

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M. Graveley, President
DATE: July 24, 2023
SUBJECT: Public Hearing Notice and Agenda for the South Texas Water Authority

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

Tuesday, August 1, 2023

5:30 p.m.

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

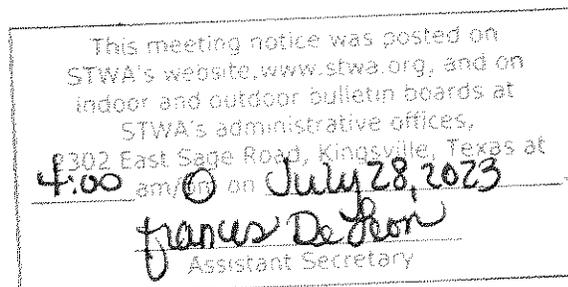
to consider and act upon any lawful subject which may come before it, including among others, the following:

Agenda

1. Call to order.
2. Petition for Addition of Certain Lands to the South Texas Water Authority.
 - a. Roland Bayardo, Northeast ½ of Lot 29 and the Southwest ½ of Lot 30, Cyndie Park Subdivision, Unit 2 in Nueces County, Texas.
3. Public Comment
4. Adjournment.

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

JMG/JM/fdl



MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M Graveley, President
DATE: July 24, 2023
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, August 1, 2023
Immediately following the 5:30 p.m. STWA Public Hearing
South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

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

Agenda

1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issue is limited to a proposal to place it on the agenda for a later meeting.
3. Approval of Minutes. (Attachment 1)
4. Operation and Maintenance Reports. (Attachment 2)
 - O&M Report
 - CP Update
5. Approval of Annexation of Certain Lands to the South Texas Water Authority.
 - a. Roland Bayardo, Northeast ½ of Lot 29 and the Southwest ½ of Lot 30, Cyndie Park Subdivision, Unit 2 in Nueces County, Texas. (Attachment 3)
6. **Resolution 23-16.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Roland Bayardo) (Attachment 4)
7. Amendment of South Texas Water Authority and Nueces Water Supply Corporation Water Supply Agreement for new point of delivery. (Attachment 5)
8. **Resolution 23-17.** Resolution adopting amendment to the South Texas Water Authority and Nueces Water Supply Corporation Water Supply Agreement. (Attachment 6)

9. Specifications for minimum requirements for purchase of Compact Track Loader.
(Attachment 7)

10. Administration Report.

11. Adjournment.

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

JMG/JM/fdl
Attachments

This meeting notice was posted on
STWA's website, www.stwa.org, and on
indoor and outdoor bulletin boards at
STWA's administrative offices.
2302 East Sage Road, Kingsville, Texas at
4:00 am/pm on July 28, 2023
Francis DeLeon
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
June 20, 2023
Minutes

Board Members Present:

Jose Graveley
Frances Garcia
Rudy Galvan, Jr.
Kathleen Lowman
Angela Pena
Patsy Rodgers

Board Members Absent:

Imelda Garza
Joe Morales
Arturo Rodriguez

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Nigel Gomez

Guests Present:

None

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:33 p.m. A quorum was present.

2. Citizen Comments.

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

3. New Board members' oaths of office.

Ms. Wagner administered the Oath of Office to Ms. Lowman and Ms. Pena who were re-appointed to their current positions on the Board by the Nueces County Commissioner's Court.

4. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the May 22, 2023 Regular Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

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

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

STWA Investment Report for the Quarter ended March 31, 2023
Treasurer's Report for period ending March 31, 2023
Revenue Fund Income Statement for period ending March 31, 2023
Tax Fund Income Statement for period ending March 31, 2023
Special Services Income Statement for period ending March 31, 2023

STWA Regular Meeting Minutes

June 20, 2023

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STWA Revenue Fund Balance Sheet – March 31, 2023

STWA Revenue Fund Trial Balance for March, 2023

STWA Debt Service Fund Income Statement for period ending March 31, 2023

STWA Debt Service Fund Balance Sheet – March 31, 2023

STWA Debt Service Fund Trial Balance – March, 2023

STWA Capital Projects Fund Income Statement for period ending March 31, 2023

STWA Capital Projects Fund Balance Sheet – March 31, 2023

STWA Capital Projects Fund Trial Balance – March, 2023

STWA 2012 Bond Election Report

Anticipated vs Actual Water Rate Charged and Net Revenue Worksheets

No invoices were presented for Board approval. Mr. Galvan made a motion to approve the Treasurer's Reports as presented, Ms. Garcia seconded and all voted in favor.

6. Reports from O&M and CP.

The Board reviewed the O&M and CP reports. There were no questions from the Board.

7. Fiscal Year 2023 Budget Amendments.

Ms. Wagner reviewed the proposed amendments to the FY 2023 Budget. She stated that Total Revenues increased by \$175,439 due to an increase in interest income. Payroll costs decreased by \$1,235 and Professional Fees increased \$17,500 due to expenses related to developing and completing the STWA Short/Long Term Master Plan. Capital Outlay increased by \$10,083. Other Finance Sources increased by \$11,632. Deficiencies of Revenues over Expenditures increased by \$152,789 for a Net Income of \$440,845 as compared to the original budget's ending balance of \$288,056. Mr. Galvan made a motion to approve the FY 2023 Budget Amendments. Ms. Rodgers seconded. The motion carried.

8. Water District Truth in Taxation Notices, Effective Tax Rate Calculation, and Meeting/Hearing Schedule.

Mr. Marez presented a proposed Truth in Taxation Meeting/Hearing Schedule for the Board's review in order to confirm that a quorum will be available for the necessary meetings and public hearing. In order to avoid the expense of Nueces County sending out separate tax statements for STWA, they must receive STWA's tax information by the County's September 8th deadline. The following schedule was provided to the Board:

Date	Event	Action
June 20, 2023	Board Meeting	Agree on calendar & confirm quorums
July 25, 2023	CADs deliver rolls	Staff calculates ETR
August 1, 2023	Board Meeting	Board votes on proposed rate & sets hearing date/time, approves sending proposed budget to wholesale customers

August 2, 2023	Staff prep	Proposed budget is sent to wholesale customers for 30-day written comment period
Aug 3 – Sep 5	30-day comment period	Wholesale customers review & provide written comments on proposed budget
August 24 and 27, 2023	Publish newspaper notices	Publication occurs 7 days before hearing
September 5, 2023	Public Hearing followed by Board Meeting	Board adopts tax rates, water rates and Handling Charge
September 8, 2023	Nueces County Tax Collector Deadline	Failure to submit tax rates could result in STWA paying for separate tax bill mail-out

Mr. Galvan made a motion to approve the schedule. Ms. Pena seconded. All voted in favor.

9. Preliminary FY 2024 Budget.

Ms. Wagner presented and reviewed a preliminary FY 2024 Budget. She stated that a 3% pay increase for non-management field and office employees is included. Also included is \$40,000 for Legal Expenses and \$30,000 for Engineering for work on STWA’s master plan and continued work associated with industry coming to the area. Capital Acquisition includes \$60,000 for a haul truck, \$55,000 for a field truck, \$5,000 for technology upgrades and \$30,000 for engineering and architectural design of a new office building. Mr. Graveley requested \$50,000 for design of a new office building. Ms. Wagner agreed to include that amount and added that budget workshops are planned for mid-July in order for the Board to meet in smaller groups to review the budget in greater detail.

10. Nomination of candidate for the Kleberg County Appraisal District Board of Directors.

Mr. Marez presented information sent by the Kleberg County Appraisal District requesting a nomination from STWA for the KCAD Board of Directors and recommended that the Board decide on a candidate for the nomination. Mr. Graveley nominated Ms. Frances Garcia. Mr. Galvan asked if this could be perceived as a conflict of interest since Ms. Garcia works in the Kleberg County Judge’s office. Mr. Galvan nominated Ms. Imelda Garza. The motion died for lack of a second. Mr. Galvan then seconded Mr. Graveley’s motion. The motion did not pass due to a vote of 4 in favor and 3 against. Mr. Marez said he would look into clarifying whether Ms. Garcia would be eligible to serve.

11. Resolution 23-14. Resolution submitting nomination for candidate for positions on the Board of Directors of the Kleberg County Appraisal District.

