bishop, Driscoll and Kingsville, Nueces County Water Control and Improvement District No. 5, Nueces Water Supply Corporation and Ricardo Water Supply Corporation, and any other future contracting parties that purchase water from the Authority for municipal, industrial or agricultural purposes.

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

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

water, the Wholesale Customer shall be authorized to obtain water in an amount equal to that which the Authority cannot provide from any other source.

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

SECTION 4. POINTS OF DELIVERY AND TITLE. Attached hereto as Exhibit "A" is a schematic diagram involving the transfer of water from the Authority to the Wholesale Customer's distribution system. The Point of Delivery of the water by the Authority to the Wholesale Customer shall be the outlet of the Authority's meter located immediately before the water enters the Wholesale Customer's 150,000 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.

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

SECTION 5. MEASURING EQUIPMENT.

(A) Authority shall furnish, install, operate and maintain at its own expense the necessary metering equipment of standard type for measuring properly the quantity of water delivered under this agreement. Such metering equipment shall be located on the Authority's supply main at a location already designated by Authority. Such meter or meters and other equipment so installed shall remain the property of Authority. The reading, calibration and adjustment of the meter equipment shall be done only by the employees or agents of the Authority. However, the

Wholesale Customer shall have access to such metering equipment at all reasonable times. For the purpose of this Agreement, the original record or reading of the main meter shall be the journal or other record book of the Authority in its office in which the records of the employees or agents of the Authority who take the reading are or may be transcribed. Upon written request of Wholesale Customer, the Authority will give the Wholesale Customer a copy of such journal or record book, or permit the representative designated by Wholesale Customer Council's resolution to have access to the same in the office of the Authority during reasonable business hours.

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

(C) If either party at any time observes a variation between a main delivery meter and the check meter, if any such check meter shall be installed, such party will promptly notify the other party, and the meters shall then be adjusted to accuracy. Each party shall give the other party forty-eight (48) hours' notice of the time of any test of meter so that the other party may conveniently have a representative present.

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

(E) The Wholesale Customer may, at its option and its own expense, install and operate a check meter to check the meter installed by the Authority, but the measurement of water for the purpose of this agreement shall be solely by the Authority's meter, except in the cases

hereinabove specifically provided to the contrary. Such check meter shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the Authority, but the reading, calibration and adjustment thereof shall be made only by the Wholesale Customer, except during any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration, and adjustment thereof shall be made by the Authority with like effect as if such check meter had been furnished or installed by the Authority.

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

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

SECTION 8. PRICES AND TERMS.

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

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

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

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

(C) Unconditional Obligation to Pay - The Wholesale Customer shall be obligated to pay, each month, the payments required by this Agreement, without offset or counterclaim. This covenant shall be for the benefit of the holders of the Authority's bonds, secured in whole or in part from the revenues of the System, 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 deliver 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 monthly basis based on the Monthly 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, a Monthly Usage Schedule to determine what best works to retain the chloramine residual at the level required by the TCEQ regulations. When that Monthly Usage Schedule has been determined, Wholesale Customer shall use its reasonable best efforts to purchase water as determined in the Monthly Usage Schedule. Revisions to the Monthly 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 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 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 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" – Monthly Usage Schedule

Bishop West Side Pump Station

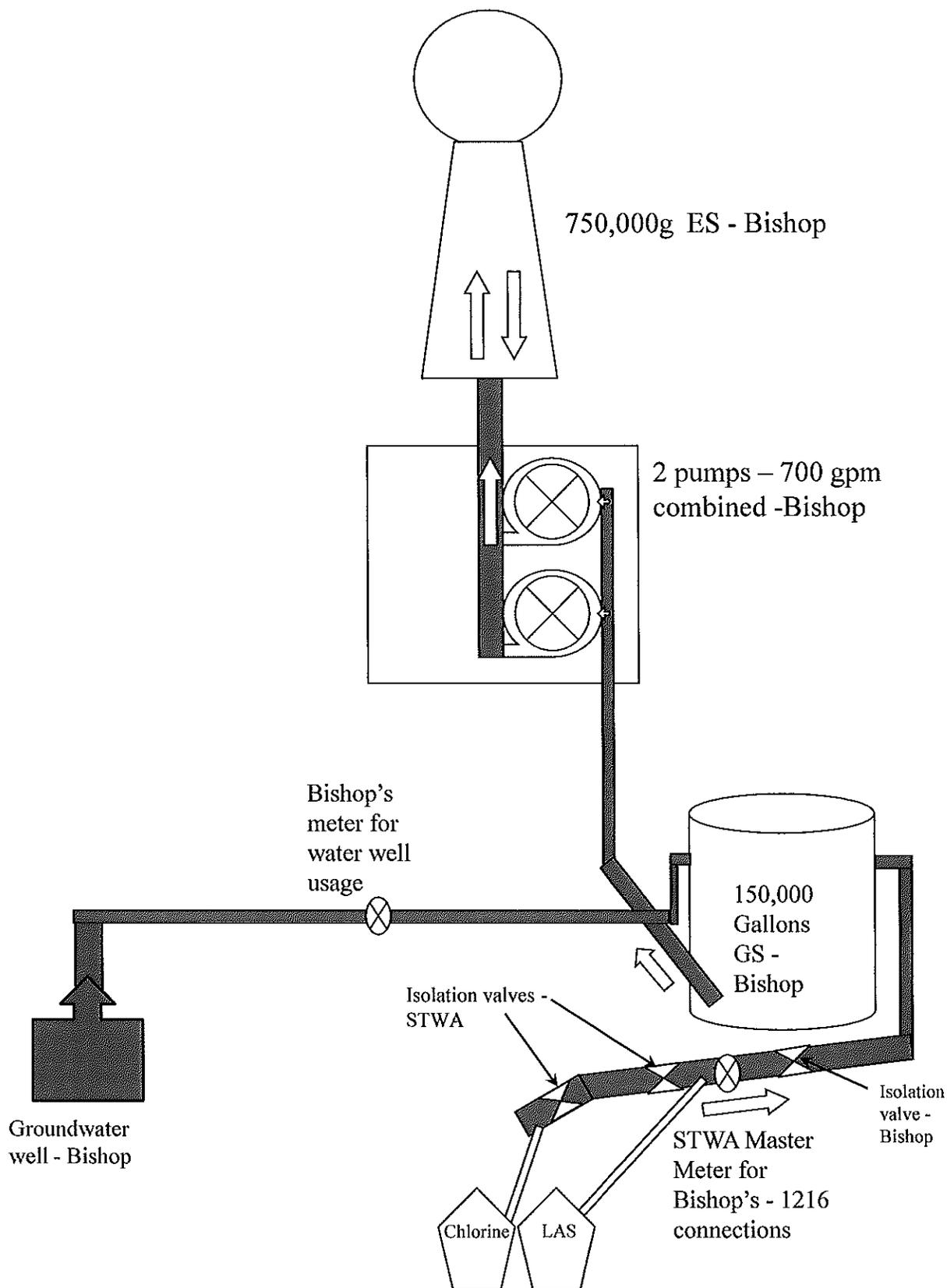


EXHIBIT "A"

STWA

SOUTH TEXAS WATER AUTHORITY

P. O. BOX 1701

KINGSVILLE, TEXAS 78364-1701

October 28, 2013

Honorable Tem Miller
City of Bishop
P.O. Box 356
Bishop, Texas 78343

Re: City of Bishop Westside PS Pump Project and Title of Pumps

Dear Mayor Miller:

As you are aware, South Texas Water Authority (STWA) has been working with City of Bishop (City) staff and the City's engineering firm, LNV Engineering, on the proper sizing of new replacement pumps at the City's Westside Pump Station. The original project approved by STWA district voters was for the relocation of two (2) pumps from STWA's Eastside Pump Station to the City's Westside Pump Station.

According to recent TCEQ correspondence, it has been determined that two (2) 700 gpm variable frequency drive pumps will provide the necessary capacity requirements for the City. This information was shared with the STWA Board during a duly posted and open meeting in the form of an amendment to HDR Engineering's Bond Election Engineering Report.

I am pleased to notify the City that the STWA Board approved the amendment to the Bond Election Report and, therefore, the replacement of the City's current pumps can be paid by the STWA 2012 Bond Funds. Enclosed is the amended portion of the Report, including a breakdown of anticipated improvements and the estimated cost of \$343,850. However, it is important to note that the Board approved the amendment *contingent upon the City accepting title to the improvements*. As such, STWA's ownership and responsibility would end at the master meter which measures the volume of the water as it enters the yard piping to the City's Westside Pump Station.

STWA's Board determined it was in the best interest of both parties to adopt the amended report based on the City owning the improvements in light of the TCEQ's repeated Under Direct Pressure violations against many of STWA's wholesale customers. You will recall that the Under Direct Pressure Rule capacity requirements increase by a factor greater than three (2.0 gpm per connection as compared to 0.6 gpm per connection) when STWA owns the pumps.

