

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M. Graveley, President
DATE: January 15, 2024
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, January 23, 2024
5:30 p.m.
South Texas Water Authority
2302 East Sage Road, Kingsville, Texas

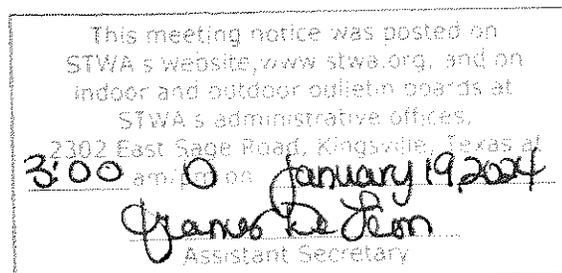
to consider and act upon any lawful subject which may come before it, including among others, the following:

Agenda

1. Call to order.
2. Petition for Addition of Certain Lands to the South Texas Water Authority.
 - a. Victor Lee Castro and Jennifer Lee Salinas – 0.666 acre, more or less, tract of land also being known as Tract 9, Cyndie Park Unit 1, Nueces County, Texas
 - b. Maria De Jesus Estrada – Southwesterly one-half of Tract 17, all of Tracts 18 and 19, and the Northeasterly one-half of Tract 20, Cyndie Park Unit 2, 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: January 15, 2024
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, January 23, 2024

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:

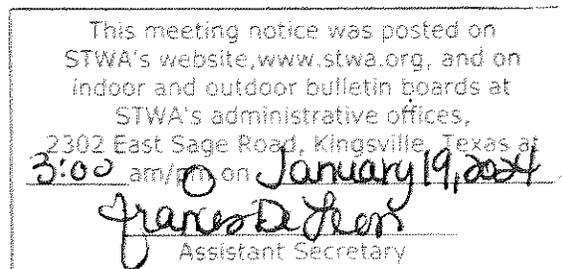
Agenda

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. Proposed Fiscal Year 2023 Audit. (Attachment 1)
4. **Resolution 24-01.** Resolution accepting the Fiscal Year 2023 Audit prepared by John Womack & Co., P.C. of Kingsville, Texas. (Attachment 2)
5. Consideration and approval of a resolution by the Board of Directors of the South Texas Water Authority requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith (**Resolution 24-02**). (Attachment 3)
6. Consideration and approval of a Financial Advisory Services Contract pursuant to a request for proposal. (Attachment 4)
7. Consideration and approval of a Bond Counsel Services Contract pursuant to a request for proposal. (Attachment 5)
8. Consideration and approval of an Engineering Services Contract pursuant to a request for proposal. (Attachment 6)

9. Approval of Minutes. (Attachment 7)
10. Payment of Bills. (Attachment 8)
11. Operation and Maintenance Report. (Attachment 9)
12. Bids for purchase of two Fiscal Year 2024 pickup trucks. (Attachment 10)
13. **Resolution 24-03.** Resolution awarding the bid for the purchase of two pickup trucks. (Attachment 11)
14. Approval of Annexation of Certain Lands to the South Texas Water Authority. (Attachment 12)
 - a. Victor Lee Castro and Jennifer Lee Salinas – 0.666 acre, more or less, tract of land also being known as Tract 9, Cyndie Park Unit 1, Nueces County, Texas.
 - b. Maria De Jesus Estrada – Southwesterly one-half of Tract 17, all of Tracts 18 and 19, and the Northeasterly one-half of Tract 20, Cyndie Park Unit 2, Nueces County, Texas
15. **Resolution 24-04.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Victor Lee Castro and Jennifer Lee Salinas) (Attachment 13)
16. **Resolution 24-05.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Maria De Jesus Estrada) (Attachment 14)
17. Texas Excavation Safety System Annual Meeting and Ballots for Election of Directors and Bylaws Amendment. (Attachment 15)
18. Administration Report.
19. 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



ATTACHMENT 1

FY 2023 Audit

DRAFT
FOR DISCUSSION PURPOSES ONLY

SOUTH TEXAS WATER AUTHORITY

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

South Texas Water Authority
Annual Financial Report
For The Year Ended September 30, 2023

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DRAFT

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Distribution

Distribution

Financial Section

Distribution

Distribution

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FOR DISCUSSION PURPOSES ONLY

Independent Auditor's Report

To the Board of Directors
South Texas Water Authority
2302 East Sage Road
Kingsville, Texas 78363

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Texas Water Authority ("the Authority"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the South Texas Water Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of South Texas Water Authority as of September 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South Texas Water Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2023, South Texas Water Authority adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Texas Water Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

DRAFT
FOR DISCUSSION PURPOSES ONLY

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise South Texas Water Authority's basic financial statements. The individual nonmajor fund financial statements, and supplementary information required by the Texas Commission on Environmental Quality (TCEQ), are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual nonmajor fund financial statements and TCEQ information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Respectfully submitted,

DRAFT
FOR DISCUSSION PURPOSES ONLY

John Womack & Co., P.C.
Kingsville, TX
December 22, 2023

PLACE HOLDER Sheet For

Management's Discussion & Analysis (MD&A)

Not available
to include!

Basic Financial Statements

SOUTH TEXAS WATER AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Assets:	
Cash and Investments	\$ 5,242,626
Receivables:	
Property Taxes	254,155
Allowance for Uncollectible Taxes	(99,946)
Service Accounts	296,881
Due from Other Governments	171
Inventory	41,747
Note Receivable	11,668
Capital Assets, net	7,703,856
Other Assets	34,687
Total Assets	<u>13,485,845</u>
LIABILITIES AND EQUITY	
Liabilities:	
Accounts Payable	361,654
Accrued Interest Payable	11,589
Current Portion of Long-Term Liabilities:	
Bonded Debt Payable	255,000
Accumulated Unpaid Compensated Absences	14,605
Non-current Portion of Long-Term Liabilities:	
Bonded Debt Payable	2,749,899
Accumulated Unpaid Compensated Absences	58,420
Total Liabilities	<u>3,451,167</u>
NET POSITION:	
Net Investment in Capital Assets	4,698,957
Restricted For:	
Debt Service	350,130
Construction	305,616
Unrestricted	4,679,975
Total Net Position	<u>\$ 10,034,678</u>

The accompanying notes are an integral part of this statement.

SOUTH TEXAS WATER AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
<u>Government Activities:</u>		<u>Charges for Services</u>	<u>Governmental Activities</u>
Water Delivery	\$ 4,426,072	\$ 2,366,890	\$ (2,059,182)
Total Government Activities	<u>4,426,072</u>	<u>2,366,890</u>	<u>(2,059,182)</u>
Total Primary Government	<u>\$ 4,426,072</u>	<u>\$ 2,366,890</u>	<u>(2,059,182)</u>
General Revenues:			
Property Taxes			2,116,274
Unrestricted Investment Earnings			255,282
Miscellaneous Income			48,109
Transfers			--
Total General Revenues and Transfers			<u>2,419,665</u>
Change in Net Assets			360,483
Net Assets - Beginning			9,674,195
Net Assets - Ending			<u>\$ 10,034,678</u>

(2,059,182)
(2,059,182)
(2,059,182)

9,674,195
(2,059,182)
(2,059,182)

9,674,195
(2,059,182)
(2,059,182)

The accompanying notes are an integral part of this statement.

SOUTH TEXAS WATER AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Assets:			
Cash and Investments	\$ 4,852,738	\$ 389,888	\$ 5,242,626
Receivables:			
Property Taxes	199,878	54,277	254,155
Allowance for Uncollectible Taxes	(88,575)	(11,371)	(99,946)
Service Accounts	296,881	--	296,881
Due from Other Governments	141	30	171
Due from Other Funds	2,284	174	2,458
Inventory	41,747	--	41,747
Note Receivable	11,668	--	11,668
Other Assets	34,687	--	34,687
Total Assets	<u>\$ 5,351,449</u>	<u>\$ 432,998</u>	<u>\$ 5,784,447</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 361,654	\$ --	\$ 361,654
Compensated Absences	14,605	--	14,605
Due to Other Funds	174	2,284	2,458
Total Liabilities	<u>376,433</u>	<u>2,284</u>	<u>378,717</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Tax Revenue	111,303	42,907	154,210
Total Deferred Inflows of Resources	<u>111,303</u>	<u>42,907</u>	<u>154,210</u>
FUND BALANCES:			
Restricted for Capital Projects	--	278,717	278,717
Restricted for Debt Service	--	109,090	109,090
Nonspendable - Inventory	41,747	--	41,747
Unassigned Fund Balance	4,821,966	--	4,821,966
Total Fund Balances	<u>4,863,713</u>	<u>387,807</u>	<u>5,251,520</u>
Total Liabilities, Deferred Inflows, and Equity	<u>\$ 5,351,449</u>	<u>\$ 432,998</u>	<u>\$ 5,784,447</u>

The accompanying notes are an integral part of this statement.

SOUTH TEXAS WATER AUTHORITY
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2023

Total fund balances - governmental funds balance sheet	\$ 5,251,520
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	7,703,856
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	154,209
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,920,000)
Payables for debt interest which are not due in the current period are not reported in the funds.	(11,589)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(58,420)
Bond premiums are amortized in the SNA but not in the funds.	<u>(84,898)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 10,034,678</u>

1,620

0,000

1,620

0,000

1,620

0,000

The accompanying notes are an integral part of this statement.

SOUTH TEXAS WATER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Water Service Revenue	\$ 1,681,951	\$ 2,086	\$ 1,684,037
Tax Revenue	1,759,451	369,232	2,128,683
Interest	222,670	32,612	255,282
Service Revenue	682,853	--	682,853
Other Revenue	54,380	--	54,380
Total revenues	<u>4,401,305</u>	<u>403,930</u>	<u>4,805,235</u>
Expenditures:			
Current:			
Water Service Expenditure:			
Purchased Water	1,350,872	--	1,350,872
Payroll Cost	1,292,722	--	1,292,722
Supplies and Materials	126,299	--	126,299
Other Operating Expenditures:			
Professional Fees	288,945	17,221	306,166
Supplies and Materials	242,523	--	242,523
Recurring Operating Cost	250,428	--	250,428
Debt Service & Related Costs	--	346,550	346,550
Miscellaneous	10,279	--	10,279
Capital outlay	665,877	26,899	692,776
Total expenditures	<u>4,227,945</u>	<u>390,670</u>	<u>4,618,615</u>
Net Change in Fund Balance	173,360	13,260	186,620
Fund balances/equity, October 1	4,690,353	374,547	5,064,900
Fund balances/equity, September 30	<u>\$ 4,863,713</u>	<u>\$ 387,807</u>	<u>\$ 5,251,520</u>

The accompanying notes are an integral part of this statement.

SOUTH TEXAS WATER AUTHORITY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net change in fund balances - total governmental funds	\$ 186,620
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	692,777
The depreciation of capital assets used in governmental activities is not reported in the funds.	(760,291)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(6,270)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(12,410)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	245,000
(Increase) decrease in accrued interest from beginning of period to end of period.	906
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	4,718
Bond premiums are reported in the funds but not in the SOA.	<u>9,433</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 360,483</u>

777
 Distribution

777
 Distribution

777
 Distribution

The accompanying notes are an integral part of this statement.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

A. Summary of Significant Accounting Policies

The combined financial statements of South Texas Water Authority (the "Authority") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Authority's basic financial statements include the accounts of all its operations. The Authority evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the Authority's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority
- the exclusion of the organization would result in misleading or incomplete financial statements

Based on these criteria, the Authority has no component units. Additionally, the Authority is not a component unit of any other reporting entity as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The Authority does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Authority's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Authority reports the following major governmental funds:

General Fund. This is the Authority's primary operating fund. It accounts for all financial resources of the Authority except those required to be accounted for in another fund.

Debt Service Fund. The Authority accounts for revenues collected to pay interest on and retire long-term debt, including bonds, long-term mortgage notes, etc., in this fund, which is a budgeted fund.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Capital Projects Fund: The Authority accounts for proceeds from the sale of bonds, and related expenditures for capital improvements, in this fund.

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end, with the exception of property taxes which are fully deferred. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

When the Authority incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the Authority's policy to use restricted resources first, then unrestricted resources.

3. Financial Statement Amounts

a. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

The assessed value of the roll on January 1, 2022, upon which the levy for the 2023 fiscal year was based, was \$2,687,989,489, net of exemptions.

The tax rate assessed for the year ended September 30, 2023, to finance General Fund operations was \$0.064912 per \$100 valuation, and the Debt Service Fund tax rate was \$0.013577 per \$100 valuation.