No action.

12. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Roland Bayardo, Northeast ½ of Lot 29 and the Southwest ½ of Lot 30, Cyndie Park Subdivision, Unit 2 in Nueces County, Texas).

The Board reviewed the Annexation Petition. The property owner recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries and filed an Annexation Petition to begin the process of obtaining water service on the property. Mr. Marez recommended approval of Resolution 23-15 setting the Public Hearing on August 1, 2023 at 5:30 p.m. at the STWA conference room.

13. Resolution 23-15. Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Roland Bayardo).

Ms. Lowman made a motion to adopt Resolutions 23-15 setting the Public Hearing on August 1, 2023 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Ms. Garcia and passed unanimously.

14. Administration Report.

Mr. Marez reported that work continues on trying to bring service to large companies seeking water from STWA. He also stated that he is waiting to receive final word on eligibility for applying for the next round of grant funding. Additionally, he will work on setting a special meeting for July 11 in order to review the rate study and to select a nominee for the KCAD Board of Directors.

15. Adjournment.

With no further business to discuss, Ms. Lowman made a motion to adjourn the meeting at 6:40 p.m. Ms. Pena seconded. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Special Board of Directors Meeting
July 11, 2023
Minutes

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Rudy Galvan, Jr.
Joe Morales
Patsy Rodgers
Arturo Rodriguez

Board Members Absent:

Kathleen Lowman
Angela Pena

Staff Present:

John Marez
Jo Ella Wagner

Guests Present:

None

1. Call to Order.

Mr. Jose Graveley, Board President, called the Special Meeting of the STWA Board of Directors to order at 5:31 p.m. A quorum was present.

2. Citizen Comments.

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

3. Nomination of candidate for the Kleberg County Appraisal District Board of Directors.

4. Resolution 23-14. Resolution submitting nomination for candidate for positions on the Board of Directors of the Kleberg County Appraisal District.

Mr. Graveley asked for nominations from the Board. Mr. Morales made a motion to submit the name of Frances Garcia to the KCAD Board representing the STWA with adoption of Resolution 23-14. Ms. Rodgers seconded. All voted in favor.

5. Specifications for 2023 or 2024 half-ton pickup truck to replace damaged 2019 Ford F-150 4x4 truck.

Mr. Marez stated that on June 26, 2023 a Field Technician was involved in an accident with a John Deere High Boy tractor on FM 666 resulting in total loss of STWA's 2019 Ford F-150 4x4 pickup truck. STWA's insurance carrier, TML, will cover the loss at about \$37,000. A replacement vehicle will cost about \$50,000. Mr. Marez requested authorization to move forward with the bid process once the claim is settled on STWA's vehicle. Ms. Rodgers made a motion to approve the specifications and move forward with solicitation of bids. Mr. Galvan seconded. All voted in favor.

STWA Special Meeting Minutes

July 11, 2023

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6. Administration Report.

Mr. Marez reported that the employee involved in the accident on FM 666 resigned on July 7th. He also reported that STWA's employee handbook is being updated. Mr. Graveley requested that speed limits be emphasized at field staff safety meetings. Mr. Marez also stated that he was out in the field on July 6th and hopes to continue doing so periodically.

7. Adjournment.

With no further business to discuss, Mr. Galvan made a motion to adjourn the meeting at 5:48 p.m. Ms. Garza seconded. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

Field Reports

To: John Marez

From: Oscar Ortegon, CP Technician

Date: July 28, 2023

Re: CP Update

For the months of April & May 2023, we have started back north of CR 30 at US Ecology due to bad bond between STA #852+90 to STA#877+02 once completed and fixed we will continue north of FM 2826. Martin Marietta, has still been cleaning up our easement so that we have access to install anodes but not completed. CP crew has installed 576 anodes on 397 joints on Contract 2 of the 42" water line. We have replaced 46 old test stations since the beginning of the project. We have completed 45,259 feet out of 51,511 feet in Contract 2. Once all Contracts are complete, we can contact to submit quotes for a survey to determine continuity throughout the 42" water main, but the crew has remained busy with other CP related tasks and assisting with other field work for all three entities.

We continue to work on CP related work and helping with other field personnel as follows:

- Perform maintenance and test rectifiers/test stations.
- Maintain grass with herbicide around vaults, manholes, test stations and rectifiers along 42" line.
- Perform locates for 42" water main.
- Assist O&M with ongoing operations.
- Worked on RWSC, NWSC installing water taps.
- Locate water lines for both NWSC and RWSC for contractors etc.
- Work on exposing Transmission line on Fm 2826 and Cr 75 for new tap for Simplot to help provide more water for King Ranch Ag & Turf - John Deere.
- Worked on retapping and installing pump #1 and motor at Driscoll Pump Station.
- Worked with TRWA on GIS Mapping, locating meters in RWSC system.

Memorandum

To: South Texas Water Authority Board of Directors and John Marez, Administrator
From: Nigel Gomez, O&M Manager
Date: July 27, 2023
Re: O&M Activities

During the Week of June 5th:

Admin:

- Review GPS records
- City Gallons Report
- TRWA Apprenticeship Hour Updates
- CD Electric Walk Thru

Operations:

- Collect/Monitor NAP samples – STWA, RWSC & NWSC
- Monitor residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on the 42” line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run & RWSC Meter Run @ Office
- Collect Bac-T Samples
- Weekly CL 17 Verification
- Locates – STWA, RWSC, NWSC
- Completed service orders for NWSC and RWSC
- Completed Taps -

Safety & Maintenance:

- Safety Meetings:
 - “Avoid Slips & Trips”
- Generators – Exercise Transfer Switch
- Weekly Preventative Maintenance – Heavy Equipment
- Disinfect Pump Stations
- Office AC Maintenance, Main AC Filter Change out & Clean Ice Machine
- Daily Vehicle Maintenance Report – Interior, Exterior & Under The Hood
- Inspections
- Office AC Maintenance

During the Week of June 12th:

Admin:

- Review GPS records
- Water Loss Report

Operations:

- Collect/Monitor NAP samples – STWA, RWSC & NWSC

Monitor residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on the 42" line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run & RWSC Meter Run @ Office

Collect Bac-T Samples

Weekly CL17 Verification

Completed service orders for NWSC and RWSC

DR 900 Calibration

Master Plan w/ ICE

Meter Readings - RWSC

Remote & Manual Meter Readings – NWSC

GIS Mapping – RWSC

Maguire Iron - GST Leak Repair

Safety & Maintenance:

Generators – Exercise Transfer Switch

Weekly Preventative Maintenance – Heavy Equipment

Daily Vehicle Maintenance Report - Interior, Exterior & Under The Hood Inspections

During the Week of June 19th:

Admin:

Juneteenth Holiday

Review GPS records

TRWA Apprenticeship Hour Updates

Master Plan w/ ICE

Meeting w/ CorrPro & ICE – Cathodic Protection

Operations:

Collect/Monitor NAP samples – STWA, RWSC & NWSC

Monitor residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on the 42" line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run & RWSC Meter Run @ Office

Collect Bac-T Samples

Weekly CL 17 Verification

Completed service orders for NWSC and RWSC

GIS Mapping – RWSC

Lockouts – NWSC

Third Coast Samples

Safety & Maintenance:

Safety Meetings:

“Be Prepared for an Emergency”

Generators – Exercise Transfer Switch

Weekly Preventative Maintenance – Heavy Equipment

Daily Vehicle Maintenance Report - Interior, Exterior & Under The Hood
Inspections

During the Week of June 26th:

Admin:

Review GPS records
TRWA Apprenticeship Hour Updates
DR900 Calibration Training w/Corpus Christi Water
Master Plan w/ ICE
Meeting w/ Mammoth Construction & ICE
Meeting w/ CorrPro & Cathodic Protection Crew

Operations:

Collect/Monitor NAP samples – STWA, RWSC & NWSC
Monitor residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on
the 42” line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run &
RWSC Meter Run @ Office
Collect Bac-T Samples
Weekly CL 17 Verification
Completed service orders for NWSC and RWSC
Lockouts – RWSC
Flushing – NWSC & RWSC
Master Plan w/ ICE
GIS Mapping - RWSC

Safety & Maintenance:

Generators – Exercise Transfer Switch
Weekly Preventative Maintenance – Heavy Equipment
Daily Vehicle Maintenance Report - Interior, Exterior & Under The Hood
Inspections

ATTACHMENT 3

Annexation Petition

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Administrator
Date: July 28, 2023
Re: Annexation Petition – Final Approval:
Resolution 23-16 – Roland Bayardo –Northeast ½ of Lot 29 & Southwest ½ of Lot 30, Cyndie Park
Subdivision, Unit 2, in Nueces County, Texas

Background:

On June 20, 2023 the South Texas Water Authority approved holding an Annexation hearing set for its August 1, 2023 Board Meeting. Property owner requesting retail water service from the Nueces Water Supply Corporation are required to be annexed into STWA's district boundaries. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically, a retail water bill from NWSC and property taxes to STWA.