Bishop Westside PS – Revised Bond Election Engineering Report

Acceptance of Title

October 28, 2013

Page 1 of 2

Kathleen Lowman, President
Filiberto Treviño III, Vice-President
Rudy Galvan, Secretary-Treasurer
Roy Cantu, Jr.
Lupita Perez

(361) 592-9333 Or (361) 692-0337 (C.C. line)
Fax: (361) 592-5965 Or (361) 692-0338 (C.C. line)

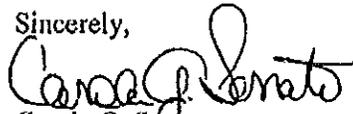
Patsy A. Rodgers
Dr. Alberto Ruiz
Steven C. Vaughn
Carola G. Serrato, Executive Director

The design of the pump installation and the form of the construction Contract Documents will be submitted to the City for approval before STWA invites bids. Any material design changes during construction, and the final acceptance of the Work as completed will also be submitted to the City for approval at the appropriate stages.

The Contract Documents will state that the City will be an additional insured on all liability and casualty insurance on the project, and will state that the City is a third party beneficiary of all warranties and guarantees, expressed or implied, relating to the Work and the pumps and other equipment. The Bill of Sale will assign to the City all of STWA's rights in such warranties and guarantees.

Attached is a draft Bill of Sale that will be signed by both parties after the pumps have been installed and tested by the Authority. If you are agreeable to this proposal, please so indicate by your signature below. Upon receipt of your signature to this letter, the STWA Board will begin the process of selecting an engineering firm to design the pump station improvements.

Sincerely,



Carola G. Serrato
Executive Director

CGS//

cc: STWA Board of Directors
Mike Willatt, Willatt and Flickinger

ACCEPTED AND AGREED TO:



Tem Miller, Mayor, City of Bishop

ATTEST:



Antonina R. Antrebas
Secretary, City of Bishop

City of Bishop - STWA Water Supply Contract - Exhibit C - Monthly Volume

	5-Year Total	5-Year Monthly AVG	46% Year 1	47% Year 2	48% Year 3	49% Year 4	50% Year 5
January	40,416,000	8,083,200	3,718,272	3,799,104	3,879,936	3,960,768	4,041,600
February	39,091,000	7,818,200	3,596,372	3,674,554	3,752,736	3,830,918	3,909,100
March	45,440,000	9,088,000	4,180,480	4,271,360	4,362,240	4,453,120	4,544,000
April	46,433,000	9,286,600	4,271,836	4,364,702	4,457,568	4,550,434	4,643,300
May	47,673,000	9,534,600	4,385,916	4,481,262	4,576,608	4,671,954	4,767,300
June	45,715,000	9,143,000	4,205,780	4,297,210	4,388,640	4,480,070	4,571,500
July	66,851,000	13,370,200	6,150,292	6,283,994	6,417,696	6,551,398	6,685,100
August	61,839,000	12,367,800	5,689,188	5,812,866	5,936,544	6,060,222	6,183,900
September	42,663,000	8,532,600	3,924,996	4,010,322	4,095,648	4,180,974	4,266,300
October	47,304,000	9,460,800	4,351,968	4,446,576	4,541,184	4,635,792	4,730,400
November	37,041,000	7,408,200	3,407,772	3,481,854	3,555,936	3,630,018	3,704,100
December	37,918,000	7,583,600	<u>3,488,456</u>	<u>3,564,292</u>	<u>3,640,128</u>	<u>3,715,964</u>	<u>3,791,800</u>
			51,371,328	52,488,096	53,604,864	54,721,632	55,838,400

	STWA	GW	TOTAL		STWA	GW	TOTAL
Jan-13	4,067,000	4,664,000	8,731,000	Jul-13	5,985,000	12,853,000	18,838,000
Jan-14	4,718,000	3,496,000	8,214,000	Jul-14	9,664,000	2,733,000	12,397,000
Jan-15	5,654,000	1,628,000	7,282,000	Jul-15	6,994,000	3,994,000	10,988,000
Jan-16	3,873,000	3,621,000	7,494,000	Jul-16	6,446,000	6,170,000	12,616,000
Jan-17	<u>4,010,000</u>	<u>4,685,000</u>	<u>8,695,000</u>	Jul-17	<u>7,685,000</u>	<u>4,327,000</u>	<u>12,012,000</u>
	22,322,000	18,094,000	40,416,000		36,774,000	30,077,000	66,851,000
Feb-13	3,943,000	4,744,000	8,687,000	Aug-13	6,147,000	6,823,000	12,970,000
Feb-14	4,388,000	3,306,000	7,694,000	Aug-14	12,353,000	1,000	12,354,000
Feb-15	1,939,000	4,508,000	6,447,000	Aug-15	9,206,000	3,720,000	12,926,000
Feb-16	4,454,000	4,192,000	8,646,000	Aug-16	5,027,000	7,269,000	12,296,000
Feb-17	<u>3,026,000</u>	<u>4,591,000</u>	<u>7,617,000</u>	Aug-17	<u>5,483,000</u>	<u>5,810,000</u>	<u>11,293,000</u>
	17,750,000	21,341,000	39,091,000		38,216,000	23,623,000	61,839,000
Mar-13	5,580,000	8,144,000	13,724,000	Sep-13	5,171,000	3,839,000	9,010,000
Mar-14	4,941,000	3,566,000	8,507,000	Sep-14	8,188,000	662,000	8,850,000
Mar-15	4,080,000	2,939,000	7,019,000	Sep-15	4,634,000	4,623,000	9,257,000
Mar-16	4,252,000	4,108,000	8,360,000	Sep-16	3,286,000	3,260,000	6,546,000
Mar-17	<u>4,074,000</u>	<u>3,756,000</u>	<u>7,830,000</u>	Sep-17	<u>5,088,000</u>	<u>3,912,000</u>	<u>9,000,000</u>
	22,927,000	22,513,000	45,440,000		26,367,000	16,296,000	42,663,000
Apr-13	5,423,000	7,353,000	12,776,000	Oct-13	4,616,000	4,221,000	8,837,000
Apr-14	5,196,000	4,981,000	10,177,000	Oct-14	3,139,000	5,202,000	8,341,000
Apr-15	4,001,000	2,724,000	6,725,000	Oct-15	4,123,000	5,056,000	9,179,000
Apr-16	4,052,000	3,949,000	8,001,000	Oct-16	4,684,000	7,982,000	12,666,000
Apr-17	<u>4,126,000</u>	<u>4,628,000</u>	<u>8,754,000</u>	Oct-17	<u>5,521,000</u>	<u>2,760,000</u>	<u>8,281,000</u>
	22,798,000	23,635,000	46,433,000		22,083,000	25,221,000	47,304,000
May-13	5,286,000	4,811,000	10,097,000	Nov-13	4,236,000	3,724,000	7,960,000
May-14	5,335,000	4,643,000	9,978,000	Nov-14	1,515,000	6,102,000	7,617,000
May-15	4,198,000	3,230,000	7,428,000	Nov-15	3,960,000	3,566,000	7,526,000
May-16	4,576,000	4,777,000	9,353,000	Nov-16	4,356,000	1,421,000	5,777,000
May-17	<u>5,093,000</u>	<u>5,724,000</u>	<u>10,817,000</u>	Nov-17	<u>4,247,000</u>	<u>3,914,000</u>	<u>8,161,000</u>
	24,488,000	23,185,000	47,673,000		18,314,000	18,727,000	37,041,000
Jun-13	5,191,000	6,052,000	11,243,000	Dec-13	4,630,000	3,471,000	8,101,000
Jun-14	5,771,000	5,687,000	11,458,000	Dec-14	3,998,000	3,041,000	7,039,000
Jun-15	4,084,000	3,118,000	7,202,000	Dec-15	4,025,000	3,527,000	7,552,000
Jun-16	3,910,000	3,589,000	7,499,000	Dec-16	4,088,000	3,769,000	7,857,000
Jun-17	<u>4,191,000</u>	<u>4,122,000</u>	<u>8,313,000</u>	Dec-17	<u>4,005,000</u>	<u>3,364,000</u>	<u>7,369,000</u>
	23,147,000	22,568,000	45,715,000		20,746,000	17,172,000	37,918,000

ATTACHMENT 8

License Agreement – City of Bishop PS Facilities

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 18, 2019
Re: City of Bishop – License Agreement – Bishop East PS Property

Background:

During the January 8th joint meeting between the STWA Board and Bishop City Council, a revised License Agreement, received that afternoon from the City, was distributed. The original document was developed by Mr. Bill Flickinger, Willatt and Flickinger. Revisions were made by the City's attorney, Mr. Gerald Benadum. The original document was approved by the STWA Board during the December 2018 meeting and provided to the City via email from Mr. Flickinger to Mr. Benadum on December 13, 2018.