Current tax collections for the year ended September 30, 2023 were 96.66% of the year-end adjusted tax levy.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the Authority is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The following table shows a schedule of delinquent taxes receivable and the allowance for uncollectible taxes for the Authority:

	Balance 10/01/22	Current Year Levy(1)	Total Collections	Yearly Adjustments	Balance 09/30/23
Delinquent Taxes Receivable	\$ 266,572	\$ 2,111,844	\$ 2,091,926	\$ (32,135)	254,155
Allowance for Uncollectible Taxes	(99,945)				(99,945)
Net Delinquent Taxes Receivable	\$ 166,627	\$ 2,111,844	\$ 2,091,926	\$ (32,135)	154,210

(1) Year-end adjusted tax levy.

b. Inventories and Prepaid Items

The Authority records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50
Building Improvements	20
Vehicles	3-15
Furniture and Equipment	5-10
Computer Equipment	3-15
Right-to-use Lease Assets	5
Right-to-use Subscription Assets	5

Impairment losses related to capital assets are recognized and measured when there has been a significant, unexpected decline in the service utility of capital assets. The events or changes in circumstances which lead to impairment determinations are not considered to be normal or ordinary. The service utility of a capital asset is the usable capacity which, at acquisition, was expected to be used or provide service. Common indicators of impairment include - evidence of physical damage where the level of damage is such that restoration efforts are needed to restore service utility; enactment of laws or approval of regulations as well as changes in environmental factors; technological developments, or other evidence of obsolescence; changes in the manner of duration or use of capital assets; or construction stoppage due to lack of funding. There were no impairment charges during fiscal year 2022.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

d. **Receivable and Payable Balances**

The Authority believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

e. **Deferred Inflows and Outflows of Resources**

In addition to assets, the statements of financial position (the government-wide and proprietary Statements of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. **Compensated Absences**

The Authority provides vacation time for employees at the rate of 8 hours per month up to 5 years of service at which time it increases to 10 hours per month, and over 10 years of service, a one-time longevity adjustment is made to the salary equal to 80 hours of pay divided by 2,080 hours. This compensation is for two weeks of vacation no longer given after ten years. Sick leave accumulates at the rate of 2 hours per week, and personal leave accumulates at the rate of 2 hours per month. 100% of accumulated vacation (up to 480 hours), personal, and compensatory time (up to 240 hours) is paid upon termination of employment for any reason, but accumulated unpaid sick leave is not paid upon termination.

g. **Interfund Activity**

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

h. **Fund Balances - Governmental Funds**

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the Authority's Board of Directors. Committed amounts cannot be used for any other purpose unless the Board of Directors removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Directors. amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the Authority intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Directors or by an official or body to which the Board of Directors delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the Authority itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

i. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

6. **Implementation of New Standards**

In the current fiscal year, the Authority implemented the following new standard. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority has elected to early adopt Statement No. 96.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
Excess Expenditures over Appropriations	Management review of budgeting procedures

<u>Fund/Category</u>	<u>Amount</u>
General Fund/Professional Fees	\$ 37,295

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

The Authority's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Authority's agent bank approved pledged securities in an amount sufficient to protect Authority funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At September 30, 2023, the carrying amount of the Authority's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$512,594 and the bank balance was \$533,765. The Authority's cash deposits at September 30, 2023 and during the year ended September 30, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the Authority's agent bank in the Authority's name.

Investments:

The Authority is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the Authority adhered to the requirements of the Act. Additionally, investment practices of the Authority were in accordance with local policies.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The Act determines the types of investments which are allowable for the Authority. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The Authority's investment at September 30, 2023 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
TexPool, rated AAAM	N/A	\$ 4,450,337
TexStar Investment Pool, rated AAAM	N/A	279,546
Total Investments		<u>\$ 4,729,883</u>

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the Authority was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the Authority was not significantly exposed to credit risk.

At September 30, 2023, the Authority's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Authority's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name.

At year end, the Authority was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the Authority was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the Authority was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the Authority was not exposed to foreign currency risk.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Investment Accounting Policy

The Authority's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The Authority's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land, Easements, & Right of Ways	\$ 1,242,369	\$ --	\$ --	\$ 1,242,369
Construction in progress	865,965	450,283	--	1,316,248
Total capital assets not being depreciated	2,108,334	450,283	--	2,558,617
Capital assets being depreciated:				
Buildings and improvements	843,772	--	--	843,772
Water Systems	23,974,270	--	--	23,974,270
Machinery & Equipment	497,381	80,919	--	578,300
Autos & Trucks	350,206	156,412	31,354	475,264
Furniture & Fixtures	137,911	5,163	--	143,074
Total capital assets being depreciated	25,803,540	242,494	31,354	26,014,680
Less accumulated depreciation for:				
Buildings and Improvements	(548,814)	(20,678)	--	(569,492)
Water Systems	(18,816,334)	(627,582)	--	(19,443,916)
Machinery & Equipment	(389,340)	(29,888)	--	(419,228)
Autos & Trucks	(285,826)	(61,611)	(25,083)	(322,354)
Furniture & Fixtures	(94,282)	(20,169)	--	(114,451)
Total accumulated depreciation	(20,134,596)	(759,928)	(25,083)	(20,869,441)
Total capital assets being depreciated, net	5,668,944	(517,434)	6,271	5,145,239
Governmental activities capital assets, net	\$ 7,777,278	\$ (67,151)	\$ 6,271	\$ 7,703,856

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2023, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 1,455	Short-term loans
	Total	\$ <u>1,455</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

There were no transfers to or from other funds during the year ended September 30, 2023.

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended ERR

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities:</u>					
General obligation bonds:					
Series 2013	\$ 3,165,000	\$ --	\$ 245,000	\$ 2,920,000	\$ 255,000
Premium & Discount	94,336	--	9,437	84,899	--
Compensated absences	78,924	--	--	78,924	--
Total governmental activities	\$ <u>3,338,260</u>	\$ <u>--</u>	\$ <u>254,437</u>	\$ <u>3,083,823</u>	\$ <u>255,000</u>

Bonds Payable consist of the following:

\$5,110,000 General Obligation Bonds Series 2013, payable in annual installments of \$348,550 to \$346,722 including interest at 2.00% to 3.50%, for various construction projects, maturing on August 15, 2033.

	<u>2023</u>	<u>2022</u>
	\$ <u>2,920,000</u>	\$ <u>3,165,000</u>

2. Debt Service Requirements

Debt service requirements on long-term debt at September 30, 2023, are as follows:

<u>Year Ended September 31,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 255,000	\$ 94,000	\$ 349,000
2024	260,000	86,350	346,350
2025	270,000	78,550	348,550
2026	275,000	70,450	345,450
2027	285,000	62,200	347,200
2028-2032	1,575,000	167,400	1,742,400
Totals	\$ <u>2,920,000</u>	\$ <u>558,950</u>	\$ <u>3,478,950</u>

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

G. Leases and Subscription-Based Information Technology Agreements

Lease activity for the year ended September 30, 2023 was as follows:

The Authority had no contracts that qualify as leases under GASB 87 at September 30, 2023.

Subscription-Based Information Technology Arrangement (SBITA) activity for the year ended September 30, 2023 was as follows:

The Authority had no contracts that qualify as SBITAs under GASB 96 at September 30, 2023.

H. Risk Management

The Authority is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2023, the Authority obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The Authority pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The Authority continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

I. Health Care Coverage

During the year ended September 30, 2023, employees of the Authority were covered by a health insurance plan (the Plan). The Authority paid premiums of \$2,433 per month per employee and dependents to the Plan. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

The contract between the Authority and the licensed insurer is renewable November 1, 2023, and terms of coverage and premium costs are included in the contractual provisions.

Latest financial statements for the Blue Cross Blue Shield of Texas are available for the year ended December 31, 2022, have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

J. Commitments and Contingencies

1. Contingencies

The Authority participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Authority has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the Authority, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the Authority at September 30, 2023.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

K. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through December 22, 2023 (the date of the audit report). The financial statements include all Type I events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management and those charged with governance have determined that there are no non-recognized Type II subsequent events that require additional disclosure.

L. Deferred Resources

Plan Description

All full-time employees are covered under the South Texas Water Authority Thrift Plan and Trust, a defined contribution pension plan, established October 1, 1983. As of September 30, 2022, there were 16 plan members. Eligible employees contribute 7.5% of their pre-tax earnings, and may elect to contribute up to 4.5% of their post-tax earnings (for a total of up to 12%), which are matched dollar for dollar by the Authority. The participants become 20% vested in employer contributions after two years of participation and an additional 20% for each year of service thereafter. Employees may receive their vested portion of benefits upon termination. Contributions to the plan by the Authority for the years ended September 30, 2023 and 2022 amounted to \$92,462 and \$81,581, respectively, or 11.20% and 11.42% based on payroll expense of \$825,554 and \$714,100 respectively. The Plan is administered by C&M Administrators, Inc. (formerly Carley and McCaw, Inc.). Plan provisions and contribution requirements are established and may be amended by the Authority's board of directors. There were no forfeitures in fiscal years ending September 30, 2023 or 2022.

M. Water Service Contracts

1. Wholesale Water Rates

Beginning October 1, 2005, South Texas Water Authority implemented a different method of charging for water whereby the customers are billed a variable rate based on the monthly cost of water from the City of Corpus Christi (see below) plus a handling charge, which, for fiscal year 2023, is \$.50 per 1,000 gallons. These contracts expired on 10/01/2012. The City of Kingsville, the City of Agua Dulce, the City of Bishop, the City of Driscoll, the Nueces Water Supply Corporation, and the Ricardo Water Supply Corporation have entered into twenty year contracts that are based on the rate described above. The remaining customer, Nueces County Water Control and Improvement District #5, is currently paying monthly based on the terms of the expired contracts plus a premium fee adopted by the Board.

The City of Kingsville contract stipulates that it will, beginning in 2018, purchase \$350,000 of water at the rate described above, increasing \$10,000 per year over the next five years reaching a total of \$400,000.

Nueces County Water Control and Improvement District #5 is outside the Authority's taxing district. Therefore, an "In Lieu of Taxes" fee is charged monthly to NCWCID #5. This is calculated by multiplying NCWCID #5's taxable value, obtained from the Nueces County Appraisal District, by STWA's tax rate. The fee is divided into 12 monthly payments. The fee for fiscal year 2023 is \$1,004.76 per month.

2. Purchased Water Rates

In 1980, the South Texas Water Authority entered into an agreement to purchase water from the City of Corpus Christi. The purchase agreement is for a period of forty years commencing with the date on which water was first delivered to the Authority. The water rates beginning August 1, 1998, reflected treatment cost calculated on a declining block rate schedule. Beginning August 1, 2008, the treated water is no longer being calculated on a declining block schedule. The treated water is charged at a fixed rate per 1,000 gallons after the first 2,000 gallons. An additional cost for raw water is still charged using a fixed rate per 1,000 gallons.

SOUTH TEXAS WATER AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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 11/23

Purchased water rates from the City of Corpus Christi are as follows:

<u>Gallons</u>	<u>Rates as of 1/1/23</u>	<u>Rates as of 1/1/22</u>
First 2,000	minimum of \$969.00	minimum of \$966.58
Over 2,000	\$1.28 per 1,000 gallons	\$1.21 per 1,000 gallons
Raw Water	\$1.03 per 1,000 gallons	\$0.90 per 1,000 gallons

N. Economic Dependency

The Authority has a very small base of seven customers that purchase water. Nueces Water Supply Corporation accounts for 23.64% (\$398,100) of the Authority's water related revenue, the City of Kingsville accounts for 26.43% (\$445,094) of the Authority's water related revenue, and Ricardo Water Supply Corporation account for 20.80% (\$350,278) of the Authority's water related revenue. Total water related revenue in the General Fund was \$1,681,952.

O. Loan Receivable

In 2021, the Authority established a loan receivable for \$122,152 with one of its customers for unpaid water supply bills, with payments of \$5,136 per month including interest at 10%, and final payment of \$2,156 in February, 2023. The loan is unsecured. The client fell behind in payments during 2022 and the balance of the loan at September 30, 2023 is \$11,833. However, subsequent to year end, the client has made payments totaling \$10,273, including interest of \$153. The remaining balance is expected to be paid during fiscal year 2024.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

SOUTH TEXAS WATER AUTHORITY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Water Service Revenue	\$ 1,595,454	\$ 1,696,240	\$ 1,681,951	\$ (14,289)
Tax Revenue	1,723,136	1,753,753	1,759,451	5,698
Interest	31,275	218,950	222,670	3,720
Service Revenue	745,110	743,510	682,853	(60,657)
Other Revenue	12,000	673,710	54,380	(619,330)
Total revenues	<u>4,106,975</u>	<u>5,086,163</u>	<u>4,401,305</u>	<u>(684,858)</u>
Expenditures:				
Current:				
Water Service Expenditure:				
Purchased Water	1,294,624	1,377,118	1,350,872	26,246
Payroll Cost	1,185,769	1,394,666	1,292,722	101,944
Supplies and Materials	190,000	175,000	126,299	48,701
Other Operating Expenditures:				
Professional Fees	125,500	251,650	288,945	(37,295)
Supplies and Materials	201,100	274,105	242,523	31,582
Recurring Operating Cost	244,965	278,900	250,428	28,472
Miscellaneous	11,000	15,000	10,279	4,721
Capital outlay	204,675	1,090,226	665,877	424,349
Total expenditures	<u>3,457,633</u>	<u>4,856,665</u>	<u>4,227,945</u>	<u>628,720</u>
Net Change in Fund Balance	649,342	229,498	173,360	(56,138)
Fund balances/equity, October 1	4,690,353	4,690,353	4,690,353	--
Fund balances/equity, September 30	<u>\$ 5,339,695</u>	<u>\$ 4,919,851</u>	<u>\$ 4,863,713</u>	<u>\$ (56,138)</u>

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SOUTH TEXAS WATER AUTHORITY
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