Roland Bayardo requests retail water service from the Nueces Water Supply Corporation and annexation into the STWA's boundary. This brings about in the new NWSC member paying the same costs (NWSC retail water bill and STWA property taxes) as all other NWSC customers.

Analysis:

The annexation petition and property described is owned by Roland Bayardo and seeks entry into the STWA's district boundary. This is similar request to previous petitioners that the Board has approved admittance into the STWA area and as a NWSC retail customer.

Staff Recommendation:

Adopt Resolution 23-16

Board Action:

Determine whether to adopt Resolution

Summary:

The annexation process is established by State law and staff is following the required steps. The Roland Bayardo property will be extended into the NWSC's distribution system. Roland Bayardo has paid the cost of the extension.

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 26 day of May, 2023.

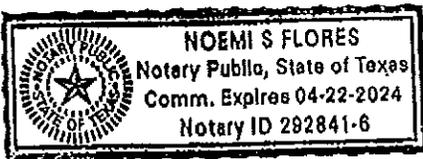
Roland Bayardo
Roland Bayardo

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Kleberg

Subscribed and sworn to before me Roland Bayardo on this the 26 day of May, 2023.



Noemi S Flores
Notary Public

My Commission Expires: 4/22/24

NOTARY SEAL

Exhibit "A"

To

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

Property Description:

0.64 acres, more or less, situated in the Casa Blanca Survey, Nueces County, Texas, being the Northeast 1/2 of Lot 29 and the Southwest 1/2 of Lot 30, Cyndie Park Subdivision, Unit 2, an unrecorded subdivision; said 0.64 acres as described in deed dated April 23, 2001, from Chaminade Capital Corporation to Associates Financial Services Company, Inc., in Clerk's File #2001035337, Official Public Records of Nueces County, Texas.

NOTICE OF PUBLIC HEARING ON ANNEXATION

THE STATE OF TEXAS
SOUTH TEXAS WATER AUTHORITY

Pursuant to a Resolution adopted by the Board of Directors of South Texas Water Authority, a hearing shall be held at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas, on August 1, 2023 at 5:30 p.m. with respect to the Petition filed by Roland Bayardo for annexation of the territory described below, on the question of whether the territory sought to be annexed will be benefited by the improvements, works, and facilities then owned or operated or contemplated to be owned or operated by the Authority or by the other functions of the Authority. All interested persons may appear at such hearing and offer evidence for or against the proposed annexation.

Signed this the 20th day of June, 2023.

Jose M. Graveley, President
Board of Directors
South Texas Water Authority

That certain lot or tract of land situated in Nueces County, Texas, and more particularly described as follows:

0.64 acres, more or less, situated in the Casa Blanca Survey, Nueces County, Texas, being the Northeast $\frac{1}{2}$ of Lot 29 and the Southwest $\frac{1}{2}$ of Lot 30, Cyndie Park Subdivision, Unit 2, an unrecorded subdivision; said 0.64 acres as described in deed dated April 23, 2001, from Chaminade Capital Corporation to Associates Financial Services Company, Inc., in Clerk's File #2001035337, Official Public Records of Nueces County, Texas.

ATTACHMENT 4

Resolution 23-16

Chapter 551, Texas Government Code.

SIGNED AND SEALED the 1st day of August, 2023.

Imelda Garza, Secretary
Board of Directors

Jose M. Graveley, President
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 23-16

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

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

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

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

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

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

ATTACHMENT 5

WSC Amendment

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director/Administrator
Date: July 28, 2023
Re: STWA and Nueces Water Supply Corporation Water Supply Agreement Amendment

Background:

While working to complete waterline project for the Lithium Refinery Plant located at County Road 28 and Interstate 69 (Highway 77) both the STWA and NWSC have needed to make providing water a seamless process. After consulting with our legal counsel, the best method to deliver water is through the adoption of this Second Amendment for the Water Supply Agreement.

Analysis:

Because of the timeline to complete this waterline construction our legal counsel recommends to allow the Water Supply Corporation to handle the Design/Build invoice to meet those construction timeframes. The only change to this agreement is in Section 4. Points of Delivery.

Staff Recommendation:

Accept the Second Amendment to the Water Supply Agreement for STWA and NWSC.

Board Action:

Adopt the agreement as presented.

Summary:

Both companies are vital parts to the construction and delivery of a water to this industrial project. This agreement allows for a simpler process to authorize construction of the waterline and meet all deadlines conveyed to staff. The Nueces Water Supply Corporation will need to take identical action and accept the amendment to this agreement.

**SECOND AMENDMENT TO
AMENDED AND RESTATED WATER SUPPLY CONTRACT
BETWEEN SOUTH TEXAS WATER AUTHORITY AND
NUECES WATER SUPPLY CORPORATION**

This Second Amendment to Amended and Restated Water Supply Contract between South Texas Water Authority and Nueces Water Supply Corporation (the "Second Amendment") is by and between South Texas Water Authority, a governmental agency, conservation and reclamation district and body politic and corporate, having been created under Chapter 436 Acts of the 66th Legislature, Regular Session, 1979 of the Laws of the State of Texas, all pursuant to Article XVI, Section 59 of the Texas Constitution (the "Authority"), and Nueces Water Supply Corporation, a Texas nonprofit corporation, in Nueces County, Texas (the "Wholesale Customer"). The Wholesale Customer and the Authority are referred to individually as a Party, and collectively as the Parties.

RECITALS

WHEREAS, the Wholesale Customer and the Authority entered into that certain Amended and Restated Water Supply Contract, signed on behalf of the Authority on May 5, 2016, and signed on behalf of the Wholesale Customer on April 12, 2016 and that certain First Amendment to Amended and Restated Water Supply Contract effective November, 2018 ("collectively the "Contract"); and

WHEREAS, the Parties want to amend that Contract to provide for an additional point of delivery.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Wholesale Customer and the Authority agree as follows.

I.
Effect of Amendment

The following language is hereby added to the end Section 4 of the Contract:

"The Authority and Wholesale Customer hereby agree to add an additional Point of Delivery which shall be at the tap on the Authority's 42" Water Line at the location depicted on the attached drawings labelled C1 and C2, which are hereby incorporated herein by reference. The amount of water delivered to Wholesale Customer for billing purposes shall be measured by the 8" meter depicted on the attached drawings labelled C1 and C2. Title to all water supplied shall remain in the Authority to the Point of Delivery, and upon passing through the Point of Delivery such title shall pass to the Wholesale Customer. Each of the parties hereto shall be responsible 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.

The Authority hereby consents to the Wholesale Customer's making of the foregoing tap into the Authority's 42-inch Water Line as depicted on the attached drawings labelled C1 and C2 and Wholesale Customer shall be responsible for any damage caused to such 42-inch Water Line in connection with installation of that tap. The Authority and Wholesale Customer understand and agree that water provided through this Point of Delivery is being provided under direct pressure and as such the parties agree to comply fully with the requirements of 30 Texas Admin. Code Section 290.45 and agree to amend the Contract as needed to satisfy those requirements as applicable to water provided at this Point of Delivery. The Authority and Wholesale Customer agree to attach to this Second Amendment and exhibits which further describe this Point of Delivery when such documents are available."

As hereby amended, the Contract shall continue in effect pursuant to its terms.

II.
Effective Date

This Second Amendment shall be effective as of the date on which it has been signed by both Parties.