Attached is the revised document from Mr. Benadum. During the January 8th Board – Council meeting, I listed several of the City's revisions that Mr. Flickinger and I reviewed prior to the meeting. After outlining the areas of concern, the STWA Board by motion, second and a unanimous vote tabled action on the revised Agreement. Brief descriptions of the items are as follows:

- The terms “substantial portion” and “subsurface objects” need clarification or defining.
- STWA is unable to provide NWSC's permission for the City's use of the ground storage tank (GST).
- The amounts for the initial and ongoing fees need to be negotiated.

Analysis:

During the joint meeting, it appeared that the Council acknowledged that defining “substantial portion” and “subsurface objects” was reasonable. It also appeared that the Council understood STWA cannot provide permission for use of the Bishop East PS GST. There was a brief mention of a three-way agreement between the City, STWA, and NWSC. The topic was not discussed in any detail except to state that STWA understood the City was not interested in that arrangement. It should also be noted that the City's position has been that the License Agreement should not be part of the Wholesale Water Supply Contract.

The fourth item pertaining to the initial and ongoing fees was discussed in greater detail. The City expressed a desire to receive about \$24,000. Several STWA Board members stated that the \$24,000 should not be paid in a lump sum. There were not any agreements reached on these matters. However, STWA agreed to have Mr. Flickinger draft changes to the latest version for consideration by the Board and Council during their next meetings.

Late yesterday afternoon, Mr. Flickinger and I discussed the License Agreement in much greater detail. The following is a brief summary of the items that he will be working on for possible presentation during the Board meeting:

Page 1 – The agreement will need to make clear what constitutes Licensed Property versus Licensed Improvements.

Page 1 – A metes and bounds description (hence survey) should be done to establish exactly what land the STWA License Agreement is associated with and what land will be addressed in the NWSC Agreement.

Page 2 – Mr. Flickinger and I discussed at length various approaches to the discussion from the last meeting and the two types of fees described in Mr. Benadum's version. Mr. Flickinger should provide language that provides for a longer payout term.

Page 2 – The second sentence in paragraph IV.B. will be deleted. According to Mr. Flickinger, this would eliminate STWA's standing in court if this matter becomes a legal dispute.

Page 2 – The words “and the storage facilities of the Nueces Water Supply Corporation” will be deleted from the first sentence in paragraph IV.C.

Page 3 – The last sentence in paragraph V will be deleted. The terms “prevailing risk” and “prevailing liability” are ambiguous. In addition, the terms raise the question of what agency or professional entity ascertains those types of risk and liability.

Page 3 – The deleted words “or is entitled to be” will be added back. Eliminating the words means the City could fail or refuse to file an insurance claim.

Page 3 – Mr. Flickinger and I had a lengthy discussion regarding paragraph VII.A. and the Licensed Improvements that the City is not using, namely the two (2) original pumps, an abandoned chlorine portable building, yard piping connecting into the City’s distribution system, a pressure reduction valve on the yard piping and possibly some valves and controls. I have questioned whether there is a possible conflict with this section and the last sentence in said paragraph.

Page 4 – Mr. Flickinger recommends a period of 90 days for remedy. A period of 60 days is recommended for payment which would allow time for the item to be placed on a STWA agenda.

Page 4 – The term “substantial portion” in paragraph IX.A. needs to be defined. I questioned whether “portion” refers only to Licensed Property or Licensed Improvements as well.

Page 4 and 5 – The 30 days in paragraph IX.B. will be changed to 90 days.

Page 5 – The three (3) years in paragraph IX.C will be changed to five (5) years. This is based on the final discussion with Mr. Flickinger late Thursday afternoon regarding the Initial and Annual Fees.

Page 5 – The term “other subsurface objects” needs to be specified. Language should be added to exclude any waterlines, valves or other appurtenances that are used to serve STWA wholesale customers.

Pages 6 and 7 – Reference to email addresses being acceptable will be deleted.

Page 7 – The last sentence of paragraph XIV will be deleted.

Staff Recommendation:

Provide feedback to staff on the above-listed items, in particular the Initial and Annual Fees. Attached is Mr. Flickinger’s revised License Agreement.

Board Action:

Determine whether the revised License Agreement should be approved.

Summarization:

Despite the separation of the Wholesale Water Supply Contract and the License Agreement into two documents, the issues are related. In staff’s opinion, the revisions are reasonable and will hopefully result in finalizing both important matters, one of which has been ongoing for several years.

LICENSE AGREEMENT

STATE OF TEXAS §
COUNTY OF NUECES § KNOW ALL MEN BY THESE PRESENTS:

The City of Bishop, Texas, a political subdivision of the State of Texas, situated in Nueces County, Texas (the "City"), and South Texas Water Authority (STWA), 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 (the "Licensee"), hereby enter into this License Agreement (the "Agreement") effective as of the ___ day of ___, 2019, upon the terms and conditions set forth below.

I. PURPOSE OF LICENSE AGREEMENT

The City, for and in consideration of the terms of this License Agreement does hereby grant to Licensee, and to such of Licensee's employees, officers, invitees, guests, and contractors as are authorized by Licensee to access the Licensed Property, a license to use the property at 333 North Birch Avenue, Bishop, Texas 78343 (the "Licensed Property" as described in section II), only as follows:

For installation, construction, operation, maintenance, repair, replacement or removal of a building housing pumps, two (2) pumps currently not in service and which were previously used to provide water to the City of Bishop, a SCADA system, two small buildings with chlorination and LAS systems and all associated motors, controls, piping, valves, electrical wiring and equipment and other appurtenances (together, the "Licensed Improvements"), as shown on Exhibit A hereto. Licensee represents that it is the owner of all Licensed Improvements.

The City makes this grant solely to the extent of its right, title and interest in the Licensed Property, without express or implied warranties of title

Licensee, in consideration of the privileges herein granted, hereby makes the agreements, representations, and covenants, and agrees to the terms, stated in this License Agreement.

II. LICENSED PROPERTY

The Licensed Property is located at 333 North Birch Avenue, Bishop, Texas 78343, includes ---- acres [square feet?] more or less, and is described in the plat as shown in Exhibit B hereto.

Licensee is not granted, and shall not have, any air rights above the Licensed Property, or subterranean rights below the surface of the Licensed Property, beyond that reasonably necessary for the licensed uses specified herein. Licensee's access to the Licensed Property shall be from the adjacent city street.

Licensee is familiar with all characteristics and conditions of the Property and is not relying on any representations for the City with respect to the Property or the suitability of the property for Licensee's purpose. The City does not make, and expressly disclaims, any representation or warranty express or implied that the property is safe or suitable for Licensee's intended purpose or safe or suitable for any other purpose. Licensee shall assume all risks in using the Licensed Property.

III. FEES

~~INITIAL FEE. Licensee shall pay to the City an initial fee of \$ _____ within 15 days after this License is executed by both parties.~~

~~ANNUAL FEES. Licensee shall pay to the City, for the license and permission herein granted to Licensee, an annual fees of \$5,000.00 _____ each for the first 5 (five) 3 years of this License, with the first such annual fee due and payable upon execution of this Agreement and each of the 4 (four) subsequent annual fees being due on or before January 15 of each subsequent calendar year. The annual fee shall increase by 6% commencing on the date the payment is due every third year thereafter. The City, its governing body, and its respective successors and assigns acknowledge and agree that an annual fee of \$1.00 shall be assessed for the license and permission herein granted to Licensee. Licensee agrees to pay such annual fee within thirty (30) days of receipt of an invoice for same. After the first 5 calendar years following execution of this Agreement, an annual fee of \$1.00 shall be assessed for the license and permission herein granted to Licensee and Licensee shall pay such annual fees within sixty (60) days of receipt of an invoice from the City for same.~~

IV. CITY'S RIGHT TO LICENSED PROPERTY

- A. This Agreement is expressly subject and subordinate to the present and future right of the City, its successors, assigns, lessees, grantees, and licensees, to enter upon the Licensed Property for any purpose including, but not limited to, the construction, installation, establishment, repair, maintenance, and/or operation and renewal of any public utilities.
- B. Nothing in this Agreement shall be construed to limit, in any way, the City's ownership interest in the Licensed Property. ~~Licensee agrees and covenants that it has no ownership interest in the Licensed Property, has no right or claim to enter, occupy, or use the Licensed Property except as specifically granted in this License Agreement, and shall make no contrary claim in any legal, equitable, or administrative action or proceeding.~~
- C. The City shall have the right to make connections to, and reasonable use of, the Licensed Improvements for the purpose of accessing the water supply of the Licensee, ~~and the storage facilities of Nueces Water Supply Corporation.~~ The City shall pay all of its own costs and shall reimburse Licensee for all reasonable costs incurred by Licensee as a result of the City's connections and use and for all water used at the same rate as the City pays for water purchased from Licensee under the then current Water Supply Contract between City and STWA. All connections into Licensee's Improvements shall require preapproval by Licensee, which approval shall not be unreasonably withheld.