EXHIBIT C-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Water Service Revenue	\$ 6,250	\$ 2,086	\$ 2,086	\$ --
Tax Revenue	380,007	369,160	369,232	72
Interest	3,450	14,300	14,469	169
Total revenues	<u>389,707</u>	<u>385,546</u>	<u>386,787</u>	<u>241</u>
Expenditures:				
Other Operating Expenditures:				
Professional Fees	20,872	18,250	17,221	1,029
Debt Service & Related Costs	346,550	346,550	346,550	--
Total expenditures	<u>367,422</u>	<u>364,800</u>	<u>363,771</u>	<u>1,029</u>
Net Change in Fund Balance	22,285	20,746	22,016	1,270
Fund balances/equity, October 1	87,074	87,074	87,074	--
Fund balances/equity, September 30	<u>\$ 109,359</u>	<u>\$ 107,820</u>	<u>\$ 109,090</u>	<u>\$ 1,270</u>

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SOUTH TEXAS WATER AUTHORITY
CAPITAL IMPROVEMENTS FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

EXHIBIT C-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Interest	\$ 16,395	\$ 17,000	\$ 18,143	\$ 1,143
Total revenues	<u>16,395</u>	<u>17,000</u>	<u>18,143</u>	<u>1,143</u>
Expenditures:				
Capital outlay	<u>26,070</u>	<u>50,000</u>	<u>26,899</u>	<u>23,101</u>
Total expenditures	<u>26,070</u>	<u>50,000</u>	<u>26,899</u>	<u>23,101</u>
Net Change in Fund Balance	(9,675)	(33,000)	(8,756)	24,244
Fund balances/equity, October 1	<u>287,473</u>	<u>287,473</u>	<u>287,473</u>	--
Fund balances/equity, September 30	<u>\$ 277,798</u>	<u>\$ 254,473</u>	<u>\$ 278,717</u>	<u>\$ 24,244</u>

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Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

SOUTH TEXAS WATER AUTHORITY
 SCHEDULE OF TEMPORARY INVESTMENTS
 SEPTEMBER 30, 2023

FUNDS	INTEREST RATE	MATURITY DATE	BALANCES AT END OF YEAR
<u>GENERAL FUND</u>			
Interest Bearing	0.3000%	-	\$ 0
Interest Bearing	0.3000%	-	0
Interest Bearing	0.3000%	-	<u>512,594</u>
			<u>512,594</u>
Texpool	5.3218%	-	<u>4,339,996</u>
Total General Fund			<u>4,852,590</u>
<u>CAPITAL PROJECTS FUND</u>			
TexStar	5.3105%	-	<u>279,546</u>
Total Capital Projects Fund			<u>279,546</u>
<u>DEBT SERVICE FUND</u>			
Texpool	5.3218%	-	<u>110,341</u>
Total Debt Service Fund			<u>110,341</u>
TOTAL ALL FUNDS			<u>\$ 5,242,477</u>

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FOR DISCUSSION PURPOSES ONLY

SOUTH TEXAS WATER AUTHORITY
ANALYSIS OF TAXES RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Maintenance & Operations and Interest & Sinking Taxes
Taxes receivable, beginning of year	\$ 266,572
Tax levy	2,111,644
Total to be accounted for	2,378,216
Tax collections	
Current year	2,041,044
Prior years	50,882
Adjustments	32,135
Total collections & adjustments	2,124,061
Taxes receivable, end of year	\$ 254,155

	2020	2021	2022	2023
Property Valuations:				
Land	\$ 347,777,190	\$ 354,094,478	\$ 377,618,321	\$ 404,622,077
Improvements	976,005,684	1,247,930,871	1,406,486,587	1,522,184,156
Personal Property	647,477,161	478,856,106	667,327,736	712,177,621
Minerals	232,442,662	208,934,722	29,733,991	49,005,635
Total	\$ 2,203,702,697	\$ 2,289,816,177	\$ 2,481,166,635	\$ 2,687,989,489

Tax rates per \$100 valuation

	Kleberg	\$ 0.086911	\$ 0.086911	\$ 0.082426	\$ 0.078489
	Nueces	0.086911	0.086911	0.082426	0.078489

Tax levy

	Kleberg	1,031,138	1,059,021	1,107,669	1,096,254
	Nueces	884,899	930,905	938,190	1,015,390
		\$ 1,916,037	\$ 1,989,926	\$ 2,045,859	\$ 2,111,644

Percent of current taxes collected
to current taxes levied

	98%	97%	97%	97%
--	-----	-----	-----	-----

Tax rates for overlapping jurisdictions. Include any taxing entities which overlap 10% or more of the district:

Taxing Jurisdiction	Tax Rate
County: Kleberg	\$ 0.771870
City: Kingsville	0.825000
School Districts: Kingsville Independent School District	1.518900
Total Authority (from above)	0.078489
Total overlapping tax rate	\$ 3.194259

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SOUTH TEXAS WATER AUTHORITY
 ANALYSIS OF CHANGES IN LONG-TERM DEBT
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds, Series 2013	\$ 3,165,000	\$ -	\$ 245,000	\$ 2,920,000	\$ 255,000
Premium & Discount	94,336	-	9,437	84,899	-
Accrued Compensated Absences	<u>78,924</u>	<u>39,682</u>	<u>45,580</u>	<u>73,026</u>	<u>14,605</u>
	<u>\$ 3,338,260</u>	<u>\$ 39,682</u>	<u>\$ 300,017</u>	<u>\$ 3,077,925</u>	<u>\$ 269,605</u>

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FOR DISCUSSION PURPOSES ONLY

SOUTH TEXAS WATER AUTHORITY
 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
 GENERAL FUND AND DEBT SERVICE FUND
 FIVE YEARS ENDED SEPTEMBER 30, 2023

	AMOUNTS				
	2023	2022	2021	2020	2019
GENERAL FUND:					
<u>Revenues:</u>					
Water Service Revenue	\$ 1,681,951	\$ 1,571,291	\$ 1,685,244	\$ 1,685,449	\$ 1,670,942
Tax Revenue	1,759,451	1,701,911	1,643,299	1,549,329	1,365,753
Interest	222,670	32,898	11,895	26,443	60,811
Service Revenue	682,853	650,522	682,352	648,081	560,036
Other Revenue	54,380	12,083	24,279	37,995	19,921
Total Revenues	<u>4,401,305</u>	<u>3,968,705</u>	<u>4,047,069</u>	<u>3,947,297</u>	<u>3,677,463</u>
<u>Expenditures:</u>					
Water Service Expenditures					
Purchased Water	1,350,872	1,291,316	1,396,843	1,362,680	1,316,013
Payroll Costs	1,292,722	1,173,919	1,198,118	1,165,109	1,107,492
Supplies and Materials	126,299	106,349	150,872	167,504	92,679
Other Operating Expenditures					
Professional Fees	288,945	204,546	193,241	148,877	99,194
Supplies and Materials	242,523	217,582	176,237	141,477	180,871
Recurring Operating Costs	250,428	210,377	196,350	186,380	198,745
Miscellaneous	10,279	11,584	10,133	7,633	6,644
Capital Outlay	665,877	40,751	203,844	196,560	263,933
Total Expenditures	<u>4,227,945</u>	<u>3,256,424</u>	<u>3,525,638</u>	<u>3,376,220</u>	<u>3,265,571</u>
Excess of Revenues over Expenditures	173,360	712,281	521,431	571,077	411,892
<u>Other Sources (Uses):</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,238</u>
Excess of Revenues over Expenditures and Other Uses:	<u>\$ 173,360</u>	<u>\$ 712,281</u>	<u>\$ 521,431</u>	<u>\$ 571,077</u>	<u>\$ 427,130</u>
DEBT SERVICE FUND:					
<u>Revenues:</u>					
Tax Revenue	\$ 369,232	\$ 378,390	\$ 369,775	\$ 373,145	\$ 379,133
Interest & Misc.	16,555	3,495	1,875	3,699	7,060
Total Revenues	<u>385,787</u>	<u>381,885</u>	<u>371,650</u>	<u>376,844</u>	<u>386,193</u>
<u>Expenditures:</u>					
Purchased & Contracted Services	17,221	16,996	18,523	18,109	18,062
Debt Service & Related Costs	346,550	348,750	348,450	348,050	347,550
Miscellaneous	0	0	0	0	0
Total Expenditures	<u>363,771</u>	<u>365,746</u>	<u>366,973</u>	<u>366,159</u>	<u>365,612</u>
Excess of Revenues over Expenditures	22,016	16,139	4,677	10,685	20,581
<u>Other Sources (Uses):</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Resources over Expenditures:	<u>\$ 22,016</u>	<u>\$ 16,139</u>	<u>\$ 4,677</u>	<u>\$ 10,685</u>	<u>\$ 20,581</u>
Total Active Retail Water and/or Wastewater Connections	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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PERCENT OF FUND TOTAL REVENUES

<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
38.2%	39.6%	41.6%	42.7%	45.4%
40.0%	42.9%	40.6%	39.3%	37.1%
5.1%	0.8%	0.3%	0.7%	1.7%
15.5%	16.4%	16.9%	16.4%	15.2%
1.2%	0.3%	0.6%	1.0%	0.5%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
30.7%	32.5%	34.5%	34.5%	35.8%
29.4%	29.6%	29.6%	29.5%	30.1%
2.9%	2.7%	3.7%	4.2%	2.5%
6.6%	5.2%	4.8%	3.8%	2.7%
5.5%	5.5%	4.4%	3.6%	4.9%
5.7%	5.3%	4.9%	4.7%	5.4%
0.2%	0.3%	0.3%	0.2%	0.2%
15.1%	1.0%	5.0%	5.0%	7.2%
<u>96.1%</u>	<u>82.1%</u>	<u>87.1%</u>	<u>85.5%</u>	<u>88.8%</u>
3.9%	17.9%	12.9%	14.5%	11.2%
0.0%	0.0%	0.0%	0.0%	0.4%
<u>3.9%</u>	<u>17.9%</u>	<u>12.9%</u>	<u>14.5%</u>	<u>11.6%</u>
95.7%	99.1%	99.5%	100.4%	102.0%
4.3%	0.9%	0.5%	1.0%	1.8%
<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>101.4%</u>	<u>103.8%</u>
4.5%	4.5%	4.9%	4.7%	4.7%
89.8%	91.3%	93.8%	93.6%	93.5%
0.0%	0.0%	0.0%	0.0%	0.0%
<u>94.3%</u>	<u>95.8%</u>	<u>98.6%</u>	<u>98.4%</u>	<u>98.2%</u>
5.7%	4.2%	1.4%	3.0%	5.6%
0.0%	0.0%	0.0%	0.0%	0.0%
<u>5.7%</u>	<u>4.2%</u>	<u>1.4%</u>	<u>3.0%</u>	<u>5.6%</u>
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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SOUTH TEXAS WATER AUTHORITY
INSURANCE COVERAGE
SEPTEMBER 30, 2023

<u>TYPE OF COVERAGE</u>	<u>TYPE OF CORPORATION</u>	<u>POLICY CLAUSE: CO-INSURANCE</u>	<u>AMOUNT OF COVERAGE</u>	<u>INSURER'S NAME</u>
Worker's Compensation	Governmental Pool	No	Statutory	Texas Municipal League
General Liability	Governmental Pool	No	\$ 5,000,000 10,000,000 Agg.	Texas Municipal League
Automobile Liability	Governmental Pool	No	\$ 2,000,000	Texas Municipal League
Errors & Omissions Liability	Governmental Pool	No	\$ 4,000,000 Aggregate \$ 2,000,000 Per Claim	Texas Municipal League
Property Coverage	Governmental Pool	No	\$ 5,612,586	Texas Municipal League
Portable Equipment	Governmental Pool	No	\$ 72,532	Texas Municipal League
Mobile Equipment	Governmental Pool	No	\$ 343,783	Texas Municipal League
Auto Physical Damage	Governmental Pool	No	Actual Cash Value	Texas Municipal League
Board of Directors Surety Bond	Stock	No	\$ 10,000 ea.	Western Surety Company
Notary E & O	Stock	No	\$ 10,000	Western Surety Company
Employee Dishonesty	Stock	No	\$ 25,000	Western Surety Company
Employee Dishonesty (Pension Plan)	Stock	No	\$ 200,000	Western Surety Company

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FOR DISCUSSION PURPOSES ONLY

SOUTH TEXAS WATER AUTHORITY
 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
 SEPTEMBER 30, 2023

SOUTH TEXAS WATER AUTHORITY
 2302 SAGE ROAD
 KINGSVILLE, TEXAS 78363
 (361) 592-9323

NAME AND ADDRESS	TERM OF OFFICE ELECTED & EXPIRES OR DATE HIRED		FBES	EXPENSE REIMBURSEMENTS	TITLE AT YEAR END	RESIDENT OF DISTRICT?
BOARD MEMBERS:						
Rudy Galvan 217 JayVee Kingsville, TX 78363	(Appointed) 04-01-23 / 04-01-25		\$ 550.00	-0-	Director	Yes
Kathleen Lowman 6246 FM 70 Bishop, TX 78343	(Appointed) 04-01-23 / 04-01-25		\$ 600.00	-0-	Director	Yes
Imelda Garza 238 N. CR 1016 Kingsville, TX 78363	(Appointed) 04-01-23 / 04-01-25		\$ 600.00	-0-	Sec./Treas.	Yes
Patsy Rodgers P.O. Box 221 Agua Dulce, TX 78330	(Appointed) 04-01-22 / 04-01-24		\$ 550.00	-0-	Director	Yes
Frances Garcia 2207 Colorado Kingsville, TX 78363	(Appointed) 04-01-22 / 04-01-24		\$ 550.00	-0-	Vice-President	Yes
Jose M. Graveley 343 W. CR 2170 Kingsville, TX 78363	(Appointed) 04-01-23 / 04-01-25		\$ 750.00	-0-	President	Yes
Brandon W. Barrera 1809 W. Sage Rd. Kingsville, TX 78363	(Appointed) 04-01-22 / 01-01-23		\$ 150.00	-0-	President (resigned)	Yes
Joe Morales 311 E. 2nd Street Bishop, TX 78343	(Appointed) 04-01-22 / 04-01-24		\$ 750.00	\$238	Director	Yes
Angela Pena P.O. Box 262 Driscoll, TX 78351	(Appointed) 04-01-23 / 04-01-25		\$ 350.00	-0-	Director	Yes
Arturo Rodriguez 203 W. CR 2180 Kingsville, TX 78363	(Appointed) 01-17-23 / 04-01-24		\$ 450.00	-0-	Director	Yes

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NOTE: NO DIRECTOR HAS ANY DIRECT BUSINESS OR FAMILY RELATIONSHIPS (AS DEFINED BY THE TEXAS WATER CODE) WITH MAJOR LAND-OWNERS IN THE DISTRICT, WITH THE DISTRICT'S DEVELOPER, OR WITH ANY OF THE DISTRICT'S CONSULTANTS.