The Parties have executed this Second Amendment in multiple counterparts, each executed copy shall be considered as an original, by their respective duly authorized representatives.

SOUTH TEXAS WATER AUTHORITY

By: _____
Name: _____
President, Board of Directors
Dated: _____, 2023

ATTEST:

Name: _____
Secretary, Board of Directors

[AUTHORITY'S SEAL]

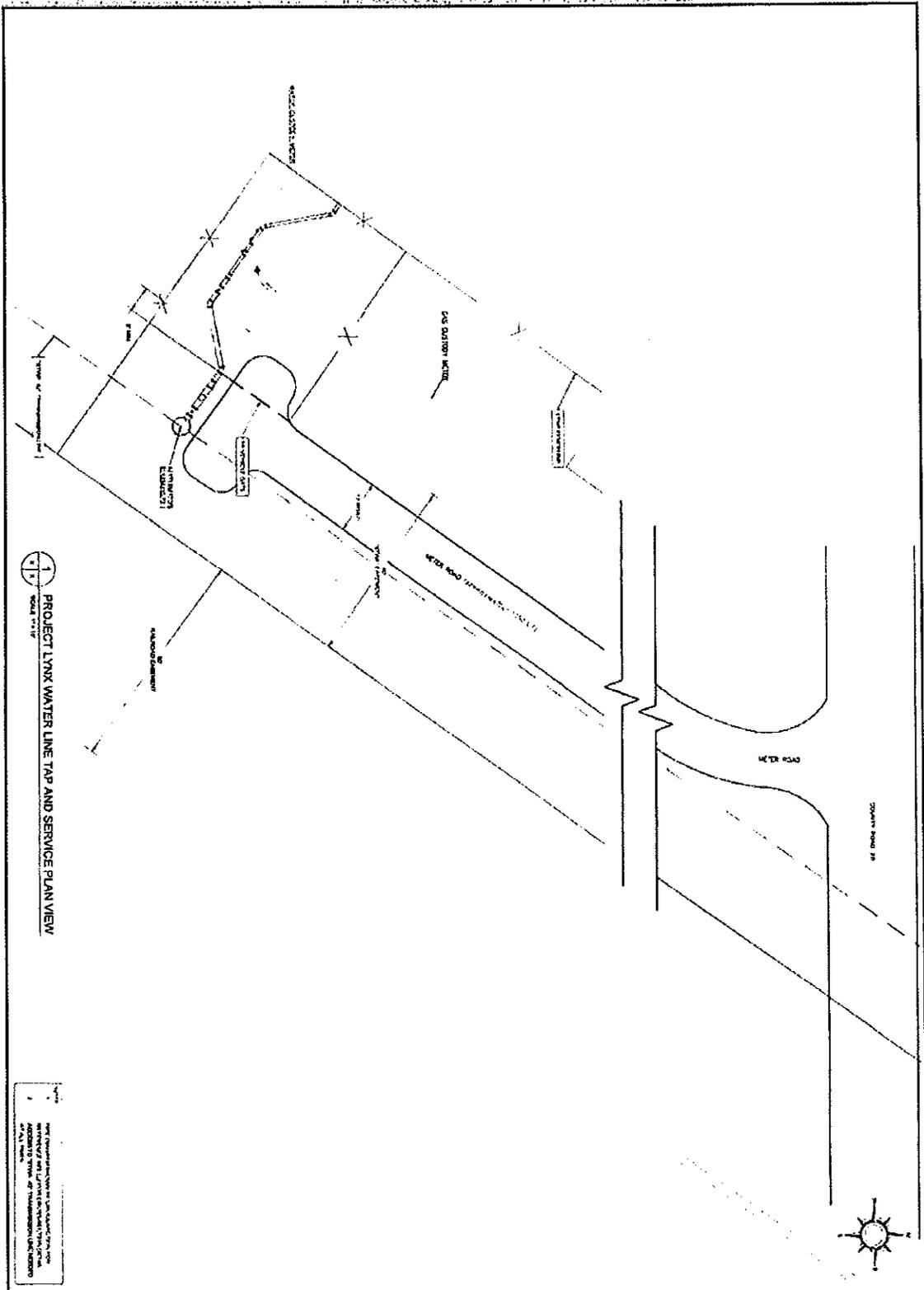
NUECES WATER SUPPLY CORPORATION

By: _____
Name: _____
President, Board of Directors
Dated: _____, 2023

ATTEST:

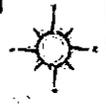
Name: _____
Secretary, Board of Directors

[CORPORATION'S SEAL]



PROJECT LYNX WATER LINE TAP AND SERVICE PLAN VIEW

1. THE INFORMATION ON THIS DRAWING IS THE PROPERTY OF THE SOUTH TEXAS WATER AUTHORITY AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE SOUTH TEXAS WATER AUTHORITY.



SHEET <u> </u> OF <u> </u> C1 DRAWING NO.	"STWA" 42" TRANSMISSION LINE TAP			PROJECT NO. _____ SHEET NO. _____ DATE _____
				CONTRACTOR'S SHEET

NWSC
Amended and
Restated
Water Supply Contract
(2016)

AMENDED AND RESTATED WATER SUPPLY CONTRACT

THE STATE OF TEXAS §
 §
COUNTIES OF KLEBERG §
AND NUECES §

This Amended and Restated Water Supply Contract is by and between the South Texas Water Authority, a governmental agency, conservation and reclamation District and body politic and corporate, having been created under Chapter 436 Acts of the 66th Legislature, Regular Session, 1979, of the laws of the State of Texas, all pursuant to Article XVI, Section 59 of the Texas Constitution (hereinafter called the "Authority") and Nueces Water Supply Corporation, a Texas nonprofit corporation, in Nueces County, Texas (hereinafter called the "Wholesale Customer"), to replace in its entirety that certain Water Supply Contract dated June 4, 2015 between the parties, and is as follows.

RECITALS

WHEREAS, the Authority owns a water transmission line extending from the City of Corpus Christi O.N. Stevens Water Treatment Plant to the Authority's office on Sage Road in Kingsville; and

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

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

AGREEMENT

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

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

- (A) "Corpus Christi Water Supply Agreement" shall mean the Water Supply Agreement by and between the Authority and the City of Corpus Christi dated October 14, 1980, as amended and supplemented from time to time and as modified by the Settlement Agreement and Mutual Release between the Authority, San Patricio Municipal Water District and the City of Corpus Christi effective as of August 13, 2013.
- (B) "Fiscal year" shall mean the twelve month period beginning on October 1 and ending September 30 or such other twelve month period as designated by the Authority.

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

SECTION 2. QUANTITY. The Authority agrees to sell and deliver to Wholesale Customer at the delivery points hereinafter specified, and Wholesale Customer agrees to purchase and take at said delivery points, 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. 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, TITLE, CONVEYANCE OF FACILITIES, OPERATION AND MAINTENANCE OF FACILITIES, AND MEASUREMENT OF AMOUNT OF WATER DELIVERED TO WHOLESAL CUSTOMER. The point of delivery of the water by the Authority to the Wholesale Customer shall be as shown on Exhibits "A," "B," "C," "D," "E," and "F" attached hereto.

The Texas Commission on Environmental Quality (the "TCEQ") has contended that some of the Authority's Wholesale Customers have been served "under direct pressure," thereby triggering TCEQ Rule 290.45(f)(5), which provides as follows:

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

The TCEQ staff has prepared a report on what arrangements can be made to avoid being deemed to serve any Wholesale Customer under direct pressure. A copy of that report, entitled "ENCLOSURES," is attached hereto as Exhibit "G." Contemporaneously herewith, the Authority and Wholesale Customer are entering into an agreement on delivery points, and on conveyance, operation and maintenance of facilities, designed to cause Wholesale Customer not to be taking water under direct pressure.

Other exhibits may be attached to this Agreement showing additional points of delivery and accompanying documents providing for service by Wholesale Customer to additional territory. Such exhibits shall be signed on behalf of the Authority and the Wholesale Customer.

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 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 the American Water Works Association, ("AWWA") Manual M1 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 its share of the cost of operation, maintenance, repair and replacement of the facilities located after the point of delivery.