V. 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, guests, invitees, or contractors, relative to this Agreement. Licensee shall be solely responsible for the payment of any deductibles stated in the policy. Proof of each policy 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 policies and certificates shall provide that the coverage 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. ~~The limits of such coverage shall be increased from time to time in amounts reasonable to reflect the then prevailing risks and prevailing liability costs and awards.~~

VI. 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 alleged to be caused by Licensee's actions and inactions in installing, constructing, operating, maintaining, repairing, replacing, and/or removing the Licensed Improvements on the Licensed Property, or any other manner while occupying or using 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, ~~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."

VII. 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), the City shall have, as a non-exclusive remedy, the right to do so and Licensee shall reimburse the City within ninety (90) days of written demand for all reasonable costs of maintaining, replacing, repairing, removing, or relocating any Licensed Improvements.~~ NOTE: SEE SECTION VII D BELOW FOR NOTICE AND REIMBURSEMENT IN THE EVENT OF DEFAULT. THAT IS WHY THE FOREGOING SENTENCE WAS DELETED. 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 in a clean, safe, and good condition at Licensee's sole cost and expense for the duration of the license. Licensee shall keep the Licensed Property fenced and secured as may be reasonably necessary for the protection of the improvements and properties and for the protection of the public.
- 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~~ may give Licensee written notice thereof, by registered or certified mail, return receipt requested to the address set forth below. Licensee shall have ninety (90) ~~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 ninety-day ~~thirty-day~~ period following receipt of the notice described in the paragraph, the City may perform the work or contract for the completion of the work. In such event, Licensee agrees to pay within sixty (60) ~~thirty (30)~~ days of written demand for payment by the City, all costs and expenses incurred by the City in completing the work.

VIII. TERM

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

IX. 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. ~~Abandonment of any substantial portion may be treated by the City as a total abandonment. If Licensee fails to remove one or more items of any of the its Licensed Improvements or its equipment property, the City may elect to remove all or part of such items property at Licensee's expense, or may elect for all or part of such items property to~~ All installations of Licensee not removed shall be deemed owned property of by the City as of the time abandoned, and all actual 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 sixty (60) ~~thirty (30)~~ days of receipt of the City's statement demanding payment. The City may deem a facility or any portion of the Licensed Property or any part of the Licensed Property or other property of Licensee to be abandoned if Licensee has apparently abandoned it, has not made use of it for 365/20 days, and has failed to maintain it in a useable condition for 365/20 days, or has taken any other action that evidences an intent not to maintain the facility. Notwithstanding the provisions of this

paragraph, a failure to use or maintain any of the following facilities shall not be deemed an abandonment: The two (2) pumps previously used to provide water service to the City, an abandoned chlorine portable building, yard piping connecting into the City's distribution system, a pressure reduction valve on the yard piping and associated valves and controls and any other buildings, facilities or equipment previously used to provide water service to the City or previously used by the City to provide water services to its customers.

- 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 ninety (90) ~~thirty (30)~~ days before the effective date of the termination stated in the notice. If the Licensee so terminates, then Licensee shall remove the Licensed Improvements installed by the Licensee and any other equipment~~property~~ of Licensee. In the event the Licensee fails to remove all or part of such Licensed Improvements or equipment~~property~~ on or before the effective date of such termination, the City may elect to remove all or part of such items~~property~~ at Licensee's expense, or may elect for all or part of such items~~property~~ to be retained by the City, and all such actual direct or indirect costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within sixty (60) ~~thirty (30)~~ days of receipt of the City's statement demanding payment.
- C. Termination by the City. This Agreement may be terminated by the City, with or without cause, by delivering written notice of termination to the Licensee not later than five years ~~thirty (30)~~ days before the effective date of the termination stated in the notice. If the City so terminates, then the Licensee shall remove the Licensed Improvements installed by the Licensee by the effective date of termination stated in the City's notice. In the event the Licensee fails to remove such Licensed Improvements and any other equipment~~property~~ of Licensee on or before such expiration date, the expiration of three (3) years after the effective date of such termination, the City may elect to remove all or any part of such items~~property~~ at Licensee's expense, or may elect for all or any part of such items~~property~~ to be retained by the City, and all such actual direct or indirect costs and expenses incurred by the City shall be the obligation of Licensee to pay to the City in full within sixty (60) ~~thirty (30)~~ days of receipt of the City's statement.
- D. Licensee shall continue to be liable to the City for the annual license fees until all of Licensee's property has been removed and the site restored in accordance with subsection E, below, prorated to the date the removal is completed.
- E. Upon any termination, Licensee's obligation to remove its property shall include an obligation to remove all foundations and other subsurface objects, and Licensee shall restore the surface of the Property to a level, sodded surface in good health compatible with the City's adjacent park property. Notwithstanding the foregoing, Licensee shall not be required to remove any underground water pipes, valves or other appurtenances that will continue to be used to provide water service to its customers.

X. LEGAL ACTIONS

- A. 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.
- B. Venue. Exclusive venue for all claims and lawsuits arising from or concerning this Agreement shall be in a State court sitting in Nueces County Texas.
- C. Mediation. If a dispute or claim arises between the parties relating to this Agreement or the performance of the parties hereto, the parties agree to use the following dispute resolution procedures, prior to filing suit:
- (1) Either party may give notice that a dispute or claim exists and request that these procedures be commenced. A meeting then shall be held promptly between the parties to attempt in good faith to negotiate a resolution of the dispute or claim.
 - (2) If, within 10 days after such meeting, the parties have not reached agreement on a resolution, either party may demand that the dispute or claim be submitted for non-binding mediation, and both parties shall participate in good faith in the mediation procedures to attempt to negotiate a resolution.
 - (3) Each party to the dispute shall bear an equal portion of any fees and expenses charged by the mediator.
 - (4) Each party shall bear its own attorney's fees and other costs and expenses incurred in connection with any meditation or other dispute resolution proceeding.
 - (5) All proceedings shall be held in Nueces County, unless agreed otherwise by both parties.

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 of 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
{email address}

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

Or to such other address which either party may so designate by sending notice as aforesaid. ~~Notices may also be served by email to the addresses as listed above or by other commonly used electronic message system if the system creates a record of the transmission and receipt of the message.~~

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. ~~Each Counterpart shall be clearly labelled as such: for example, "Counterpart One of Two".~~

TERMS AND CONDITIONS ACCEPTED this the _____ day of _____, 2019~~8~~.

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 _____, 20198, 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 _____, 20198, 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

3STWAlie-agmt-bishop
10/23/18 3:30 p.m.glb 1.5.19

ATTACHMENT 9

Real Property Purchase – Bishop PS Facilities

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 14, 2019
Re: City of Bishop – Bishop East PS – Real Estate Purchase

Background:

During the January 8th joint meeting between the STWA Board and Bishop City Council, there was a brief discussion regarding the purchase of the Bishop East PS land. Staff clarified that the purchase would occur after the License Agreement was agreed upon and executed. Staff briefly outlined the research into the original park property deed dedicated to the City, the subsequent lifting of restrictions on the use of the park property, conversion information received from Texas Parks and Wildlife Department (TPWD) and staff's understanding of the City's grant history with the TPWD.

Attached is an email from Mr. Dan Reece, TPWD, as well as information on the conversion that will likely be necessary as a result of the original 750,000-gallon ground storage tank (GST) being demolished and a new 100,000-gallon GST being constructed in an adjacent spot.

Analysis:

The City's first TPWD grant was in the 1970's and consisted of earthen and spillway work that did not extend into the park area. The second and third grant projects extended into the park area but excluded the footprint of the original pump station and 750,000-gallon GST. According to Mr. Reece, excluding the original area from the grant application means that a conversion of that square footage would not be required. However, because the new tank was built adjacent to the original tank, a conversion between the "old tank" area and "new tank" area would be needed before a purchase of the property could occur. It should be noted that the City did not raise any objections to the possible purchase or introduce other reasons that could prevent a purchase.

Staff Recommendation:

Continue researching the possibility of purchasing the property, including the use of an appraiser and surveyor.

Board Action:

Provide feedback to staff.

Summarization:

As clarified during the meeting, this would occur after the License Agreement and Water Supply Contract are executed. However, as stated during the joint meeting, I believe a purchase of the property is a better long term solution.

From: Dan Reece <Dan.Reece@tpwd.texas.gov>
Sent: Thursday, January 3, 2019 7:42 AM
To: MCGSerrato@STWA.org
Subject: TPWD Conversion Guidelines
Attachments: LP Conversion Guidelines June 2014.pdf

Carola, please see attached for our current Conversion guidelines. If you have any additional questions, or if/when you are ready to initiate the conversion, just let me know.