SOUTH TEXAS WATER AUTHORITY
 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
 SEPTEMBER 30, 2023

NAME AND ADDRESS	TERM OF OFFICE		EXPENSE REIMBURSEMENTS	TITLE AT YEAR END	RESIDENT OF DISTRICT?
	ELECTED & EXPIRES OR DATE HIRED	FEES			
KEY ADMINISTRATIVE PERSONNEL:					
Edward John Marez JMAR Management Consulting, LLC 521 Vacy Street Corpus Christi, TX 78404	07-21	\$100,000	-0-	Administrator	No
Jo Ella Wagner 2302 East Sage Road Kingsville, TX 78363	08-95	-0-	-0-	Assistant Executive Director/ Finance Manager	Yes
Frances DeLeon 2302 East Sage Road Kingsville, TX 78363	09-04	-0-	-0-	Business/Risk Manager	Yes
Nigel Gomez 2302 East Sage Road Kingsville, TX 78363	09-11	-0-	-0-	O & M Supervisor	Yes
INVESTMENT OFFICERS:					
Jo Ella Wagner 2302 East Sage Road Kingsville, TX 78363	08-95	-0-	-0-	Assistant Executive Director/ Finance Manager	Yes
CONSULTANTS:					
ICE-International Consulting Engineers 261 Saratoga Blvd Corpus Christi, TX 78417	01-22	\$134,859	\$368,870	Engineers	No
John Womack & Co., P.C. Certified Public Accountants P. O. Box 1147 Kingsville, TX 78364	03-90	\$9,500	-0-	Independent Auditors	Yes

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Yes
 Yes

SOUTH TEXAS WATER AUTHORITY
 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
 SEPTEMBER 30, 2022

NAME AND ADDRESS	TERM OF OFFICE		FEES	EXPENSE REIMBURSEMENTS	TITLE AT YEAR END	RESIDENT OF DISTRICT?
	ELECTED & EXPIRES	OR DATE HIRED				
Vicky Valadez Kleberg County Tax Office P. O. Box 1457 Kingsville, TX 78364	08-81		\$25,074	-0-	Tax Collector	Yes
Kevin Keischnick Nueces County Tax Office Nueces Co. Courthouse Suite 301 Corpus Christi, TX 78401	08-81		\$43,083	-0-	Tax Collector	No
Kleberg Co. Appraisal District P. O. Box 1027 Kingsville, TX 78364	08-81		\$20,323	-0-	Appraiser	Yes
Nueces Co. Appraisal District 201 N. Chaparral Suite 206 Corpus Christi, TX 78401	08-81		\$11,076	-0-	Appraiser	No
Robert Viera Ardurra/LNV 801 Navigation, STE 300 Corpus Christi, TX 78408	10-13		\$0	-0-	Engineers	No
Bill Flickinger Willatt & Flickinger, PLLC 12912 Hill Country Blvd. Suite F-232 Austin, TX 78738	03-83		\$5,285	-0-	Attorneys	No
Hilltop Securities Ann Burger Entrekin 211 E. Seventh, Suite 707 Austin, TX 78701	07-84		\$2,500	-0-	Financial Advisors	No

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ATTACHMENT 2

Resolution 23-01

SOUTH TEXAS WATER AUTHORITY

Resolution 24-01

A RESOLUTION ACCEPTING THE FISCAL YEAR 2023 AUDIT PREPARED BY JOHN WOMACK & CO., P.C. OF KINGSVILLE, TEXAS.

WHEREAS, the South Texas Water Authority is a functioning Reclamation and Conservation District established by the Texas Legislature, and

WHEREAS, the South Texas Water Authority is required to submit an annual audit in accordance with the Financing Reporting Requirements as established by the Texas Commission on Environmental Quality, and

WHEREAS, the Authority has received and reviewed the Fiscal Year 2023 Audit.

NOW, THEREFORE, BE IT RESOLVED that the South Texas Water Authority Board of Directors accepts the audit prepared by John Womack & Co., P.C. of Kingsville, Texas, for submission to the Texas Commission on Environmental Quality.

Duly adopted this 23rd day of January, 2024.

JOSE M. GRAVELEY, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENTS 3 – 6

Resolution 24-02 and Service Agreements

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Admin
Date: January 19, 2024
Topic: Consideration and Approval of Agenda Items 5-8, Including Resolution 24-02

Background:

During the meeting on December 5, 2023, the STWA board granted approval for the public release of the Request for Proposal (RFP) and Request for Qualifications (RFQ) statements, including the Statement of Qualifications (SOQ) for services such as Financial Advisory, Bond Counsel, Engineering, and Administrative. This initiative by the STWA aims to finalize the Texas Water Development Board's (TWDB) funding for State Revolving Funds (SRF) that have been allocated to the Authority's water system. Subsequently, on January 3, 2024, the STWA Selection Committee, consisting of Board Officers, convened to assess the applications, and the four selected firms are outlined in the Application Resolution (attachment).

Analysis:

STWA's two prior truck acquisitions amounted to nearly \$60,000 each. The latest bids for the current purchase stand at around \$42,000 per truck. The new proposal, featuring 6-cylinder engines, has resulted in bids that offer significant savings of approximately \$18,000 per vehicle compared to the previously awarded bids.

All bids meet minimum specifications as approved by the board and outlines by staff.

Staff Recommendation:

Consideration and Approval of Resolution (24-02) listing the Financial Advisory Services Contract, Bond Counsel Contract, Engineering Contract, Administrative Contract pursuant to a Request for Proposal (RFP).

Board Action:

Approve the firms listed in the resolution to carry their separate functions on behalf of the STWA to complete the TWDB Drinking Water State Revolving Fund. (attached)

Summary:

The approval of these firms marks the completion of the last steps in preparing the STWA application for funding to the TWDB. The application deadline is January 29, 2024, providing STWA and its partner firms, as listed in this resolution, with sufficient time to finalize all required paperwork and submit the necessary data according to the state's application process. This represents the concluding phase required to qualify for the anticipated \$7.8 million in improvements for the three water systems (South Texas Water Authority, Nueces Water Supply Corporation, Ricardo Water Supply Corporation).

CERTIFICATE FOR RESOLUTION

We, the undersigned President and Secretary of the South Texas Water Authority (the "Authority"), hereby certify as follows:

1. The Board of Directors of the Authority (the "Board") convened in regular session, open to the public, on January 23, 2024 (the "Meeting"), at the designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to wit:

Jose M. Graveley, President
Frances Garcia, Vice President
Imelda Garza, Secretary/Treasurer
Rudy Galvan, Jr., Director
Kathleen Lowman, Director

Joe Morales, Director
Angela N. Peña, Director
Patsy Rodgers, Director
Art Rodriguez, Director

and all of said persons were present, except _____, thus constituting a quorum. Whereupon among other business, the following was transacted at the Meeting: a written Resolution entitled:

RESOLUTION BY THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE FILING OF AN APPLICATION FOR ASSISTANCE; AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

(the "Resolution") was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Resolution be finally passed and adopted; and after due discussion, such motion, carrying with it the adoption of the Resolution prevailed and carried by the following vote:

YES: _____ NOES: _____ ABSTENTIONS: _____

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the City Council's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the City Council's minutes of the Meeting pertaining to the adoption of the Resolution; the persons named in the above and foregoing paragraph are duly chosen, qualified, and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for adoption at the Meeting and each of such officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY ON JANUARY 23, 2024.

Secretary

President

(AUTHORITY SEAL)

RESOLUTION

RESOLUTION BY THE BOARD OF DIRECTORS OF THE SOUTH TEXAS WATER AUTHORITY REQUESTING FINANCIAL ASSISTANCE FROM THE TEXAS WATER DEVELOPMENT BOARD; AUTHORIZING THE FILING OF AN APPLICATION FOR ASSISTANCE; AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

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

SECTION 1. That an application is hereby approved and authorized to be filed with the Texas Water Development Board seeking financial assistance in an amount not to exceed \$8,000,000 to provide for the replacement and rehabilitation of three water pumps including needed valves, water lines, generators and any other accompanying infrastructure in the Ricardo Water Supply Corporation Service area and two water pumps including needed valves, water lines, generators and any other accompanying infrastructure in the Nueces Water Supply Corporation service area.

SECTION 2. That John Marez, Administrator, be and is hereby designated the authorized representative of the South Texas Water Authority for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board.

SECTION 3. That the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of an represent the South Texas Water Authority before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor: Estrada Hinojosa & Company, Inc.
1508 South Lone Star Way, Suite 1
Edinburg, Texas 78539

Engineer: ICE Engineers
261 Saratoga Boulevard
Corpus Christi, Texas 78417

Bond Counsel: Winstead PC
112 East Pecan Street, Suite 725
San Antonio, Texas 78205

Administrator: Water Finance Exchange
84 Northeast Loop 410, Suite 277
San Antonio, Texas 78216

PASSED AND APPROVED, this the 23rd day of January, 2024.

ATTEST: By: /s/ Imelda Garza
Secretary

By: /s/ Jose M. Graveley
President

(AUTHORITY SEAL)

ATTACHMENT 7

Minutes

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
December 5, 2023
Minutes

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Rudy Galvan, Jr.
Kathleen Lowman
Joe Morales
Art Rodriguez

Board Members Absent:

Patsy Rodgers
Angela Pena

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner

Guests Present:

Rogelio Rodriguez, Water Finance Exchange
Gabriel Ramirez, CEC

1. Call to Order.

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

2. Citizen Comments.

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

3. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the October 24, 2023 Regular Meeting as presented. Mr. Rodriguez seconded. The motion passed by unanimous vote.

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

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

STWA Investment Report for Quarter ended September 30, 2023
Treasurer's Report for period ending September 30, 2023
Revenue Fund Income Statement for period ending September 30, 2023
Tax Fund Income Statement for period ending September 30, 2023
Special Services Income Statement for period ending September 30, 2023
STWA Revenue Fund Balance Sheet – September 30, 2023
STWA Revenue Fund Trial Balance for September, 2023
STWA Debt Service Fund Income Statement for period ending September 30, 2023
STWA Debt Service Fund Balance Sheet – September 30, 2023
STWA Debt Service Fund Trial Balance – September, 2023
STWA Capital Projects Fund Income Statement for period ending September 30, 2023

STWA Capital Projects Fund Balance Sheet – September 30, 2023
STWA Capital Projects Fund Trial Balance – September, 2023
STWA 2012 Bond Election Report
Anticipated vs Actual Water Rate Charged and Net Revenue Worksheets
The following invoices were presented for Board approval:

• International Consulting Engineers	\$ 15,727.72
• Nueces County Appraisal District	\$ 2,980.00
• Kleberg County Appraisal District	\$ 5,922.01

Mr. Galvan made a motion to approve the Quarterly Report. Ms. Garza seconded. The motion passed unanimously.

Ms. Wagner presented an updated FY 2023 budget reflecting numbers that did not show up at the bottom of the budget that was previously presented. Mr. Morales made a motion to approve the updated FY 2023 budget, Ms. Garza seconded and all voted in favor. Mr. Galvan then made a motion to approve the Treasurer's Report and payment of the bills as presented. Ms. Garza seconded and all voted in favor.

5. Operation and Maintenance Reports.

Mr. Marez presented O&M reports for the weeks of October 2, 2023 through November 20, 2023. The Board reviewed the reports but had no questions or comments.

6. Water Finance Exchange – Review of proposed project list.

Mr. Rogelio Rodriguez of Water Finance Exchange presented a review of activities over the past year relating to the master plan and financing application. He reported that STWA has been invited to apply for \$7,829,762.00 in funding at 70% grant level. He added that as funding is accepted or declined by other applicants, the grant level could change. Water Finance Exchange will only get paid if TWDB funding is awarded. He stated that he feels that applying for funding for the remaining project plan will be easier going forward. The application deadline for the latest funding period is March of 2024.

7. Resolution 23-34. Resolution to Proceed with State Fiscal Year 2024 Drinking Water State Revolving Fund (DWSRF) Application Invitation.

Mr. Morales made a motion to adopt Resolution 23-34. Mr. Galvan seconded. All voted in favor.