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

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

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

(D) Billing and Payment - The Authority shall bill the Wholesale Customer monthly for the amounts due the Authority hereunder for the preceding billing period which bill shall disclose the nature of the amounts due. Such monthly bills shall be normally delivered to the Wholesale Customer within ten business days after the end of each calendar month. All such bills shall be paid by the Wholesale Customer on or before the last day of the month in which they are received, at the office of the Authority in Kingsville, Texas.. Any mistakes in calculations or figures shall not alleviate the Wholesale Customer's obligation to pay the bill in full. Any mistakes in any calculations or figures shall be corrected immediately upon discovery and the corrected bill will be furnished to the Wholesale Customer. An adjustment in the amount paid as a result of such mistake in calculation or figure will be added or deducted from the following month's bill, as appropriate. If the Wholesale Customer disputes a bill, it shall nevertheless pay the bill, in full, pending any refund, as may be determined as a result of appeal of the disputed bill. The dispute may be resolved by agreement, or by appropriate administrative agency or court decision.

(E) Late Payment - In the event the Wholesale Customer shall fail to make any payment required to be made to the Authority under this Contract, within the time specified herein, interest on the amount due shall accrue from the time payment is due at the rate of fifteen percent (15%) per annum, or the maximum rate allowed by law, whichever is less. 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, other than the obligation of Wholesale Customer to make the payments required under the terms hereof, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipe lines or canals, partial or entire failure of water supply, or inability on the part of the Authority to delivery water hereunder on account of any other causes not reasonably within the control of the Authority. It is understood and agreed that the settlement of strikes and lockouts may be difficult, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

SECTION 12. TERM OF CONTRACT. This Contract shall be and continue in full force and effect for a period of twenty (20) years from the Effective Date.

SECTION 13. REMEDIES UPON DEFAULT

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

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

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

(D) Jurisdiction. The Authority and the Wholesale Customer agree that, if either of them disputes the rate charged pursuant to this contract, either of them may appeal the rate to the Texas Commission on Environmental Quality (the "TCEQ") pursuant to the provisions of 30 TAC 291.128 et seq. If the TCEQ for any reason denies the appeal for want of jurisdiction, or otherwise, the dispute may be resolved by the district court of Kleberg County, Texas.

SECTION 14. 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 parties may rely on the opinion of nationally-recognized bond counsel to ensure compliance with this Section. This Section shall no longer apply to any Wholesale Customer if any of the outstanding bonds of the Authority allocable to the portion of the System used by the Wholesale Customer are not Tax-Exempt Bonds.

(C) Notices. Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery, by facsimile, or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when received by facsimile or by personal delivery, or three days after deposited with the United States Postal Service with sufficient postage affixed.

Any such notice mailed to the Authority shall be addressed:

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

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

Nueces Water Supply Corporation
P.O. Box 415
Kingsville, Texas 78364-0415
Attn: General Manager
Fax: (361) 592-5965

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

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

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

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

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

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

(I) Binding Effect. The Contract shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

TWENTY-YEAR CONTRACT

(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.]

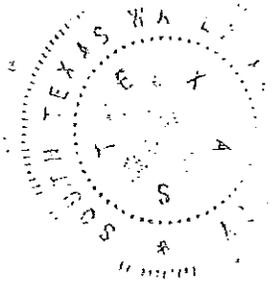
SOUTH TEXAS WATER AUTHORITY

By: Kathleen Lowman
President, Board of Directors
Date of execution: 05-05-2016

ATTEST:

[Signature]
Secretary, Board of Directors

[AUTHORITY'S SEAL]



NUECES WATER SUPPLY CORPORATION

By: *Alice J. Blair*
Title: *President*
Date of execution: *4-12-16*

ATTEST:

Richard W. Smith
Secretary

[CORPORATION'S SEAL]

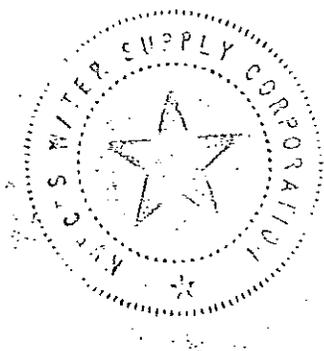


EXHIBIT "A"

SABLATURA PARK

SABLATURA PARK

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 Authority's 32,000-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 at the Point of Delivery shown on Exhibit "A," and any other Points of Delivery mutually agreed upon by the Wholesale Customer and the Authority.

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.

EXHIBIT "A"

Sablatura Park Pump Station

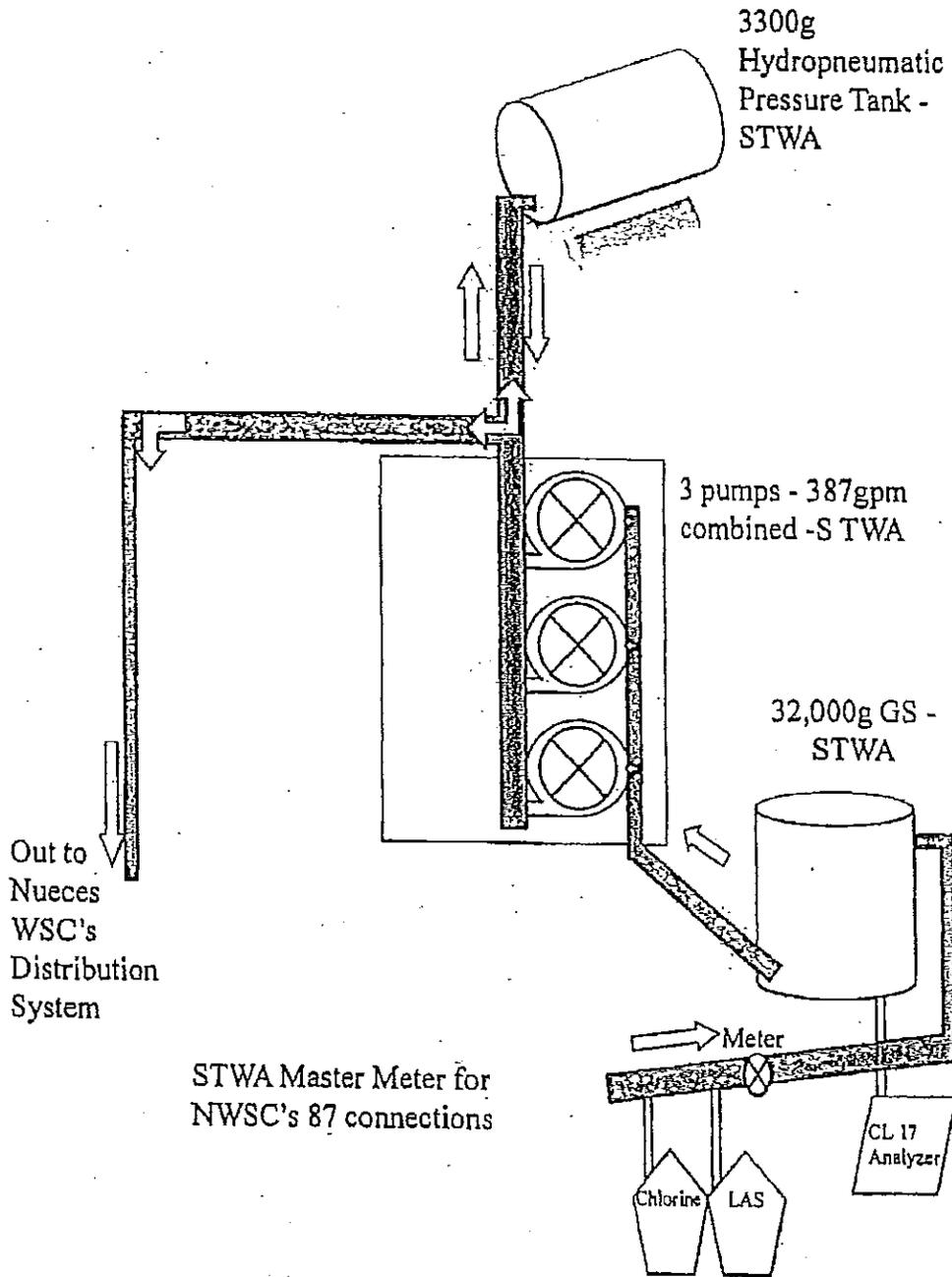


EXHIBIT "B"

AGUA DULCE

NWSC AT AGUA DULCE

SECTION 4. POINTS OF DELIVERY AND TITLE.