Sincerely,
Dan

Dan Reece, RLA
Local Park Grants Manager
TX Landscape Architect #1986
(512) 389-4656 – office
(512) 945-3767 – mobile/text

[Visit us Online](#)



LOCAL PARK GRANT PROGRAM CONVERSION GUIDELINES

These guidelines are designed to assist with the process of properly converting grant assisted properties through the Local Park Grant Program to non-recreation use. The "General Provisions of the Project Agreement" for which fund assistance is provided states:

"The Participant agrees that the property described in the project agreement and the dated project boundary map, made part of that agreement, is being acquired or developed with grant assistance, and that it shall not be converted to other than public recreation use and shall be maintained for public recreation in perpetuity."

It is acknowledged, however, that circumstances may arise which might require the conversion of parkland. As a result, the Department has developed guidelines for converting fund assisted properties. Conversion is strongly discouraged, and there is no guarantee that a request for conversion will be approved.

THE PROCESS

Correctly converting fund assisted parkland is a lengthy and costly process. The Department will not provide financial assistance to the local sponsor initiating the conversion.

Conversion generally occurs in the following situations:

- A. Property interests are conveyed for non-public recreation uses.
- B. Non-recreation uses (public or private) are made of the project area, or a portion of the project area.
- C. Non-recreation facilities are developed within the project area (library, city hall, fire station, etc.).
- D. Public recreation uses of property acquired or developed with grant assistance is terminated.
- E. Exceptions:
 1. Underground utility easements that do not have significant impacts upon the recreational utility of the park will not constitute a conversion.
 2. Proposals to construct public facilities where it can be shown that there is a gain or increased benefit to public recreational opportunity will not constitute a conversion. Final review and approval of such cases shall be made on a case-by-case basis.
 3. Leased lands which are converted to other than public recreation use after the lease expires.

The Department will only consider conversion requests if the following prerequisites have been met and documentation of such has been submitted to the Department:

- A. All practical alternatives to the conversion have been evaluated and rejected on a sound basis.

- B. The fair market value of the property to be converted and the property proposed for substitution have been established by one independent appraisal prepared in accordance with "Appraisal Instructions" in the *Instructions for Approved Projects*.
1. The property proposed for substitution must be at least equal fair market value as the property to be converted.
 2. Property improvements will be excluded from value consideration for the properties to be substituted. Exceptions may be allowable when the substitute property contains improvements directly related to public recreation.
- C. The property proposed for replacement is of reasonable usefulness and location as that being converted. Depending on the situation, the replacement property need not provide identical recreation experiences or be located at the same site, provided it is in a reasonably equivalent location. It must, however, be administered by the same political subdivision as the converted property.
- D. The property proposed for substitution meets the eligibility requirements for grant-assisted acquisition. Replacement property must constitute or be part of a viable recreation area.
1. Public land may not be used for substitution on acquisition projects unless it meets certain acquisition criteria. However, in the case of development projects for which the match was not derived from the cost of the purchase/value of donation of the land to be converted, public land which has never been dedicated, platted, managed, or acquired for recreation/conservation use may be used as replacement land even if this land is transferred from one public agency to another without cost.
- E. All necessary coordination with other governmental agencies has been satisfactorily accomplished. Completion of a description of the environment for both the converted and the substitute site is required.
- F. Staff consideration reveals no reason for disapproval and the project files are so documented.

TO REQUEST A CONVERSION, THE FOLLOWING MUST BE SUBMITTED FOR REVIEW:

1. Cover letter addressing the scope and need of the conversion. All practical alternatives to the conversion must have been evaluated and rejected on a sound basis.
2. Description of the Environment for both **the converted and the replacement properties** to include:
 - Acres to be converted/replaced
 - Description of the public outdoor recreation uses existing or proposed for the site
 - Surrounding land uses N, S, E, W (residential, commercial, agricultural)

- Vegetation – species, dominant plants, vegetation
 - Topography
 - Natural water features on site
 - Soils
 - Wildlife habitat
 - Existing site development (extent of impervious cover, structures, etc.)
 - Utilities available on site
 - Overhead utility lines on site
 - Any history of contamination
 - Any rights-of-way or easements
 - Located in a flood plain or wetland
 - Map delineating the floodplain/wetland area
 - Current property ownership
 - Identification of valuable or vulnerable natural resources, ecological processes, or rare, threatened, or endangered species of vegetation or wildlife
3. Location and Boundary Maps for both the converted and the replacement properties. (See Samples)
 4. Appropriate appraisal for both the converted and the replacement properties. The type of appraisal required will depend on whether it was funded with state or federal grant funds. Projects supported with state funds will follow the appraisal method detailed in the *Instructions for Approved Projects* manual. State funded projects are those where the grant project number begins with 20, 50, 51, 53, 54, 55, or 56.

Federal Land and Water Conservation Fund (LWCF) projects require the *Uniform Appraisal Standards-Federal Land Acquisition* ("yellow book") guidelines. The appraisal guidelines are available at <http://www.usdoj.gov/enrd/land-ack/>. LWCF funded projects are those where the grant project number begins with 48.

In addition to the above requirements, TPWD will conduct a resource review and a site visit of both properties. TPWD will also send the information for review to the Texas Historical Commission.

DOCUMENTATION REQUIRED UPON APPROVAL

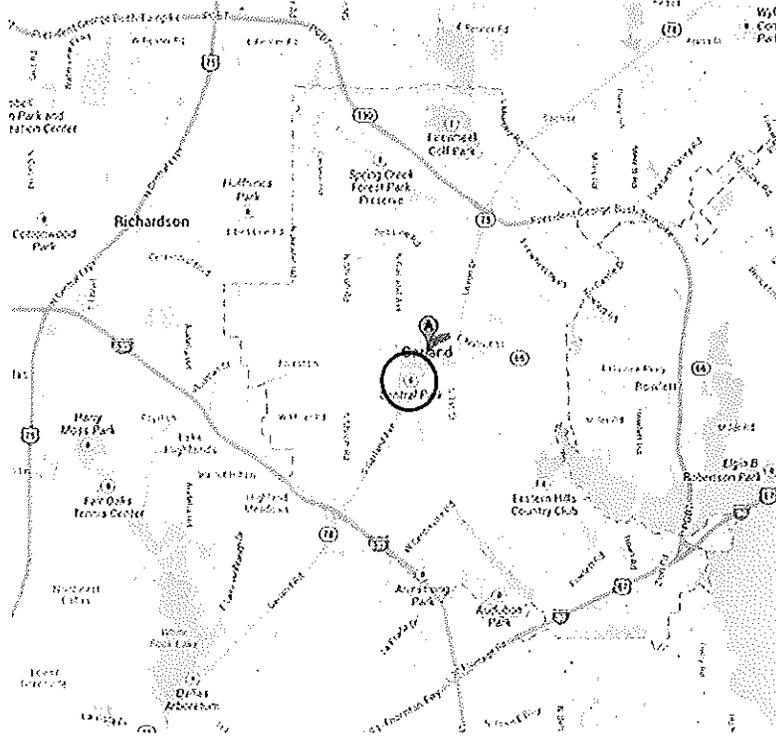
If approved, the following documentation will be required to complete the conversion process:

1. Signed Amendment (Provided by TPWD)
2. Completed Certificate of Land Dedication (Provided by TPWD)
3. Copy of the Recorded Deed
4. Installation of permanent project sign (See Samples)

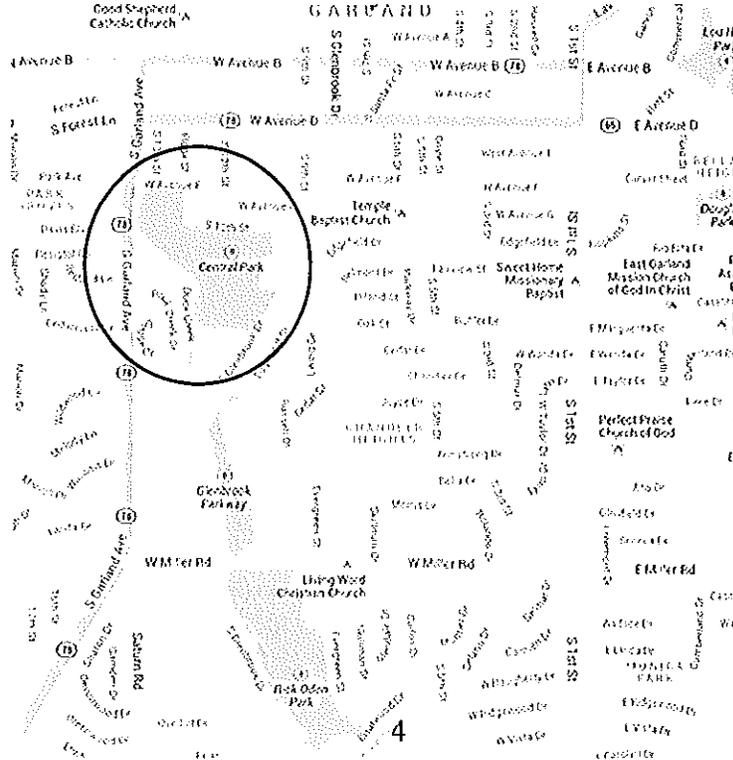
LOCATION MAPS

The Location Maps should be at least 8½" X 11" city map and/or county map with legible street names and identification of the proposed site. A vicinity map may be needed to locate the general area where site is located.