8. Discussion of distribution of RFQ for Administrative Services for improvement projects funded through the Texas Water Development Board Drinking Water State Revolving Fund.

Mr. Rodriguez also introduced an RFQ for Administrative Services. He stated that this was only informational at this time. No action was taken by the Board.

9. Changes to specifications for Fiscal Year 2024 pickup trucks.

Mr. Marez stated that after further review, O&M Supervisor Patrick Sendejo requested that the truck specifications be amended to show that a V-6 engine would be acceptable. The specifications have been revised showing the change to V-6 as a minimum. Mr. Marez also asked that the Board authorize allowing staff to make minor changes to the specifications in the future in order to avoid delaying the process. Mr. Rodriguez made a motion to authorize staff to submit bid proposals for two half-ton pickup trucks based on the updated specifications and allow staff to make minor changes to the specifications without requiring presentation to the Board which could cause delays. Mr. Galvan seconded. All voted in favor.

10. Kleberg County Appraisal District Board of Directors election and casting of votes.

Mr. Marez presented the ballot for casting of votes for the Kleberg County Appraisal District Board of Directors. He said the ballot lists six candidates to fill five positions. The Authority was allotted 125 votes which can be cast for one candidate or distributed among different candidates.

11. Resolution 23-35. Resolution casting the South Texas Water Authority's votes for election of Kleberg County Appraisal District Board Members.

Mr. Galvan made a motion to approve Resolution 23-35 casting STWA's 125 votes for Frances Garcia. Ms. Garza seconded. The motion passed by unanimous vote.

12. Minimum hourly pay for full-time positions.

Mr. Marez stated that after adoption of the FY 2024 budget, he discovered an oversight regarding minimum hourly pay for full-time employees. He stated that his intention was to implement a \$15 per hour minimum wage for all employees but one employee remains below that amount. He asked that the Board consider bringing this position up to the recommended \$15 wage either at this meeting or half-way into the budget year. He explained that it would be effective when approved and would not include retroactive pay. Mr. Rodriguez made a motion to approve the adoption of a \$15 per hour minimum pay for all full-time employees. Mr. Galvan seconded and the motion passed by unanimous vote.

13. Petitions for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place.

- Victor Lee Castro and Jennifer Lee Salinas – 0.666 acre, more or less, tract of land also being known as Tract 9, Cyndie Park Unit 1, Nueces County, Texas
- Maria De Jesus Estrada – Southwesterly one-half of Tract 17, all of Tracts 18 and 19, and the Northeasterly one-half of Tract 20, Cyndie Park Unit 2, Nueces County, Texas

The Board reviewed the two Annexation Petitions. The property owners recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries and filed Annexation Petitions to begin the process of obtaining water service on the

properties. Mr. Marez recommended approval of Resolution 23-36 and 23-37 setting the Public Hearings on January 23, 2024 at 5:30 p.m. at the STWA conference room.

14. **Resolution 23-36.** 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. (Victor Lee Castro and Jennifer Lee Salinas).
15. **Resolution 23-37.** 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. (Maria De Jesus Estrada).

Ms. Lowman made a motion to adopt Resolutions 23-36 and 23-37 setting the Public Hearing on January 23, 2024 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notices. The motion was seconded by Mr. Rodriguez and passed unanimously.

16. **Appointment of STWA COG Member.**

Mr. Marez reported that Mr. Morales is not able to continue serving on the Council of Governments due to other obligations and asked that the Board appoint a replacement. Mr. Graveley made a motion to appoint Frances Garcia as STWA's representative on the COG and Mr. Rodriguez as an alternate. Ms. Garza seconded. The motion passed by unanimous vote,

17. **TCAP Board of Directors Ballot.**

Mr. Marez presented a ballot for the 2024-2025 TCAP Board of Directors election. The ballot listed eight candidates and allows for no more than seven votes. Ms. Lowman made a motion to cast one vote for each of the candidates with the exception of John Beckmeyer. Mr. Rodriguez seconded. The motion passed by unanimous vote.

18. **Evaluation of STWA Administrator.**

Mr. Marez asked to move this item after the Administration Report.

19. **Administration Report.**

Mr. Marez introduced Mr. Gabriel Ramirez of CEC who was present as a guest. Mr. Ramirez attended in order to listen to the Water Finance Exchange presentation. He holds Class A licenses in both water and wastewater. He has assisted field staff on a recent incident and has offered his assistance where needed. Mr. Marez also reported that interviews are being scheduled to fill the current vacancies.

20. Adjournment.

Ms. Garza made a motion to adjourn the meeting at 7:08 p.m. Mr. Rodriguez seconded. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 8

Payment of Bills



Kevin Kieschnick

Nueces County Tax Assessor-Collector
901 Leopard St. Suite 301
Corpus Christi, TX 78401

Invoice

Date	Invoice #
1/2/2024	1044

Bill To
South Texas Water District C/O Jo Ella Wagner 2302 E Sage RD Kingsville, TX 78363

RECEIVED

JAN 4 2024

SOUTH TEXAS WATER AUTHORITY

Item	Description	Quantity	Rate	Terms
				Due on receipt
				Amount
2023 Collection Fee	Ad Valorem Tax Collection Fee November 2023	2,199	1.3377	2,941.60
Total				\$2,941.60

Please Make Checks Payable To:
NUECES COUNTY TAX ASSESSOR-COLLECTOR

Total

\$2,941.60

ATTACHMENT 9

O&M Report

Memorandum

To: South Texas Water Authority Board of Directors and John Marez, Administrator
From: Patrick Sendejo, O&M Manager
Date: December 22, 2023
Re: O&M Activities

During the Week of December 4th:

Admin:

- Review GPS Records
- City Gallons Report
- Water Loss Report
- STWA BoD
- TRWA Apprenticeship Weekly Hours Update
- Basic Water Training/Locate Training/CSI Training/Standard Operation Procedure Training.

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
- Meter Readings – RWSC
- Remote Meter Readings - NWSC
- Completed service orders for NWSC & RWSC
- Put Driscoll Rural Chlorine Booster Back Online.
- Leak Repair on GST @ PS#1-RWSC
- Start Construction of leak repair on CR 4 & HWY77 to remove 400FT of 8IN water main from under highway to be replaced including a replacement 8IN valve and install a new 8IN valve on both sides of the HWY77. – Contracted Clark Pipeline.
- Completed Taps - (Scheduled for January 2024)

Safety & Maintenance:

Safety Meeting:

(Open crew discussion of safety concerns, and Crew discussions on all aspects of preventative maintenance, which includes time for any Q&A.)

- Generators – Exercise Transfer Switch
- Weekly Preventative Maintenance – Heavy Equipment, Lawn care equipment, Leak equipment, Pump-station equipment.
- Disinfect Pump Stations
- Lawn care at Office and Pumpstations.

Office AC Maintenance, Main AC Filter Change out & Clean Ice Machine
Daily Vehicle Maintenance Report – Interior, Exterior & Under the Hood
Inspections

Cathodic Protection:

Weekly Monitoring of Rectifiers

During the Week of December 11th:

Admin:

Christmas Party.

NWSC & RWSC BoD

Review GPS records

TRWA Apprenticeship Weekly Hours Update

TRWA Apprenticeship Visit – w/Jacquelyn Knobloch

Basic Water Training/Locate Training/CSI Training/ Standard Operation
Procedure Training.

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

Locates – STWA, RWSC, NWSC– Gerke Excavation exposed RWSC
Transmission Line on Santa Gertrudis St. to install sewer main.

Completed Service Orders for NWSC and RWSC

Leak Repair on GST @ PS#1-RWSC

Continue Construction of leak repair on CR 4 & HWY77 to remove 400FT of 8IN
water main from under highway to be replaced including a replacement
8IN valve and install a new 8IN valve on both sides of the HWY77. –
Contracted Clark Pipeline

DR 900 Calibration

Completed Taps - (Scheduled for January 2024)

Safety & Maintenance:

Safety Meeting:

**(Open crew discussion of safety concerns, and Crew
discussions on all aspects of preventative maintenance, which includes time
for any Q&A.)**

Generators – Exercise Transfer Switch

Weekly Preventative Maintenance – Heavy Equipment, Lawn care equipment,
Leak equipment, Pump-station equipment.

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

Cathodic Protection:

Weekly Monitoring of Rectifiers

During the Week of December 18th:

Admin:

Review GPS records
TRWA Apprenticeship Hour Updates
Basic Water Training/Locate Training/CSI Training/Standard Operation
Procedure Training.
Interviews for CP/Field Technician

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
Weekly CL 17 Verification
Locates – STWA, RWSC, NWSC
Completed service orders for NWSC and RWSC
Repair EST Setpoints @ PS#2-RWSC – Contracted Mercer to install Mercoid
Switches to replace previous display operating setpoints.
Stop leak on ARV @ FM 2826 in manhole. Requested quotes from Clark pipeline
to repair ARV.
Lockouts – NWSC
DR900 Calibration
Completed Taps – (Scheduled for January 2024)

Safety & Maintenance:

Safety Meeting:

(Open crew discussion of safety concerns, Crew discussions on
all aspects of preventative maintenance, which includes time for any Q&A.)

Generators – Exercise Transfer Switch

Weekly Preventative Maintenance – Heavy Equipment, Lawn care equipment,
Leak equipment, Pump-station equipment.

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

Cathodic Protection:

Weekly Monitoring of Rectifiers

During the Week of December 25th:

Admin:

Christmas Holiday
Review GPS records
TRWA Apprenticeship Hour Updates
GIS Mapping
Basic Water Training/Locate Training/CSI Training/ Standard Operation
Procedure Training.

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
Construction completed on CR 4 & HWY77 to remove 400FT of 8IN water main
from under highway to be replaced including a replacement 8IN valve and
install a new 8IN valve on both sides of the HWY77. – Contracted Clark
Pipeline
Lockouts – RWSC
Flushing – NWSC & RWSC
Completed Taps – (Scheduled for January 2024)

Safety & Maintenance:

Safety Meeting:
**(Open crew discussion of safety concerns, and Crew
discussions on all aspects of preventative maintenance, which includes time
for any Q&A.)**
Generators – Exercise Transfer Switch
Weekly Preventative Maintenance – Heavy Equipment, Lawn care equipment,
Leak equipment, Pump-station equipment.
Daily Vehicle Maintenance Report - Interior, Exterior & Under the Hood
Inspections

Cathodic Protection:

Weekly Monitoring of Rectifiers

ATTACHMENT 10

Truck Bids

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Admin
Date: January 19, 2024
Topic: Award Bids for Purchase of two Fiscal Year 2024 Pickup Trucks 4-Door Crew or Extended Cab Standard Bed – Gas Engine

Background:

On the December 1, 2023 meeting, the board approved minor specification changes of replacement trucks for the oldest portions of the STWA fleet of vehicles. Due to these minor changes to the engine type, we received bids that demonstrate a significant decrease in truck prices compared to our prior two purchases.

Analysis:

STWA's two prior truck acquisitions amounted to nearly \$60,000 each. The latest bids for the current purchase stand at around \$42,000 per truck. The new proposal, featuring 6-cylinder engines, has resulted in bids that offer significant savings of approximately \$18,000 per vehicle compared to the previously awarded bids.

All bids meet minimum specifications as approved by the board and outlines by staff.

Staff Recommendation:

Review and award a winning bid. Determine whether to proceed with the lowest bid.

Board Action:

Award the winning bid and authorize staff to execute the purchase of two vehicles based on the best offer provided. (attached)

Summary:

The acquisition of both vehicles falls within the budget limits approved by the board for Fiscal Year 23/24. This equipment will provide the field staff with a dependable means of transportation to access worksites. There is a substantial savings of nearly \$36,000 for the purchase under this bid when compared to our two previous purchases. The board's decision to modify the specifications of the truck, without sacrificing the quality of the vehicle, allows the Authority to provide a substantial savings for this year's budget.

SOUTH TEXAS WATER AUTHORITY BID FORM

Please submit bid(s) for one or two trucks below:

THIS FORM MUST BE COMPLETED AND RETURNED AS PART OF YOUR BID

Do not include Federal Tax or State Sales Tax. The necessary exemption certificate will be issued upon request.

Truck 1:

One (1) 2023 or 2024 Work Truck \$ 42,986
½ Ton 4x2 or 4x4 4-Door Cab Standard-Bed Pickup Truck (Gas Engine)

Time needed for delivery from date of award: 3 days.

Bid includes the following additional incentives:

This is the out the door pricing

Truck 2:

One (1) 2023 or 2024 Work Truck \$ 42,986
½ Ton 4x2 or 4x4 4-Door Cab Standard-Bed Pickup Truck (Gas Engine)

Time needed for delivery from date of award: 3 days.

Bid includes the following additional incentives:

This is the out the door pricing

I certify that the Pickup Trucks to be delivered under this proposal will meet or exceed all of the minimum specifications and conditions set forth by the South Texas Water Authority, Kingsville, Texas.

Dated this 16th day of January, 2024

Sames Ford
BIDDING FIRM

By: Frank Treadwell

MOTOR VEHICLE BUYER'S ORDER

Seller: **SAMES FORD** Salesperson _____ Date **01/16/2024**
 Buyer: **SOUTH TEXAS WATER AUTHORITY** Residence Phone **361/592-9323** Bus. Phone _____ E-mail _____
 Address **PO BOX 1701** City **KINGSVILLE** State **TX** Zip **78364-1701**

Expected date of delivery is **01/16/2024** or as soon thereafter as possible. It is agreed that neither the Seller nor the Manufacturer/Distributor is liable for failure of effect delivery.