Attached hereto as Exhibit "A" is a schematic diagram showing 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 Authority'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 an air gap between the Authority's system and the Wholesale Customer's distribution system at 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 amount of water delivered to Wholesale Customer for billing purposes shall be measured by the master meter located after the hydro-pneumatic tank serving Wholesale Customer, as shown on Exhibit "A."

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.

EXHIBIT "A"

Agua Dulce Pump Station

150,000g ES - Agua Dulce

2 pumps - each 250
gpm - Agua Dulce

2 pumps - each 250
gpm - NWSC

150,000g GS -
STWA

7,000 g
Hydropneumatic
Pressure Tank - NWSC

STWA Master
Meter for
Nueces WSC 49
connections

STWA Master
Meter for
Agua Dulce's
320
connections

CL 17
Analyser

Out to
Nueces
WSC's
Distribution
System

Out to Agua
Dulce's
Distribution
System

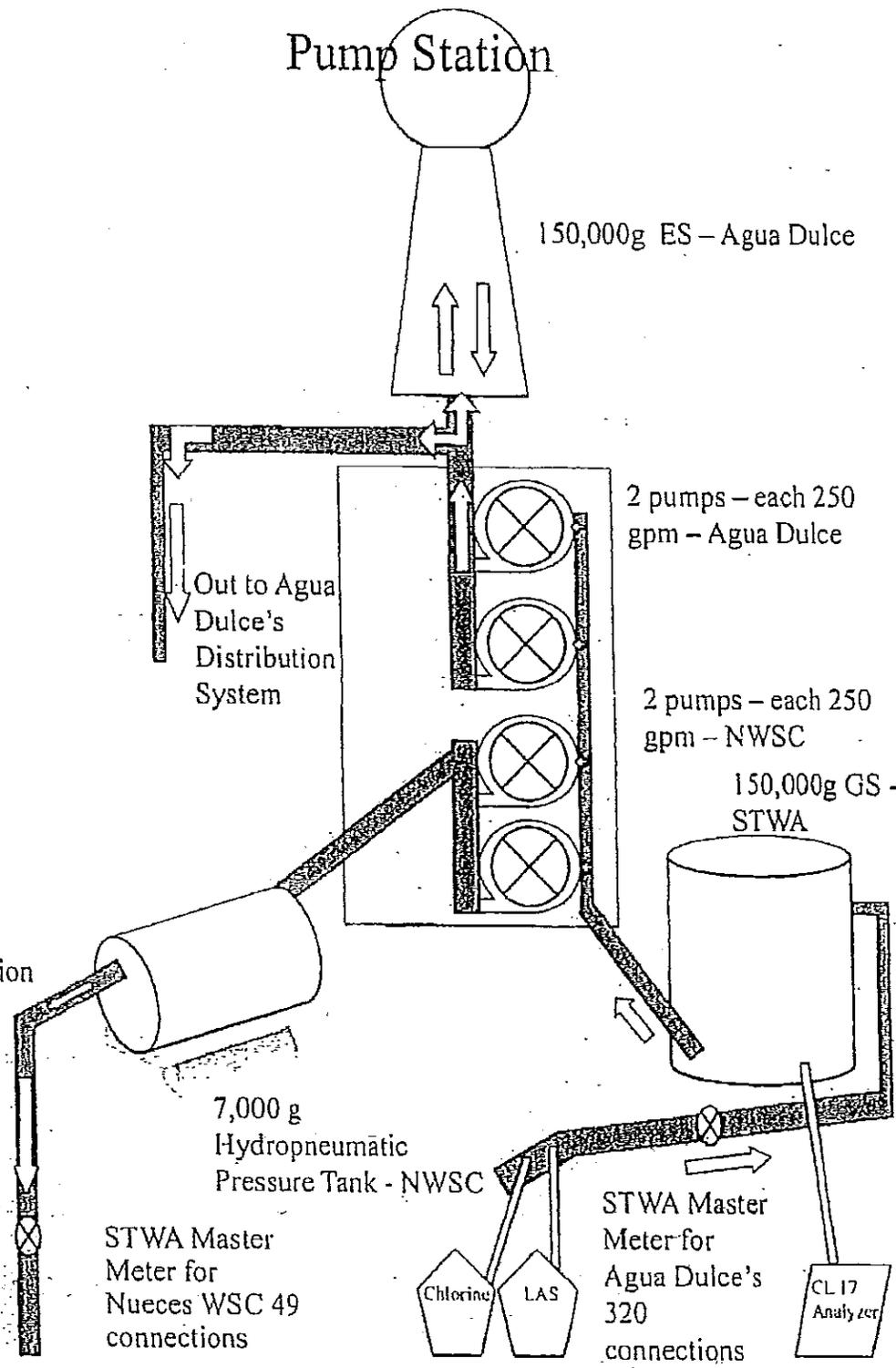


EXHIBIT "C"

DRISCOLL

NWSC AT DRISCOLL

SECTION 4. POINTS OF DELIVERY AND TITLE.

Attached hereto as Exhibit "A" is a schematic diagram showing 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 Authority'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 an air gap between the Authority's system and the Wholesale Customer's distribution system at 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 Point of Delivery for Wholesale Customer is the same as the Point of Delivery for the City of Driscoll. The amount of water delivered to Wholesale Customer for billing purposes shall be measured by the master meter located after the hydro-pneumatic tank serving Wholesale Customer, as shown on Exhibit "A."

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.

EXHIBIT "A"