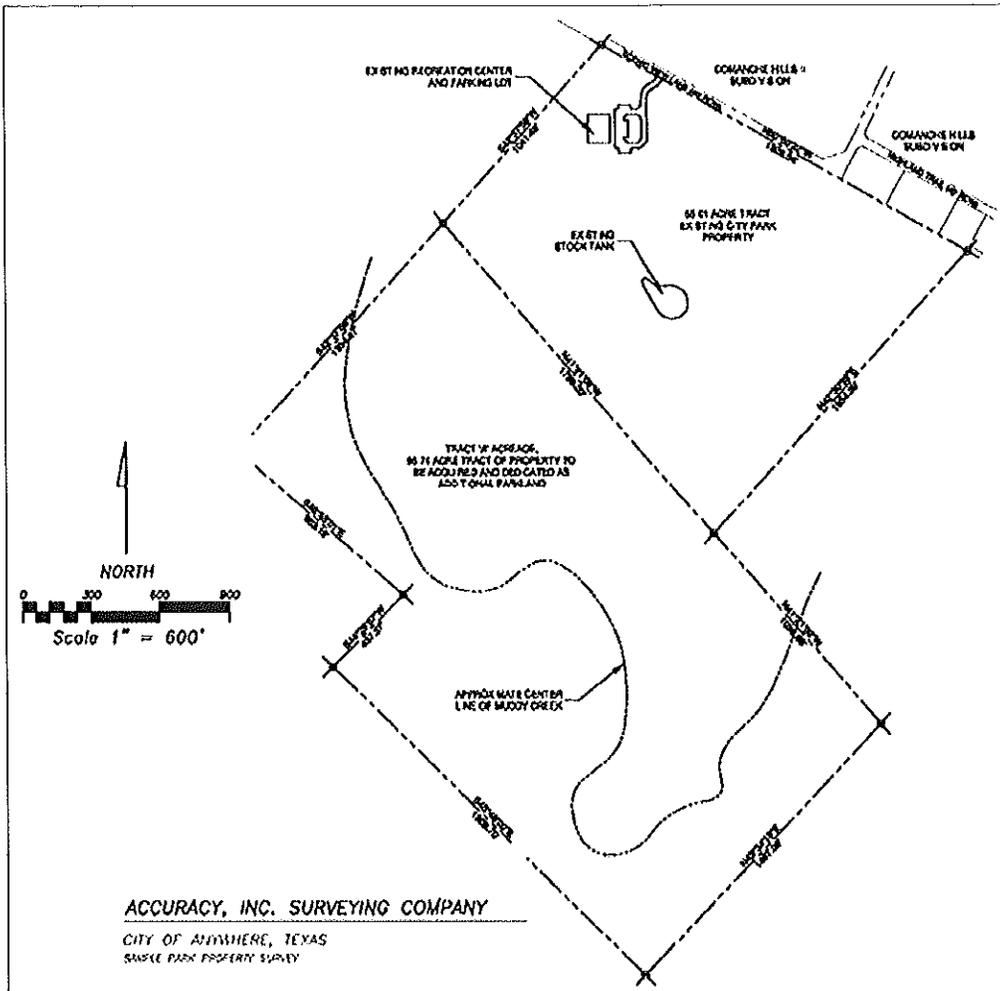
SAMPLE GENERAL VICINITY MAP



SAMPLE LOCATION MAP



SAMPLE BOUNDARY MAP



Boundary Map Should Include:

1. Applicant and property name;
2. Directional arrow and scale;
3. Boundaries should be drawn to scale, or if possible, identified using a metes and bounds legal description.
4. Locate and label all easements, overhead utilities, structures & improvements, water bodies, adjoining streets (including designated right-of-ways), and future or proposed streets.

SAMPLE OF REQUIRED PERMANENT PROGRAM ACKNOWLEDGEMENT SIGN

PERMANENT SIGN OR PLAQUE (Minimum Size – 18" x 24")

This is the minimum information required on the permanent sign or plaque for all programs. If desired, names of local officials, staff, consultants, donors, etc. may be added.

<p>JOHN DOE PARK</p> <p>A TEXAS RECREATION & PARKS ACCOUNT PROGRAM PROJECT</p> <p>Sponsored by the (City/County/District)</p> <p>with Funding Assistance through the Texas Parks & Wildlife Department</p>	<p>For project numbers starting with "50" "54" "55" or "56"</p>
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<p>JOHN DOE RECREATION CENTER</p> <p>A TEXAS RECREATION & PARKS ACCOUNT PROGRAM PROJECT</p> <p>Sponsored by the (City/County/District)</p> <p>with Funding Assistance through the Texas Parks & Wildlife Department</p>	<p>For project numbers starting with "51"</p>
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<p>JOHN DOE PARK</p> <p>A TEXAS LOCAL PARKS, RECREATION AND OPEN SPACE FUND PROJECT</p> <p>Sponsored by the (City/County/District)</p> <p>with Funding Assistance through the Texas Parks & Wildlife Department</p>	<p>For project numbers starting with "20"</p>
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ANYWHERE CITY PARK



(LWCF Logo, sample below)

LAND AND WATER CONSERVATION FUND
A Cooperative Project for Outdoor Recreation

Sponsored by the
CITY/COUNTY OF ANYWHERE

With Funding Assistance from the
TEXAS PARKS AND WILDLIFE DEPARTMENT

NATIONAL PARK SERVICE – DEPARTMENT OF THE INTERIOR

Dedicated April 1, 2005

For project
numbers
starting
with "48"



ATTACHMENT 10

Driscoll Water Supply Contract

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 16, 2019
Re: City of Driscoll – 20-Year Wholesale Water Supply Contract

Background:

As reported previously, the City of Driscoll's Interim Administrator, John Valls, had indicated that the City was without a mayor and preferred to have the vacancy filled before meeting in contract negotiations. I spoke with Mr. Valls this morning and he reported that the new mayor will be sworn in today. However, the new mayor, Mark Gonzalez, was a Councilman and therefore the three-person Council will still have a vacancy. Mr. Valls indicated that an election will be held to fill the position. Staff is not certain whether a special election can be held. But, the next uniform election date is May 4, 2019.

Analysis:

Mr. Valls stated that Mr. Gonzalez has been briefed and STWA contract negotiations is still a matter on his and the Council's list of issues to address. He thought more information would be available in the next week to ten (10) days.

Staff Recommendation:

Keep the Board updated on this matter. Continue to contact the City to arrange a meeting with legal counsel and City representatives.

Board Action:

Provide feedback to staff and legal counsel.

Summarization:

As stated previously, staff believes STWA is making a good faith effort to engage in negotiating a contract. However, it should also be noted that January marks the one-year time period of the City paying the Incremental Fee.

ATTACHMENT 11

Bids – Trackhoe

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 16, 2019
Re: Bid Award for Purchase of a Trackhoe/Excavator

Background:

During the December 4, 2018 meeting, the Board determined that additional information was needed prior to taking action on the purchase of a trackhoe/excavator. In the previous Board memo, staff reported that the current trackhoe was purchased in 1999 for \$49,266. That trackhoe has been used to install hundreds of sacrificial zinc anodes on the 42" waterline. Bids were obtained through BuyBoard. Thirteen (13) vendors received a notice of the request for bids. The budgeted amount for purchase of the trackhoe is \$95,000.

Below are the bids:

Company	Location	Model	Warranty	Delivery Days	Price	Trade-In	Net Price
Anderson Machinery	No Bid						
Bobcat Company	Corpus Christi	E85-T4R	2 yr/2000 hrs	60 – 90	\$84,589.52	\$13,000	\$71,589.52
Doggett Machinery	Corpus Christi	Deere 75G	3 yr/3000 hrs	14 – 30	\$98,565.00	\$10,500	\$88,065.00
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	\$105,453.00
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	\$81,642.00
Romco Equip. Co.	Bid does not meet specifications						
Vermeer Texas	No Trackhoes available						
Waukesha-Pearce	No Bid						

Analysis:

As instructed by the Board, the CP Tech, Armando Yruegas, made arrangements to operate and dig with the four (4) models that were bid with trade-in allowances. Attached is his recommendation to purchase the Bobcat E85-T4R model in the amount of \$71,589.52.