Buyer offers to purchase from Seller under the terms and conditions specified, the following described motor vehicle:

DESCRIPTION OF SALE UNIT:		PRICE OF UNIT and Registration Fee: \$ 42750.00
<input checked="" type="checkbox"/> New	Year of Make: FORD Color: OXFORD WHITE	Manufacturer's Contribution and Inc. Fees: \$ N/A
<input checked="" type="checkbox"/> Demo	Model: F150 Stock No.: F59406	Vehicle Buyer's Credit Incentive Fee: \$ N/A
<input type="checkbox"/> Executive/Official	Cyl.: 101A Upholstery: _____	Vehicle Buyer's Credit Incentive Fee: \$ N/A
<input type="checkbox"/> Used	Body Style: PK Odometer: 4	Priority Sales Incentive Fee: Dealer's Incentive: \$ N/A
Year: 2023 VIN: 1FTEW7CP4PKG13658	Key Nos.: _____	Business or Government Use Incentive: \$ N/A

USED CAR TRADE-IN:	Year: _____ Model: _____	Sub-Total: \$ 42750.00
BE CHARGED TO BUYER	Cylinders: _____ Body Style: _____ License No.: _____	Rebate: \$ N/A
MIN. AMOUNT: _____	Odometer Reading: _____	Trade-In: \$ N/A
Lienholder: _____	Lienholder Address: _____	Sub-Total: \$ 42750.00
Drafting Instructions Received From: _____ Date: _____	Child support Lien: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Amount: \$ _____	Dealer's Inventory Tax, any kind by Seller: \$ N/A
Restitution Lien: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Amount: \$ _____	Payable to: _____	State Motor Vehicles Sales Tax: \$ N/A
Appraised Value of Trade-In: \$ _____ Title: Reconditioned <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Trade-In Allowance paid by the dealer: N/A	Other Taxes, including title, computer parts: \$ N/A

Balance Owed on trade-in charges by the: N/A	Rebuilt Salvage: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Government License and/or Registration Fee: \$ 178.25
Net Allowance on Trade-In: \$ _____	Non-repairable: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Government Certificate of Title Fee: \$ 40.75
Trade-In Allowance paid by the dealer: N/A	Flood Damaged: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Government imposed on a consumer by the government: \$ 7.00
Balance Owed on trade-in charges by the: N/A	Rebuilt Salvage: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Government Emission Inspection Fee: \$ N/A

Net Allowance on Trade-In: \$ _____	Non-repairable: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Deputy Service Fee: Paid to Dealer: \$ 10.00
Trade-In Allowance paid by the dealer: N/A	Flood Damaged: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Documentary Fee (See panel at lower left): \$ N/A
Balance Owed on trade-in charges by the: N/A	Rebuilt Salvage: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Less Cash With Order: \$ N/A
Net Allowance on Trade-In: \$ _____	Non-repairable: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Add Balance Owed on Trade-In: \$ N/A
Trade-In Allowance paid by the dealer: N/A	Flood Damaged: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Unpaid Balance as Seller has relied: \$ 42986.00

DOCUMENTARY FEE IS NOT AN OFFICIAL FEE, AND BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS RELATING TO THE SALE. A DOCUMENT FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW.

DISCLAIMER OF WARRANTIES
 The above described vehicle sold by Seller is sold as-is, without either express or implied warranties of any kind by Seller, including warranties of merchantability or fitness, and Buyer will bear the entire expense of repairing or correcting any defects that presently exist or that may occur in the vehicle, unless a written warranty by, or service contract with Seller covering the described vehicle, is delivered to Buyer in conjunction with or within 90 days following the time of the sale, but such vehicle or any of its component parts may be subject to warranty by the manufacturer thereof.

****The Dealer's Inventory Tax charge is intended to reimburse the dealer for ad valorem taxes on its motor vehicle inventory. The charge, which is paid by the dealer to the county tax assessor-collector, is not a tax imposed on a consumer by the government, and is not required to be charged by the dealer to the consumer.**

Used Car Buyers Guide. The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions on the contract of sale. La informacion que aparece en la ventanilla de este vehiculo forma parte de este contrato. La informacion contenida en el formulario de la ventanilla anula cualquier provision que establezca lo contrario y que aparezca en el contrato de venta.

If a credit purchase, this is an offer to purchase only, Buyer offers to purchase vehicle on credit on terms described herein and no contractual relationship is created. This order does not constitute an agreement for the extension of credit.

Manufacturer/Distributor reserves the right to change the price of new vehicles to Seller without notice. In the event that the price to Seller of the new vehicle ordered hereunder is changed prior to delivery to Buyer, Buyer agrees and accepts that the cash delivered price will be changed accordingly.

If the Buyer's used car trade-in is not delivered to the Seller until delivery of the new vehicle, the trade-in will be reappraised at that time and Buyer agrees that such reappraised value shall determine the allowance, if any, made for the trade-in. Buyer agrees to deliver the original bill of sale and the title to any trade-in along with the delivery of the trade-in and further agrees to execute any and all documents necessary or required to transfer legal title and ownership to Seller or its assigns. Buyer warrants the trade-in to be his property and free and clear of all liens and encumbrances except as otherwise noted herein. Buyer further warrants that the trade-in has not been declared rebuilt salvage, reconditioned, non-repairable, or flood damaged and that the emission systems have not been tampered with and are in the condition as originally manufactured, excepted for ordinary wear, unless so disclosed.

Seller makes no representations concerning fuel economy of the sale unit and any information pasted on the sale unit or contained in literature relating to the same reflect the results of tests performed, required or prescribed by government agency, upon which seller has relied.

It is expressly agreed to and understood by Buyer and Seller that in the event of a noncredit transaction, Seller retains a security interest in the purchased vehicle until such time as Buyer has paid the Seller for the vehicle. Buyer agrees to all above listed charges.

Seller's Signature _____ Buyer's Signature _____ Date **01/16/2024**

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KAN-004097 TX

9-NORMAL, NB, 204097, PL292 12820

220231208 3937

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CERT CERT TRD RAMP BUMP CAMP BOOK EXFL ROTA

018493
1952/3885

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PKG13658 NB

CU13



ford.com

VEHICLE DESCRIPTION

F-150

2023 F-150 4X2 SUPERCREW
145" WHEELBASE
2.7L V6 ECOBOOST
ELEC TEN-SPEED AUTO W/TOW M

PK G13658

EXTERIOR
OXFORD WHITE
INTERIOR
BLACK SPORT CLOTH40/CON/40

STANDARD EQUIPMENT INCLUDED AT NO EXTRA CHARGE

EXTERIOR

- DAYTIME RUNNING LAMPS
- EASY FUEL CAPLESS FILLER
- FULLY BOXED STEEL FRAME
- HALOGEN HEADLAMPS
- HEADLAMPS - AUTO HIGH BEAM
- HEADLAMPS - AUTOLAMP (ON/OFF)
- LOCKING REMOVABLE TAILGATE
- MANUAL FOLD POWER MIRRORS
- PICKUP BOX TIE DOWN HOOKS
- POWER TAILGATE LOCK
- TRAILER SWAY CONTROL
- WIPERS- INTERMITTENT

INTERIOR

- 4" PRODUCTIVITY SCREEN
- CRUISE CONTROL
- DOOR LOCKS - POWER
- DUAL SUNVISORS
- ILLUMINATED ENTRY
- MESSAGE CTR/ OUTSIDE TEMP, COMPASS, TRIP COMPUTER
- POWERPOINTS - 12V
- TILT/TELESCOPE STR COLUMN

FUNCTIONAL

- AUTO HOLD
- CURVE CONTROL
- DYNAMIC HITCH ASSIST
- FAIL-SAFE COOLING SYSTEM
- FORDPASS CONNECT™ 4G
- HOTSPOT TELEMATICS MODEM
- HILL START ASSIST
- MYKEY®
- POST-COLLISION BRAKING
- PRE-COLLISION ASSIST W/AEB
- REVERSE SENSING AND REAR VIEW CAMERA
- SELECTSHIFT®
- SYNC®4 W/8" SCREEN

SAFETY/SECURITY

- ADVANCETRAC™ WITH RSC®
- AIRBAGS - FRONT SEAT MOUNTED SIDE IMPACT
- AIRBAGS - SAFETY CANOPY®
- CTR HIGH MOUNT STOP LAMP
- PERIMETER ALARM
- SOS POST-CRASH ALERT SYS™
- TIRE PRESSURE MONIT SYS

WARRANTY

- 3YR/36,000 BUMPER / BUMPER
- 5YR/60,000 POWERTRAIN
- 5YR/60,000 ROADSIDE ASSIST
- 8YR/100,000 HYBRID BATTERY

INCLUDED ON THIS VEHICLE

(MSRP)

EQUIPMENT GROUP 101A

-XL SERIES

OPTIONAL EQUIPMENT/OTHER

2.7L V6 ECOBOOST	1,285.00
275/60R20 BSW ALL-SEASON	NO CHARGE
3.55 RATIO REGULAR AXLE	NO CHARGE
8400# GVWR PACKAGE	
FRONT LICENSE PLATE BRACKET	NO CHARGE
COLOR-COORDINATED CARPET	145.00
STX APPEARANCE PACKAGE	2,585.00
.SYNC 4 W/ENHANCED VOICE RECOG	
.REAR-WINDOW DEFROSTER	
.SIRIUS XM W/ 360L	
.PRIVACY GLASS W/REAR DEFROSTE	
50 STATE EMISSIONS	NO CHARGE
CLASS IV TRAILER HITCH	315.00
FOG LAMPS	NO CHARGE
20" 6-SPOKE MAGNETIC PKT WHLS	1,225.00
STX SPORT CLOTH 40/CON/40	285.00

PRICE INFORMATION

BASE PRICE \$41,530.00

TOTAL OPTIONS/OTHER 5,850.00

TOTAL VEHICLE & OPTIONS/OTHER 47,380.00

DESTINATION & DELIVERY 1,995.00

TOTAL BEFORE DISCOUNTS 49,375.00

XL DISCOUNT - 750.00

STX APPEARANCE DISCT - 750.00

XL STX WHEEL DISCOUNT - 595.00

TOTAL SAVINGS - 2,095.00

TOTAL MSRP \$47,280.00

Whether you decide to lease or finance your vehicle, you'll find the choices that are right for you. See your dealer for details or visit www.ford.com/finance.

PL292 N B 2X 370 004097 11 29 23

EPA DOT Fuel Economy and Environment

Gasoline Vehicle

Fuel Economy
22 MPG
combined city/hwy
20 city
26 highway
4.5 gallons per 100 miles

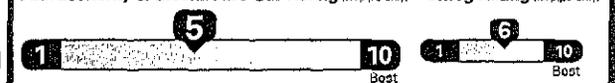
Standard Pickup Trucks range from 12 to 70 MPG. The best vehicle rates 132 MPGe.

You spend \$2,000

more in fuel costs over 5 years compared to the average new vehicle.

Annual fuel cost \$2,000

Fuel Economy & Greenhouse Gas Rating (tailpipe only) Smog Rating (tailpipe only)



This vehicle emits 405 grams CO2 per mile. The best emits 0 grams per mile (tailpipe only). Producing and distributing fuel also create emissions; learn more at fuelconomy.gov.

Actual results will vary for many reasons, including driving conditions and how you drive and maintain your vehicle. The average new vehicle gets 23 MPG and costs \$8,000 to fuel over 5 years. Cost estimates are based on 15,000 miles per year at \$2.35 per gallon, 11000 is miles per gasoline gallon equivalent. Vehicle emissions are a significant cause of climate change and smog.

fuelconomy.gov

Calculate personalized estimates and compare vehicles



GOVERNMENT 5-STAR SAFETY RATINGS

Overall Vehicle Score ★★★★★

Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Driver ★★★★★
Crash Passenger ★★★★★

Based on the risk of injury in a frontal impact. Should ONLY be compared to other vehicles of similar size and weight.

Side Front seat ★★★★★
Crash Rear seat ★★★★★

Based on the risk of injury in a side impact.

Rollover ★★★★★

Based on the risk of rollover in a single-vehicle crash.

Star ratings range from 1 to 5 stars (★★★★★), with 5 being the highest.

Source: National Highway Traffic Safety Administration (NHTSA).

www.safercar.gov or 1-888-327-4236

1FTEW1CP4PKG13658



The FordPass® Connect modem is active and sending vehicle data (e.g., diagnostics) to Ford.™ See in-vehicle settings for connectivity options.

*Based on 1077-2022 CY total sales.
**FordPass Connect (optional on select vehicles), the FordPass App and complimentary Connected Service are required for remote features (see FordPass Terms for details). Connected service and features depend on compatible AT&T network availability. Existing technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected service excludes Wi-Fi hotspot.



Insist on Ford Protect! The only extended service plan fully backed by Ford and honored at every Ford dealership in the U.S., Canada and Mexico. See your Ford dealer or visit www.FordOwner.com.

WARNING: Operating, servicing and maintaining a passenger vehicle, pickup truck, van, or off-road vehicle can expose you to chemicals including engine exhaust, carbon monoxide, phthalates, and lead, which are known to the State of California to cause cancer and birth defects or other reproductive harm. To minimize exposure, avoid breathing exhaust, do not idle the engine except as necessary, service your vehicle in a well-ventilated area and wear gloves or wash your hands frequently when servicing your vehicle. For more information go to www.P63Warnings.ca.gov/passenger-vehicle.