Driscoll Pump Station

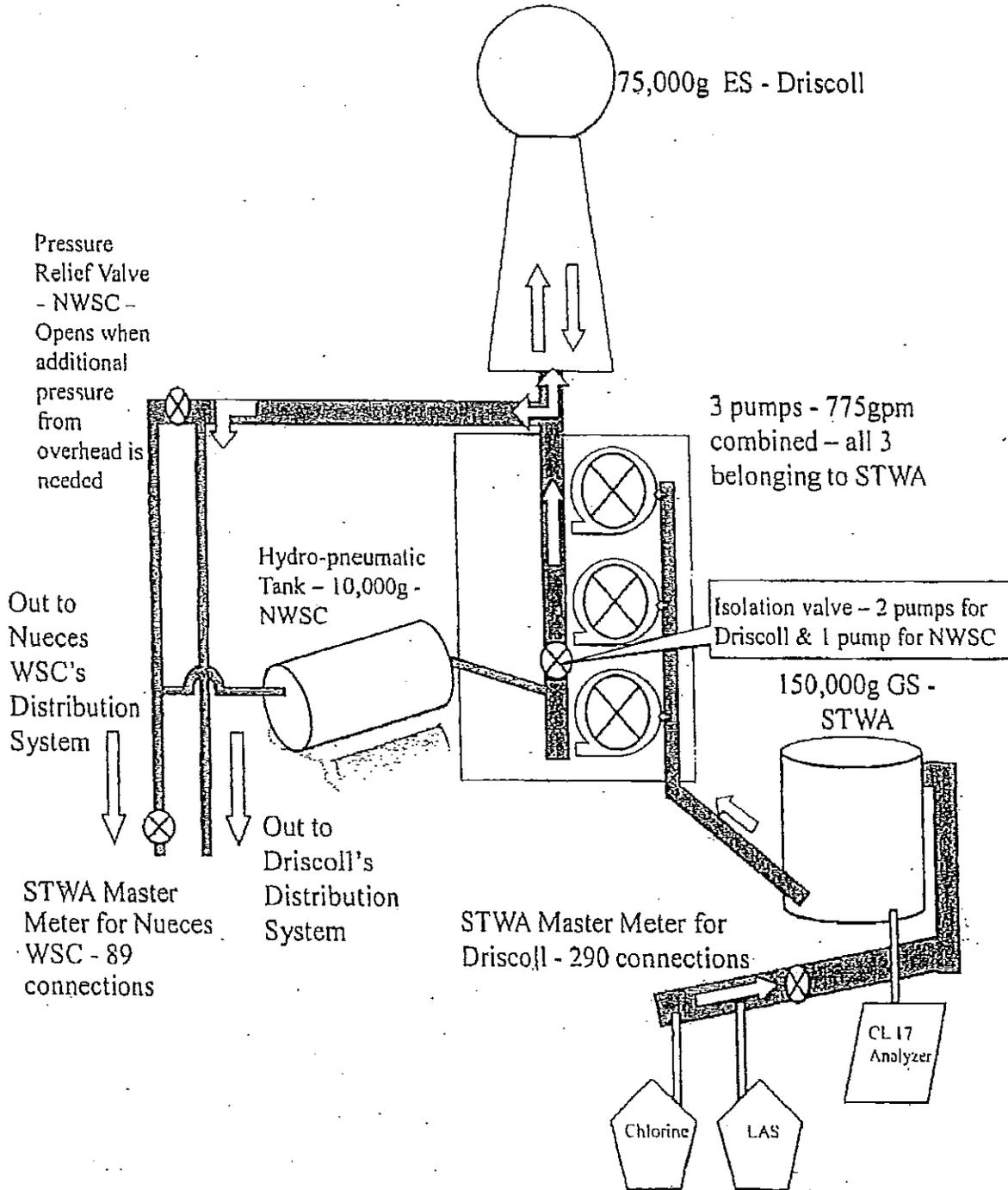


EXHIBIT "D"

BISHOP EAST

NWSC - BISHOP EAST

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 Authority's 100,000-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 an air gap between the Authority's system and the Wholesale Customer's distribution system at the Point of Delivery shown on Exhibit "A," and any other Points of Delivery mutually agreed upon by the Wholesale Customer and the Authority.

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.

EXHIBIT "A"

Bishop East PS – service NWSC Only

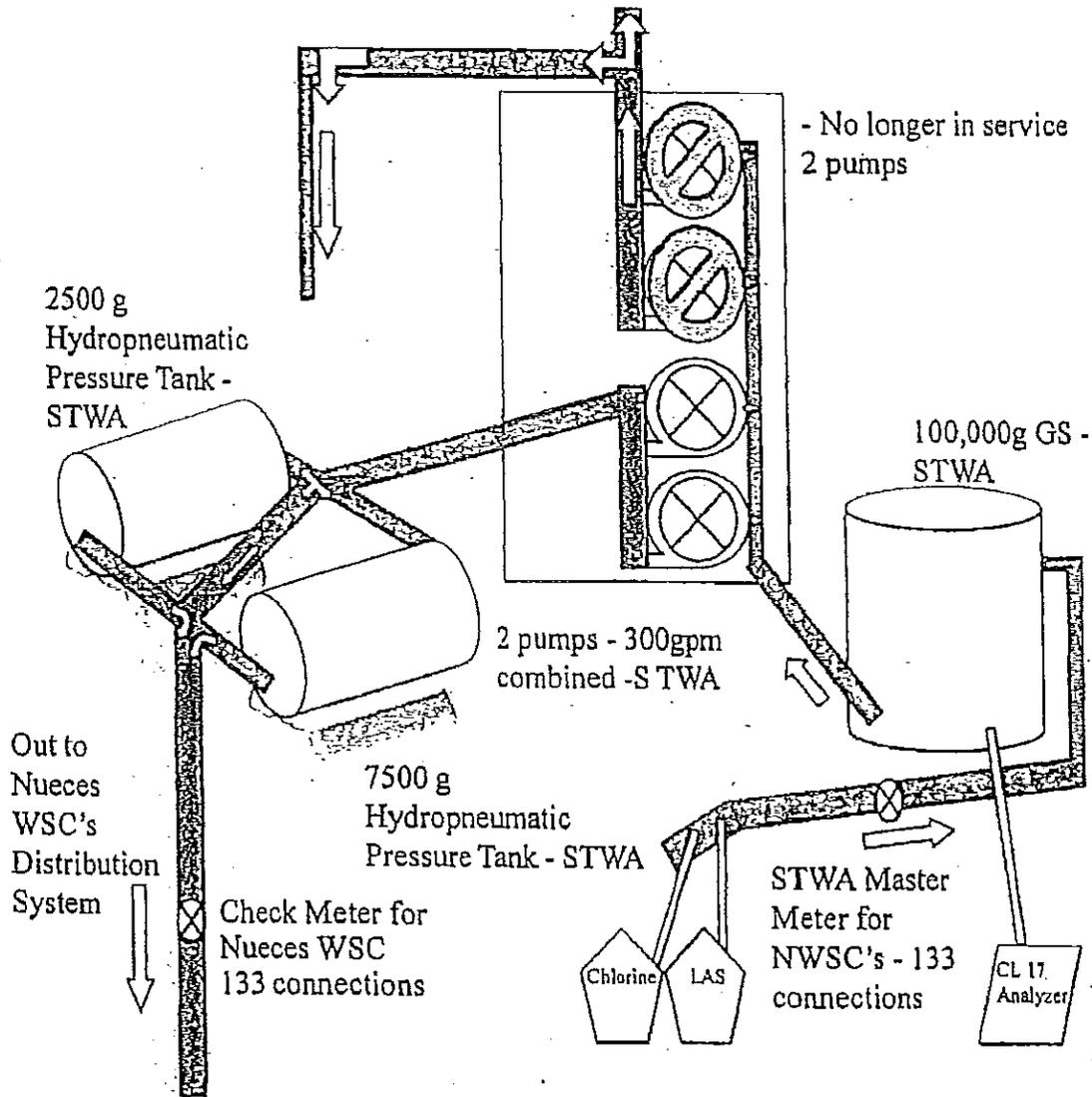


EXHIBIT "E"

CENTRAL

NWSC - CENTRAL PUMP STATION

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 Authority's 63,000-gallon ground storage tank and 33,000-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 at 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 amount of water delivered to Wholesale Customer for billing purposes shall be measured by the meter located after the two hydro-pneumatic tanks serving Wholesale Customer, as shown on Exhibit "A."

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.

EXHIBIT "A"