Staff Recommendation:

Award the bid to Bobcat Company in the amount of \$84,589.52 less \$13,000 for trade in of STWA's current trackhoe.

Board Action:

Determine whether to award the bid to Bobcat Company in the amount of \$84,589.52 less \$13,000 for trade in of STWA's current trackhoe.

Summarization:

This equipment is essential for the cathodic protection program and prolonging the life of the 42" waterline.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas, CP Technician

Date: January 11, 2019

Re: Excavator Recommendation

In response to the STWA Board's instruction, I have gone to check and tried out the Bobcat E85-T4R, Case CX80C, John Deere 75G and JCB 100 C-1 excavators.

I recommend the purchase of the Bobcat E85-T4R excavator. It is equipped with a bucket digging force of 16,269 lbs. The equipment also has a GPS and can be located if stolen. In addition, the unit has a coded keyless start up. In my opinion, the cabin is roomy also.

The quote from Bobcat back in November 2018 is still good until the end of January 2019. The price is \$84,589.92. Warranty is 2 years/2000hrs. Delivery time is 60 days from date of order.

The trade in value for our PC-60 excavator is \$13,000.00.

ATTACHMENT 12

Resolution 19-02

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 19-02

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

WHEREAS, the South Texas Water Authority solicited bids to acquire one (1) trackhoe /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) trackhoe/excavator to _____.

Duly adopted this 22nd day of January, 2019.

KATHLEEN LOWMAN, PRESIDENT

ATTEST:

RUDY GALVAN, SECRETARY/TREASURER

ATTACHMENT 13

Haul Trailer for Trackhoe

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 18, 2019
Re: Trailer for Track Hoe/Excavator

Background:

As mentioned during the December 4, 2018 Board meeting, the current heavy-duty equipment trailer would likely be unable to haul a new trackhoe since the models that were bid are heavier than the current one. Enclosed are several memos from CP Tech Armando Yruegas regarding his research for haul trucks and trailers.

Analysis:

According to Mr. Yruegas' research the current 10,000-lb dual axle trailer has an inadequate capacity rating. The next two steps up are 12,000-lb and 15,000-lb dual axle trailers. Based on the anticipated weight of a new haul truck and new excavator, Mr. Yruegas recommends purchasing a 15,000-lb dual axle trailer. His research indicates the cost will be between \$17,500 to \$20,500.

As mentioned in the memo pertaining to a haul truck, the first section of CP work will be just north of the office and will be accessed through the north gate. This work will last for an extended period of time. With regards to funds, there is a difference of \$23,410.48 between the \$95,000 budgeted for the equipment and the price of \$71,589.52 for the Bobcat excavator. Staff believes these remaining funds could be used for the purchase of a heavier duty trailer or towards the purchase of a truck (see agenda item on that subject).

Staff Recommendation:

Provide guidance to staff on whether to proceed with soliciting bids for the purchase of a 15,000-lb dual axle trailer.

Board Action:

Determine whether to instruct staff to solicit bids for a new equipment trailer at this time for presentation at the next Board meeting.

Summarization:

According to discussions with O&M Supervisor Jacob Hinojosa, the current trailer used for the current trackhoe (expected to be traded-in) and backhoe could be sold as surplus property. The mini excavator used for most water supply corporation field work has a trailer sized for that piece of equipment.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas, CP Technician

Date: January 11, 2019

Re: Haul Truck and Equipment Trailer

Since it was not known what excavator would be recommended and therefore the weight of the new equipment was not available, evaluating the specs on the 2014 F550 haul truck and 2002 equipment trailer was not done for the December Board meeting. The information on the Bobcat excavator indicates that the current equipment trailer's axles are not sufficient. The weight of the new excavator and a heavier trailer will require a different truck also. They will not be up to specs on hauling the new excavator.

The current F550 is rated to tow 18,300 lbs. max. It's equipped with an Y6.8L SOHC gasoline engine. The current excavator weighs 13,780 lbs. and the current trailer weighs 4,720 lbs. empty. This is a total of 18,500 lbs. The current Case backhoe weighs a max of 17,285 lbs, plus the current trailer is a total of 22,005 lbs. I have spoken with Jacob Hinojosa and Dony Cantu about this matter. They both said that the haul truck we have already has a strain on pulling the heavy equipment.

The 2002 equipment trailer is rated to carry 17,780 lbs. It has dual 10,000 lbs. axles. It can carry the current equipment. But it doesn't have the capacity to carry the new excavator, with an operating weight of 18,977 lbs.

Therefore, I researched specs for a trailer with dual 12,000-lb and 15,000-lbs. axles. The 12,000-lb. axle trailer is rated at a carrying capacity of around 19,400 lbs. And the 15,000-lb. axle trailer has a carrying capacity of around 23,020 lbs. I also researched prices. The dual 12,000 lbs. axle prices range from \$13,500 to \$15,500. The dual 15,000 lbs. axle prices range from \$17,500 to \$20,500.

I recommend keeping the current haul truck and replacing the current heavy equipment trailer. The current haul truck will still be used to move current mini Case excavator and other equipment. I also recommend getting a new haul truck to accommodate the new excavator and new equipment trailer. The current heavy equipment trailer will need to be replaced with a dual 15,000 lbs axle trailer to accommodate the new excavator.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas, CP Technician

Date: January 17, 2019

Re: Equipment Trailer

I recommend replacing the current heavy equipment trailer with dual 15,000-lb axle trailer, which has a carry capacity of around 23,020 lbs. The current 2002 heavy equipment trailer has dual 10,000-lb axles, which has a carry capacity of 17,780 lbs.

The Case backhoe weighs a max of 17,285 lbs. and the new Bobcat excavator has an operating weight of 18,977 lbs. The dual 15,000-lb axle trailer will accommodate the Bobcat excavator and current Case backhoe.

My research on trailers, I found that the price range is from \$17,500 to \$20,500.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas, CP Technician

Date: January 17, 2019

Re: Haul Truck

After doing research on the current haul truck, it was determined that the current haul truck will not be adequate to haul the new excavator and properly sized trailer. The combined weight of the excavator and trailer will be around 25,950 lbs. The current haul truck is rated to tow a maximum of 18,300 lbs.

Therefore, I researched specs for a new truck that will tow the weight of the new excavator and a new trailer.

The 2019 Ford F550 4x2 DRW with a 6.7L V.8 Turbo Diesel engine with a high capacity trailer tow package has a max tow rating of 31,900 lbs. The 2019 Dodge Ram 3500 4x2 DRW with a 6.7L Cummins Diesel (HO) engine has a max tow rating of 31,210 lbs. The trucks' base prices are between \$40,000- \$50,000.

Research was done on 2019 GM trucks, but their 3500 diesel trucks have a max towing rate of only 23,100 lbs. Further research on towing ratings for GM 4500, 5500 and 6500 series resulted in little information and nothing to support the needed towing capacity.

I recommend checking for a new truck thru BuyBoard or go out for bids.

ATTACHMENT 14

Haul Truck

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 18, 2019
Re: Haul Truck for Trackhoe/Excavator

Background:

As mentioned during the December 4, 2018 Board meeting, the current haul truck would likely be unable to haul a new trackhoe since the models that were bid are heavier than the current one. Enclosed are several memos from CP Tech Armando Yruegas regarding his research for haul trucks and trailers. It should be noted if the current haul truck had a diesel engine that capacity would not be an issue.

Analysis:

According to Mr. Yruegas' research Ford and Dodge have trucks similar in size to the current haul truck, Ford 550, but with diesel engines that will accommodate a new excavator with a properly sized trailer. Research into Chevrolet vehicles was less successful. The GM 4500 and GM5500 information seems to indicate the needed towing capacity is not available. Information on the GM 6500 is rather sketchy with some websites showing TBA on that capacity. Mr. Yruegas recommends receiving prices from BuyBoard or going out for bids.

It should be noted that once a second CP Tech is hired the first section of work will be immediately north of the Kingsville site and will be accessed by "walking" the equipment through the north gate. This work will last for several months. Finally, if the Board determines to purchase the Bobcat excavator, there is a difference of \$23,410.48 between the \$95,000 budgeted for the equipment and the price of \$71,589.52. Staff believes these remaining funds could be used towards the purchase of a truck or for the purchase of a heavier duty trailer (see agenda item on that subject).

Staff Recommendation:

Provide guidance to staff on whether to proceed with soliciting bids for the purchase of a haul truck with a greater towing capacity than the current vehicle.

Board Action:

Determine whether to instruct staff to solicit bids for a new haul truck at this time for presentation at the next Board meeting.