01/15/2024

2202312083937

MOTOR VEHICLE BUYER'S ORDER

37644

Seller SAMES FORD Salesperson _____ Date 01/16/2024
 Buyer SOUTH TEXAS WATER AUTHORITY Residence Phone 361/592-9323 Bus. Phone _____ E-mail _____
 Address PO BOX 1701 City KINGSVILLE State TX Zip 78364-1701

Expected date of delivery is 01.16.2024 or as soon thereafter as possible. It is agreed that neither the Seller nor the Manufacturer/Distributor is liable for failure of effect delivery.

Buyer offers to purchase from Seller under the terms and conditions specified, the following described motor vehicle:

DESCRIPTION OF SALE UNIT:	PRICE OF UNIT
<input checked="" type="checkbox"/> New Make: <u>FORD</u> Color: <u>OXFORD WHITE</u>	PRICE OF UNIT.....\$ <u>42750.00</u>
<input type="checkbox"/> Demo Model: <u>F150</u> Stock No.: <u>F59312</u>	N/A.....\$ <u>N/A</u>
<input type="checkbox"/> Executive/Official Cyl.: <u>101A</u> Upholstery: _____	N/A.....\$ <u>N/A</u>
<input type="checkbox"/> Used Body Style: <u>PK</u> Odometer: <u>4</u>	N/A.....\$ <u>N/A</u>
Year: <u>2023</u> VIN: <u>1FTEW1CP6PKF81618</u> Key Nos.: _____	N/A.....\$ <u>N/A</u>
USED CAR TRADE-IN:	
Year: _____ Make: _____ Model: _____	N/A.....\$ <u>N/A</u>
Cylinders: _____ Body Style: _____ License No.: _____	Sub-Total.....\$ <u>42750.00</u>
VIN: _____ Odometer Reading: _____	Rebate.....\$ <u>N/A</u>
Lienholder: _____	Trade-In.....\$ <u>N/A</u>
Lienholder-Address: _____	Sub-Total.....\$ <u>42750.00</u>
Drafting Instructions Received From: _____ Date: _____	**Dealer's Inventory (Tax, License, Title) by Seller.....\$ <u>N/A</u>
Child support Lien: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Amount: \$ _____	State Motor Vehicles Sales Tax.....\$ <u>N/A</u>
Payable to: _____	Other Taxes.....\$ <u>N/A</u>
Restitution Lien: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Amount: \$ _____	Government License and/or Registration Fee.....\$ <u>178.25</u>
Payable to: _____	Government Certificate of Title Fee.....\$ <u>40.75</u>
Appraised Value of Trade-In: \$ _____ Title: Reconditioned: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Government Vehicle Inspection Fee.....\$ <u>7.00</u>
Trade-In Allowance paid by the Seller: \$ <u>N/A</u> Flood Damaged: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Government Emission Inspection Fee.....\$ <u>N/A</u>
Balance Owed on Trade-In: \$ <u>N/A</u> Rebuilt Salvage: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Deputy Service Fee Paid to Dealer.....\$ <u>10.00</u>
Net Allowance on Trade-In: \$ <u>N/A</u> Nonrepairable: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	**Documentary Fee (see panel at lower left).....\$ <u>N/A</u>
<p>* A DOCUMENTARY FEE IS NOT AN OFFICIAL FEE. A DOCUMENTARY FEE IS NOT REQUIRED BY LAW, BUT MAY BE CHARGED TO BUYERS FOR HANDLING DOCUMENTS RELATING TO THE SALE. A DOCUMENT FEE MAY NOT EXCEED A REASONABLE AMOUNT AGREED TO BY THE PARTIES. THIS NOTICE IS REQUIRED BY LAW.</p>	
<p>Sub-Total.....\$ <u>42986.00</u> Less Cash With Order.....\$ <u>N/A</u> Add Balance Owed on Trade-In.....\$ <u>N/A</u> Unpaid Balance.....\$ <u>42986.00</u></p>	

DISCLAIMER OF WARRANTIES

The above-described vehicle sold by Seller is sold as is, without either express or implied warranties of any kind by Seller, including warranties of merchantability or fitness, and Buyer will bear the entire expense of repairing or correcting any defects that presently exist or that may occur in the vehicle, unless a written warranty by, or service contract with Seller covering the described vehicle is delivered to Buyer in conjunction with or within 90 days following the time of the sale, but such vehicle or any of its component parts may be subject to warranty by the manufacturer thereof.

****The Dealer's Inventory Tax charge is intended to reimburse the dealer for ad valorem taxes on its motor vehicle inventory. The charge, which is paid by the dealer to the county tax assessor-collector, is not a tax imposed on a consumer by the government, and is not required to be charged by the dealer to the consumer.**

Used Car Buyers Guide. The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions on the contract of sale. *La informacion que aparece en la ventanilla de este vehiculo forma parte de este contrato. La informacion contenida en el formulario de la ventanilla anula cualquier prevision que establezca lo contrario y quy aparezca en el contrato de venta.*

If a credit purchase, this is an offer to purchase only. Buyer offers to purchase vehicle on credit on terms described herein and no contractual relationship is created. This order does not constitute an agreement for the extension of credit.

Manufacturer/Distributor reserves the right to change the price of new vehicles to Seller without notice. In the event that the price to Seller of the new vehicle ordered hereunder is changed prior to delivery to Buyer, Buyer agrees and accepts that the cash delivered price will be changed accordingly.

If the Buyer's used car trade-in is not delivered to the Seller until delivery of the new vehicle, the trade-in will be reappraised at that time and Buyer agrees that such reappraised value shall determine the allowance, if any, made for the trade-in.

Buyer agrees to deliver the original bill of sale and the title to any trade-in

along with the delivery of the trade-in and further agrees to execute any and all documents necessary or required to transfer legal title and ownership to Seller or its assigns. Buyer warrants the trade-in to be his property and free and clear of all liens and encumbrances except as otherwise noted herein. Buyer further warrants that the trade-in has not been declared rebuilt, salvage, reconditioned, non-repairable, or flood damaged and that the emission systems have not been tampered with and are in the condition as originally manufactured, excepted for ordinary wear, unless so disclosed.

Seller makes no representations concerning fuel economy of the sale unit and any information pasted on the sale unit or contained in literature relating to the same reflect the results of tests performed, required or prescribed by government agency, upon which seller has relied.

It is expressly agreed to and understood by Buyer and Seller that in the event of a noncredit transaction, Seller retains a security interest in the purchased vehicle until such time as Buyer has paid the Seller for the vehicle.

Buyer agrees to all above listed charges.

Seller's Signature _____

12848*1*SCF-FI
Buyer's Signature _____

Date 01/16/2024

KAN-004017 TX

9-NORMAL, NB, 104017, PK251 2268

220231103 5505

U/LC U W TX C
CERT CERT CERT TRD RAMP BUMP CAMP BOOK EXFL ROTA

016875
1540/1965

1FTEW1CP6

PKF81618 NB

GUT3



ford.com

VEHICLE DESCRIPTION

F-150

2023 F-150 4X2 SUPERCREW
145" WHEELBASE
2.7L V6 ECOBOOST
ELEC TEN-SPEED AUTO W/TOW M

EXTERIOR
OXFORD WHITE
INTERIOR
BLACK SPORT CLOTH40/CON/40

PK **F81618**

STANDARD EQUIPMENT INCLUDED AT NO EXTRA CHARGE

EXTERIOR

- DAYTIME RUNNING LAMPS
- EASY FUEL CAPLESS FILLER
- FULLY BOXED STEEL FRAME
- HALOGEN HEADLAMPS
- HEADLAMPS - AUTO HIGH BEAM
- HEADLAMPS - AUTOLAMP (ON/OFF)
- LOCKING REMOVABLE TAILGATE
- MANUAL FOLD POWER MIRRORS
- PICKUP BOX TIE DOWN HOOKS
- POWER TAILGATE LOCK
- TRAILER SWAY CONTROL
- WIPERS- INTERMITTENT

INTERIOR

- 4" PRODUCTIVITY SCREEN
- CRUISE CONTROL
- DOOR LOCKS - POWER
- DUAL SUNVISORS
- ILLUMINATED ENTRY
- MESSAGE CTRL: OUTSIDE TEMP, COMPASS, TRIP COMPUTER
- POWERPOINTS - 12V
- TILT/TELESCOPE STR COLUMN

FUNCTIONAL

- AUTO HOLD
- CRUISE CONTROL
- DYNAMIC HITCH ASSIST
- FAIL-SAFE COOLING SYSTEM
- FORDPASS CONNECT™ 4G
- HOTSPOT TELEMATICS MODEM
- HILL START ASSIST
- MYKEY®
- POST-COLLISION BRAKING
- PRE-COLLISION ASSIST W/AEB
- REVERSE SENSING AND REAR VIEW CAMERA
- SELECTSHIFT®
- SYNC®4 W/8" SCREEN

SAFETY/SECURITY

- ADVANCETRAC™ WITH RSC®
- AIRBAGS - FRONT SEAT MOUNTED SIDE IMPACT
- AIRBAGS - SAFETY CANOPY®
- CTR HIGH MOUNT STOP LAMP
- PERIMETER ALARM
- SOS POST-CRASH ALERT SYS™
- TIRE PRESSURE MONIT SYS

WARRANTY

- 3YR/36,000 BUMPER / BUMPER
- 5YR/60,000 POWERTRAIN
- 5YR/60,000 ROADSIDE ASSIST
- 8YR/100,000 HYBRID BATTERY

INCLUDED ON THIS VEHICLE

(MSRP)

EQUIPMENT GROUP 101A

*XL SERIES

OPTIONAL EQUIPMENT/OTHER

- 2.7L V6 ECOBOOST 1,285.00
- 27S/80R20 BSW ALL-SEASON NO CHARGE
- 3.55 RATIO REGULAR AXLE NO CHARGE
- 6400# GVWR PACKAGE
- FRONT LICENSE PLATE BRACKET NO CHARGE
- COLOR-COORDINATED CARPET 145.00
- STX APPEARANCE PACKAGE 2,585.00
- SYNC 4 W/ENHANCED VOICE RECOG
- REAR-WINDOW DEFROSTER
- SIRIUS XM W/ 360L
- PRIVACY GLASS W/REAR DEFROSTE
- 50 STATE EMISSIONS NO CHARGE
- CLASS IV TRAILER HITCH 315.00
- FOG LAMPS NO CHARGE
- 20" 6-SPOKE MAGNETIC PKT WHLS 1,225.00
- STX SPORT CLOTH 40/CON/40 285.00

PRICE INFORMATION

BASE PRICE \$41,530.00
TOTAL OPTIONS/OTHER 5,850.00

TOTAL VEHICLE & OPTIONS/OTHER 47,380.00
DESTINATION & DELIVERY 1,995.00

TOTAL BEFORE DISCOUNTS 49,375.00
XL DISCOUNT - 750.00
STX APPEARANCE DISCT - 750.00
XL STX WHEEL DISCOUNT - 595.00
TOTAL SAVINGS - 2,095.00

EPA DOT Fuel Economy and Environment

Gasoline Vehicle

Fuel Economy
22 MPG
combined city/hwy
20 city
26 highway
4.5 gallons per 100 miles

Standard Pickup Trucks range from 12 to 70 MPG. The best vehicle rates 132 MPGs.

You spend
\$2,000
more in fuel costs over 5 years compared to the average new vehicle.

Annual fuel cost
\$2,000

Fuel Economy & Greenhouse Gas Rating (tailpipe only) Smog Rating (tailpipe only)



This vehicle emits 405 grams CO₂ per mile. The best emits 0 grams per mile (tailpipe only). Producing and distributing fuel also create emissions; learn more at fueleconomy.gov.

Actual results will vary for many reasons, including driving conditions and how you drive and maintain your vehicle. The average new vehicle gets 28 MPG and costs \$3,000 to fuel over 5 years. Cost estimates are based on 15,000 miles per year at \$2.25 per gallon. MPG is miles per gasoline gallon equivalent. Vehicle emissions are a significant cause of climate change and smog.

fueleconomy.gov

Calculate personalized estimates and compare vehicles



GOVERNMENT 5-STAR SAFETY RATINGS

Overall Vehicle Score ★★★★★
Based on the combined ratings of frontal, side and rollover. Should ONLY be compared to other vehicles of similar size and weight.

Frontal Crash Driver Passenger ★★★★★
Based on the risk of injury in a frontal impact. Should ONLY be compared to other vehicles of similar size and weight.

Side Crash Front seat Rear seat ★★★★★
Based on the risk of injury in a side impact.

Rollover ★★★★★
Based on the risk of rollover in a single-vehicle crash.

Star ratings range from 1 to 5 stars (★ ★ ★ ★ ★), with 5 being the highest. Source: National Highway Traffic Safety Administration (NHTSA). www.safercar.gov or 1-888-327-4236

46 BUILT
YEARS TOUGH
F-SERIES
AMERICA'S BEST SELLING TRUCKS

The FordPass® Connect modern is active and sending vehicle data (e.g., diagnostic) to Ford.™ See in-vehicle settings for connectivity options.