Central Pump Station

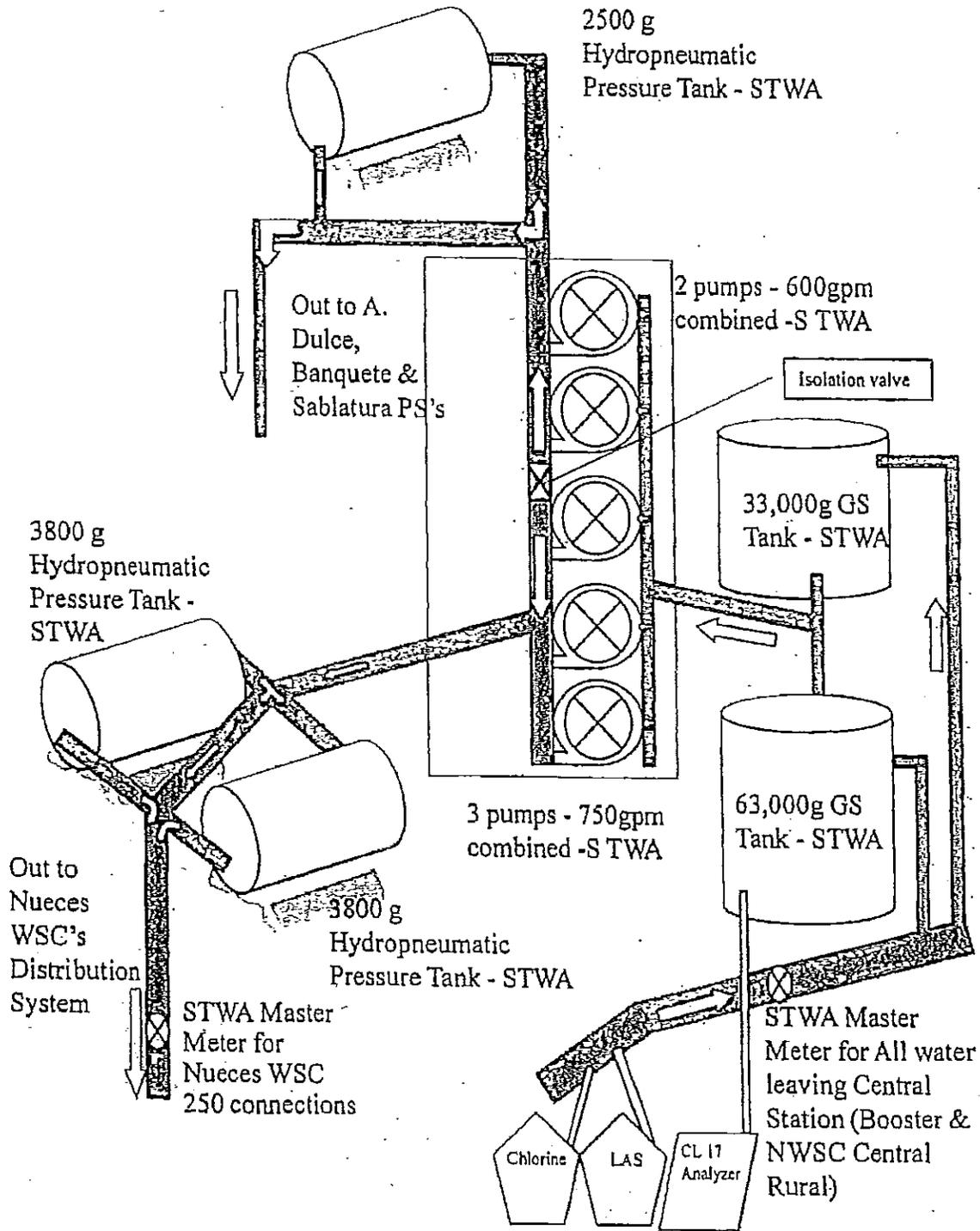


EXHIBIT "F"

BANQUETE

NWSC - BANQUETE

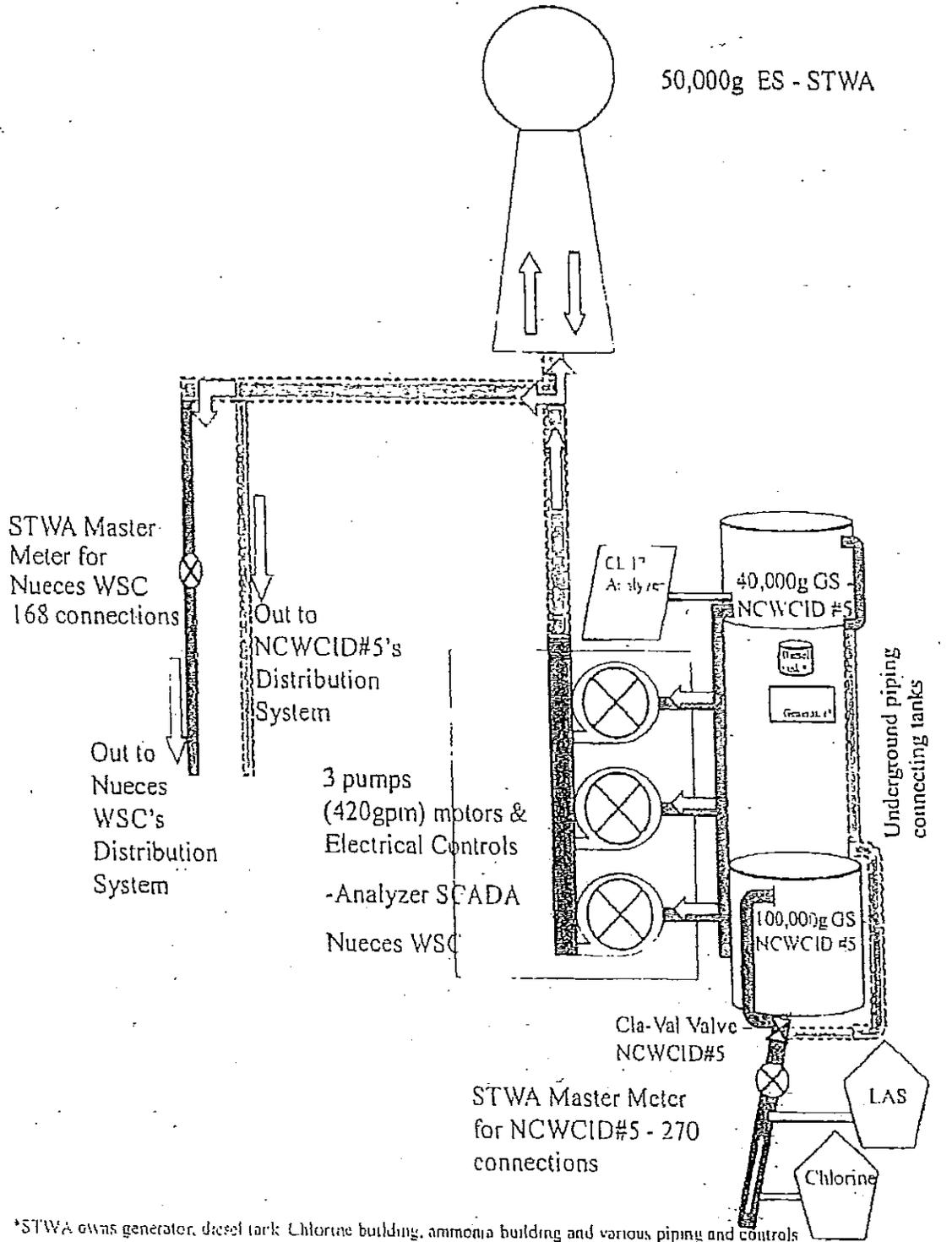
SECTION 4. POINTS OF DELIVERY AND TITLE.

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 100,000-gallon ground storage tank and 40,000-gallon ground storage tank, which are owned by Nueces County WCID No. 5, 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 at 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 amount of water delivered to Wholesale Customer for billing purposes shall be measured by the meter located after the elevated storage tank serving Wholesale Customer, as shown on Exhibit "A."

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.

EXHIBIT "A"

Banquete Pump Station



*STWA owns generator, diesel tank, Chlorine building, ammonia building and various piping and controls. Staff believes that the piping into the tanks, underground piping around the tanks and piping out of the tanks is the responsibility of NCWCID#5.

ATTACHMENT 6

Resolution 23-17

If needed, Resolution 23-17 will be provided at the meeting.

ATTACHMENT 7

Specifications – Compact Track Loader

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Administrator
Date: July 28, 2023
Re: Specifications for Bid of Compact Track Loader – Fiscal Year 2022/23

Background:

Per the Board approved FY 22/23 Budget, enclosed are specifications for a Compact Track Loader. Staff is proposing to deliver bid packets to local and regional heavy/farm equipment dealerships. In addition, staff will utilize the BuyBoard which is a Local Government Purchasing Cooperative where School districts, cities, counties, and other governmental entities in Texas participate and use as a trusted and experienced cooperative purchasing source.

Analysis:

Staff is requesting the Board to review the bid specifications. Once modified (if necessary) and approved, staff will proceed with requesting bids in order that the Board may consider awarding a purchase during the September 12th meeting.

Staff Recommendation:

Consider the attached minimum specifications. Provide staff with feedback. Direct staff to modify the specs, as needed. Determine whether to proceed with the above-described process of issuing a request for bids.

Board Action:

Authorize requesting bids for Compact Track Loader.

Summary:

With Board approval of FY 2022/23 budget the purchase of a Compact Track Loader was approved as a Capital Investment purchase.

Ultimately awarding this bid will allow field staff an additional option to work on emergency leaks, constructing new water lines and moving heavy loads of materials. This request also allows Operations and Maintenance (O&M) an additional tool to plan for and carry out more taps for new waterline accounts.

MINIMUM SPECIFICATIONS FOR COMPACT TRACK LOADER

12-volt electrical system
Engine power 74 HP minimum
80" heavy duty bucket
4K heavy duty pallet fork frame
Hydraulic performance
Back-up alarm
Electrical outlet
Beacon
Rubber tracks
Closed cap
Air conditioner & heater
Standard joystick controls
Standard horn
2-point lap seatbelt
Safety lift
Arm support
30-gallon fuel tank
Deisel fuel
2,900 lb. rated operation capacity minimum