Summarization:

This truck would be purchased *in addition* to the current haul truck which is used regularly to haul the mini-excavator used for most water supply corporation leak repairs, extension installations, and new service connection work.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas, CP Technician

Date: January 17, 2019

Re: Haul Truck

After doing research on the current haul truck, it was determined that the current haul truck will not be adequate to haul the new excavator and properly sized trailer. The combined weight of the excavator and trailer will be around 25,950 lbs. The current haul truck is rated to tow a maximum of 18,300 lbs.

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Research was done on 2019 GM trucks, but their 3500 diesel trucks have a max towing rate of only 23,100 lbs. Further research on towing ratings for GM 4500, 5500 and 6500 series resulted in little information and nothing to support the needed towing capacity.

I recommend checking for a new truck thru BuyBoard or go out for bids.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas, CP Technician

Date: January 17, 2019

Re: Equipment Trailer

I recommend replacing the current heavy equipment trailer with dual 15,000-lb axle trailer, which has a carry capacity of around 23,020 lbs. The current 2002 heavy equipment trailer has dual 10,000-lb axles, which has a carry capacity of 17,780 lbs.

The Case backhoe weighs a max of 17,285 lbs. and the new Bobcat excavator has an operating weight of 18,977 lbs. The dual 15,000-lb axle trailer will accommodate the Bobcat excavator and current Case backhoe.

My research on trailers, I found that the price range is from \$17,500 to \$20,500.

To: Carola G. Serrato, Executive Director

From: Armando Yruegas, CP Technician

Date: January 11, 2019

Re: Haul Truck and Equipment Trailer

Since it was not known what excavator would be recommended and therefore the weight of the new equipment was not available, evaluating the specs on the 2014 F550 haul truck and 2002 equipment trailer was not done for the December Board meeting. The information on the Bobcat excavator indicates that the current equipment trailer's axles are not sufficient. The weight of the new excavator and a heavier trailer will require a different truck also. They will not be up to specs on hauling the new excavator.

The current F550 is rated to tow 18,300 lbs. max. It's equipped with an Y6.8L SOHC gasoline engine. The current excavator weighs 13,780 lbs. and the current trailer weighs 4,720 lbs. empty. This is a total of 18,500 lbs. The current Case backhoe weighs a max of 17,285 lbs, plus the current trailer is a total of 22,005 lbs. I have spoken with Jacob Hinojosa and Dony Cantu about this matter. They both said that the haul truck we have already has a strain on pulling the heavy equipment.

The 2002 equipment trailer is rated to carry 17,780 lbs. It has dual 10,000 lbs. axles. It can carry the current equipment. But it doesn't have the capacity to carry the new excavator, with an operating weight of 18,977 lbs.

Therefore, I researched specs for a trailer with dual 12,000-lb and 15,000-lbs. axles. The 12,000-lb. axle trailer is rated at a carrying capacity of around 19,400 lbs. And the 15,000-lb. axle trailer has a carrying capacity of around 23,020 lbs. I also researched prices. The dual 12,000 lbs. axle prices range from \$13,500 to \$15,500. The dual 15,000 lbs. axle prices range from \$17,500 to \$20,500.

I recommend keeping the current haul truck and replacing the current heavy equipment trailer. The current haul truck will still be used to move current mini Case excavator and other equipment. I also recommend getting a new haul truck to accommodate the new excavator and new equipment trailer. The current heavy equipment trailer will need to be replaced with a dual 15,000 lbs axle trailer to accommodate the new excavator.

ATTACHMENT 15

Annexation Petition

Memorandum

To: South Texas Water Authority Board of Directors
From: Carola G. Serrato, Executive Director
Date: January 16, 2019
Re: Annexation Petition—Ryan M. Esquivel and Tabitha F. Esquivel – North east half of Tract 17 of Cyndie Park Unit 2, Nueces County, Texas

Background:

As the Board is aware, from time to time, a property owner living outside of South Texas Water Authority's (STWA) district boundaries will request retail water service from the Nueces Water Supply Corporation (NWSC). The property owner is required to request annexation into STWA's district. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically their NWSC retail water bill and property taxes to STWA.

As previously discussed as part of various Cyndie Park 2 Water Supply Corporation (CP2WSC) agenda items, for numerous years the Nueces County Grant Department has worked to secure grant funds to extend water service to the Cyndie Park area in order to eliminate use of the CP2WSC's groundwater well which contains arsenic that exceeds the Maximum Contaminant Level (MCL). A filtration system was installed on the groundwater well; however, the filter media was an expensive solution that the CP2WSC cannot afford to replace on a regular basis.

Ultimately, grant money was secured and a waterline was installed extending from the closest NWSC line to a CP2WSC waterline. Funds were also secured to construct a separate pump station adjacent to the existing Banquete Pump Station. The Board will recall that STWA is providing land for that station. The NWSC is providing \$50,000 in matching funds.

The long-term plan has been to have NWSC "absorb" the CP2WSC service area in a process required by the Texas Public Utility Commission (TPUC) referred to as a Sale, Transfer, Merger (STM). That process is very close to completion. The Board will recall approving an amendment to NWSC's contract to address peak hour demand in order to receive TCEQ's letter of approval that the TPUC is requiring. This brings the process to two (2) of the final steps – signing an NWSC Service Agreement and the property owners requesting Annexation into STWA's District. Enclosed is the first petition for such.

Analysis:

As reported in previous weekly updates, staff anticipates that there will be numerous similar items in upcoming agendas to address this long-awaited project.

Staff Recommendation:

Adopt Resolution 19-03.

Board Action:

Determine whether to adopt Resolution 19-03.

Summarization:

Accepting the petition and publishing notice of a hearing date and time, enables the landowner to receive service and provides uniformity between all NWSC members.

RECEIVED

DEC 31 2018

NUECES WATER SUPPLY CORPORATION

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

STATE OF TEXAS :
COUNTY OF NUECES :

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

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

I.

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

II.

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

III.

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

IV.

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

V.

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

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

[Signatures and Acknowledgement on following page.]

EXECUTED this 19th day of December, 2018.

Ry - M. Esquivel
Ryan M. Esquivel

Tabitha F. Esquivel
Tabitha F. Esquivel

ACKNOWLEDGEMENT

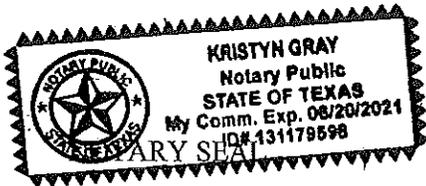
STATE OF TEXAS

COUNTY of Midland

Subscribed and sworn to before me Ryan M. Esquivel on
this the 19th day of December, 2018.

Kristyn Gray
Notary Public

My Commission Expires: 6/20/21



ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Midland

Subscribed and sworn to before me Tabitha F. Esquivel on
this the 19th day of December, 2018.

Kristyn Gray
Notary Public

My Commission Expires: 6/20/21



Exhibit "A"

To

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

Property Description:

Being the north east half of Tract 14, the south west half of Tract 14, all of tract 15, all of Tract 16 and the north east half of Tract 17, CYNDIE PARK UNIT 2 an unrecorded subdivision, out of a tract of land containing 59.59 acres, more or less, by deed recorded in Volume 2047, Pages 659-663, out of that 238.79 acres standing in the names of John S. McGregor and C.C. Speed by deed recorded in Volume 1840, Page 1017 of the Deed Records of Nueces County, Texas and all being out of THE CASA BLANCA GRANT and being a part of Tracts Twenty-Four (24) and Twenty-Five (25) of the MANTOR, BRIGGS & KUYKENDALL SUBDIVISION of 5155.97 acres in Nueces County, Texas, as shown by map recorded in Volume 2, Page 57 of the Map Records of Nueces County, Texas, and being more particularly described by metes and bounds on Exhibit "A" of the Warranty Deed with Vendor's Lien recorded under Document No. 2018015340 of the Official Records of Nueces County, Texas.

ATTACHMENT 16

Resolution 19-03

SOUTH TEXAS WATER AUTHORITY

Resolution 19-03

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

WHEREAS, Ryan M. Esquivel and Tabitha F. Escquivel (Petitioners), have filed the attached petition (the Petition) with the South Texas Water Authority requesting annexation of their property into the South Texas Water Authority in order to allow water service to their property to be provided by Nueces Water Supply Corporation, and

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

WHEREAS, the Board of Directors hereby sets a public hearing to hear evidence for or against the proposed annexation of this property to be held on February 26, 2019 at 5:30 p.m. at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority hereby authorizes the publication of the attached Notice of Public Hearing on Annexation for a public hearing to be held on February 26, 2019 at 5:30 p.m. at South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas. At such hearing all interested persons may appear and offer evidence for or against the proposed annexation of the property described in Exhibit A of the Petition.

Duly adopted this 22nd day of January, 2019.

KATHLEEN LOWMAN, PRESIDENT

ATTEST:

RUDY GALVAN, JR., SECRETARY/TREASURER