*Based on 1977-2022 CY total sales.
**FordPass Connect (optional on select vehicles), the FordPass App and complimentary Connected Service are required for remote features (see FordPass Terms for details). Connected service and features depend on compatible AT&T network availability. Evolving technology/cellular networks/vehicle capability may limit functionality and prevent operation of connected features. Connected service excludes Wi-Fi hotspot.

FORD PROTECT™

Insist on Ford Protect! The only extended service plan fully backed by Ford and honored at every Ford dealership in the U.S., Canada and Mexico. See your Ford dealer or visit www.FordOwner.com.



WARNING: Operating, servicing and maintaining a passenger vehicle, pickup truck, van, or off-road vehicle can expose you to chemicals including engine exhaust, carbon monoxide, phthalates, and lead, which are known to the State of California to cause cancer and birth defects or other reproductive harm. To minimize exposure, avoid breathing exhaust, do not idle the engine except as necessary, service your vehicle in a well-ventilated area and wear gloves or wash your hands frequently when servicing your vehicle. For more information go to www.P85Warnings.ca.gov/passenger-vehicle.



This label is affixed pursuant to the Federal Automobile Information Disclosure Act, Gasoline, License, and Title Fees, State and Local taxes are not included. Dealer installed options or accessories are not included unless listed above.

SPECIAL ORDER
PK251 N RB 2X 370 004017 10 25 23

01/15/2024

2202311035505

ATTACHMENT 11

Resolution 24-03

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 24-03

RESOLUTION AWARDING THE BID FOR THE PURCHASE OF TWO PICKUP TRUCKS.

WHEREAS, the South Texas Water Authority solicited bids to acquire two (1) 1/2 ton 4x2 or 4x4 pickup trucks 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 two (2) pickup trucks to _____.

Duly adopted this 23rd day of January, 2024.

JOSE M. GRAVELEY, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 12

Annexation Petitions

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Admin
Date: January 19, 2024
Re: Annexation Petition – Final Approval:
Resolution 24-04 – Victor Lee Castro and Jennifer Lee Salinas – 0.666 acre, more or less, tract of land also being known as Tract 9, Cyndie Park Unit 1, in Nueces County, Texas

Background:

On December 5, 2023 the South Texas Water Authority approved holding an Annexation hearing set for its January 23, 2024 Board Meeting. Property owners 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.

Victor Lee Castro and Jennifer Lee Salinas requests retail water service from the Nueces Water Supply Corporation and annexation into the STWA's boundary. This brings 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 Victor Lee Castro and Jennifer Lee Salinas 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 24-04

Board Action:

Determine whether to adopt Resolution

Summary:

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

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Admin
Date: January 19, 2024
Re: Annexation Petition – Final Approval:
Resolution 24-05 – Maria De Jesus Estrada – Southwesterly one-half of Tract 17, all of Tracts 18 and 19, and the Northeasterly one-half of Tract 20, Cyndie Park Unit 2, in Nueces County, Texas

Background:

On December 5, 2023 the South Texas Water Authority approved holding an Annexation hearing set for its January 23, 2024 Board Meeting. Property owners 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.

Maria De Jesus Estrada requests retail water service from the Nueces Water Supply Corporation and annexation into the STWA's boundary. This brings 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 Maria De Jesus Estrada 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 24-05

Board Action:

Determine whether to adopt Resolution

Summary:

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

ATTACHMENT 13

Resolution 24-04

Chapter 551, Texas Government Code.

SIGNED AND SEALED the 23rd day of January, 2024.

Imelda Garza, Secretary
Board of Directors

Jose M. Graveley, President
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 24-04

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.

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 6th day of November, 2023.

[Signature]
Victor Lee Castro

[Signature]
Jennifer Lee Salinas

ACKNOWLEDGEMENT

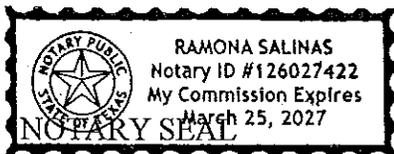
STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Victor Lee Castro on this the
6th day of November, 2023

[Signature]
Notary Public

My Commission Expires: 3-25-2027



STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Jennifer Lee Salinas on this the
6th day of November, 2023

[Signature]
Notary Public

My Commission Expires: 3-25-2027

NOTARY SEAL

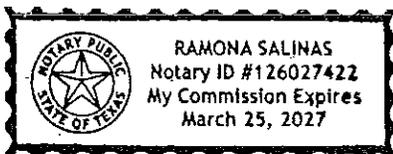


Exhibit "A"

To

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

Property Description:

0.666 acre, more or less, tract of land situated about 6 miles Northwest of Banquete, Texas, and being out of the Casa Blanca Grant, and being a portion of the 238.79-acre tract of land conveyed by V.I. Schimmel, a feme sole, to John S. McGregor and C. C. Speed by Deed recorded in Volume 1840, Pages 1017-1021 of the Deed Record of Nueces County, Texas; said 0.666 acre tract of land also being known as Tract 9 of Cyndie Park Unit 1, an unrecorded subdivision, less a 20 foot by 40 foot rectangular portion out of the Northeasterly of said Tract 9. Said 0.666-acre tract being more particularly described by metes and bounds in the General Warranty Deed recorded under Document No. 2023036640 of the Official Records of Nueces County, Texas.

ATTACHMENT 14

Resolution 24-05

Chapter 551, Texas Government Code.

SIGNED AND SEALED the 23rd day of January, 2024.

Imelda Garza, Secretary
Board of Directors

Jose M. Graveley, President
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 24-05

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.

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 07 day of NOVEMBER, 2023.

Maria De Jesus Estrada
Maria De Jesus Estrada

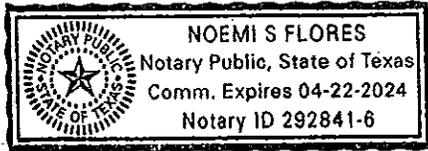
ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Kleberg

Subscribed and sworn to before me Maria De Jesus Estrada on this the
7 day of November, 2023.

Noemi S Flores
Notary Public



My Common Expires: 4/22/24

Exhibit "A"

To

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

Property Description:

1.92 acres, more or less, known as the Southwesterly one-half of Tract 17, all of Tracts 18 and 19, and the Northeasterly one-half of Tract 20, Cyndie Park Subdivision, Unit 2, situated in the Casa Blanca Grant and being a portion of Blocks 24 and 25, Mantor Briggs and Kuykendall Subdivision, and unrecorded subdivision in Nueces County, Texas, as described in deed dated January 1, 2000, from Carlos Gomez, et al. to Max Gonzalez, in Clerk's File #2000009906, Official Public Records of Nueces County, Texas.

ATTACHMENT 15

TESS Annual Meeting and Ballots

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Administrator
Date: January 19, 2024
Re: TESS (8-1-1) Board Ballot 2024

Background:

On January 9, 2024 the STWA received the official ballot from Texas Excavation Safety System (TESS) to cast our votes for their Board of Directors. The STWA can cast up to 10 votes for one candidate or bundled to any candidate(s). There are six (6) candidates for the board with the election taking place on February 7, 2024 in Richardson (Texas). The deadline to vote is set for the STWA's January 23, 2024 meeting in order to submit the votes in time to TESS.

Analysis:

The STWA is asked by TESS to cast votes for Board of Director representatives to help provide policy direction to their staff and Executive Director.

Staff Recommendation:

Review the attached bios for each candidate to determine which applicants to support.

Board Action:

Make a motion to vote for up to 10 total votes for the candidates listed on the ballot.

Summary:

All official ballots must be made by the January 19, 2024 meeting in order to be considered for this year's election. The paper ballot will be submitted once an approved motion is made by the STWA.



**Know what's below.
Call before you dig.**

RECEIVED

JAN 09 2024

SOUTH TEXAS WATER AUTHORITY

January 2, 2024

Dear General Member:

Enclosed is your notice of Annual Meeting of the General Members of Texas Excavation Safety System, Inc. to be held on Wednesday, February 7, 2024, at Texas811.

Enclosed is a ballot for the election of new Directors and the accompanying proxy, which is solicited by the Board of Directors of Texas Excavation Safety System, Inc. for use at such annual meetings.

As you are a General Member, we request that you either attend the Annual Meeting, send a representative to the meeting authorized to vote on your behalf, or, in lieu thereof, return the enclosed proxy, properly executed. If you choose, you can return your ballot showing the Director (or Directors) you wish to support, and your proxy will be counted accordingly.

Please return the proxy in time for it to reach our office as shown below by February 7, 2024.

- Mail to 1410 E Renner Rd, Ste 100, Richardson, TX 75082
- Email to Administration@Texas811.org

Your assistance is appreciated. If you have questions, please call (972) 231-5497.

We look forward to seeing you at the meeting.

Thank you,

Christopher Stovall
President and CEO

NOTICE OF ANNUAL MEETING
OF GENERAL MEMBERSHIP
TEXAS EXCAVATION SAFETY SYSTEM, INC.

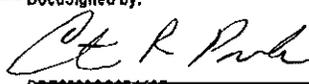
February 7, 2024

Notice is hereby given that the annual meeting of the General Members of Texas Excavation Safety System, Inc. (DBA Texas811) will be held in person at Texas811:

1. To elect Directors of Texas811 pursuant to the Bylaws
2. To transact all other business as may lawfully come before the meeting

In accordance with the Bylaws of the corporation: (1) a General Member has one (1) vote for each one hundred dollars (\$100.00), or any portion thereof, paid in membership fees to the corporation in the year immediately prior to the year in which the vote is to be taken. New General Members are also entitled to one (1) vote at such meeting for each one hundred dollars (\$100.00), or any portion thereof, paid in membership fees to this Corporation from the beginning of the year until a period of thirty (30) days before the date of such meeting.

By Order of the Board of Directors

DocuSigned by:

BDE2886CC6B442F...

Curtis Proske, Chair

IMPORTANT

All General Members who will not be represented by an officer or attorney-in-fact authorized to vote on its behalf at the meeting should have the enclosed proxy properly executed and returned to us. Your cooperation is appreciated.



Agenda
Texas Excavation Safety System, Inc.
2024 Annual Meeting of General Membership

February 7, 2024
9:00 – 9:45AM
1410 E Renner Road, Suite 100, Richardson, TX 75082

- I. Call to Order
- II. Welcome & Determination of Quorum
- III. Introductions
- IV. General Member Election
- V. Texas811 Reports/General Discussion
- VI. Adjournment

Dear Valued Texas811 Member,

As we bid farewell to 2023 and prepare to *leap* in 2024, Texas811 wishes to express our gratitude for your ongoing partnership and commitment to protecting Texas' underground facilities, as well as the excavators and citizens who live and work around them every day. Your support plays a crucial role in enabling us to advance towards our goals and uphold our mission of damage prevention and public safety.

The year ahead promises to be dynamic and filled with exciting developments. In fact, Texas811 will be celebrating its 40th anniversary in 2024!

Some of our key focus areas include enhancing self-service and mobile utilization, data structure optimization and automation, expanding products and services geographically, and reducing the number one cause of damages (no notification made) in Texas. Through these initiatives, we expect to see greater accuracy, customer support, less waste, and fewer damages.

Recognizing that the relationships with our members are integral to the success of Texas811 and damage prevention in the state, we remain committed to our Brand Promise, which is "We deliver the highest quality damage prevention experience in the industry".

We sincerely appreciate your membership and trust in Texas811 to safeguard your assets and your ongoing dedication to ensuring the safety of Texas and its residents.

Thank you once again for your continued partnership and keeping Texas safe for the last 40 years!

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Sasajima", with a long horizontal flourish extending to the right.

Scott Sasajima
Chief Operating Officer

Texas811 Board of Directors Bios

Curtis Proske is Corpus Christi District Manager of Distribution Systems for AEP Texas. Mr. Proske has been with AEP Texas and its predecessor, Central Power & Light, since 1980. He is a Professional Engineer and holds a BSEE from Texas A & M University and an MBA from Texas A&M Corpus Christi. Mr. Proske was first elected to the Texas811 Board in 2010.

Larry Urban is the safety director for Venable's Construction. He has worked in the natural gas industry since 1982. He has been actively involved in damage prevention efforts since 1992 & on the Texas811 Board since 2004.

Michael Martin is the Mutual Assistance, Business Continuity & Emergency Preparedness Sr. Manager for Distribution Services at Oncor Electric Delivery. Mr. Martin has been with Oncor for 16 years, with the majority of his career spent in various roles within Transmission Operations and holds a BSET from Texas Tech University. Mr. Martin was first elected to the Texas811 Board in 2022.

Jim Dorgan is the Damage Prevention & Compliance Manager for AT&T, North and West Texas. He started his career as a Maintenance Lineman in 1997. Mr. Dorgan has had multiple technical roles and leadership positions in his 25-year career and has been an active supporter of damage prevention. He has two associate degrees from Tarrant County College and currently attends Tarleton State University in Stephenville.

Keith Lemons is the Outside Plant Supervisor at the Livingston, Texas location for Eastex Telephone Coop., Inc. He has an extensive knowledge of the telephone and broadband industry. He has held several leadership roles at Eastex where he has excelled as an employee since 1984.

On the Ballot:

Molly Carriere is the Sr. Manager of the OneCall / Damage Prevention departments for Energy Transfer. Energy Transfer has over 120,000 miles of pipe in the USA and processes over 800,000 one call tickets. She has been an active supporter of the damage prevention process since 2006 and has been in the natural gas industry since 1985.

Ryun Frederick is a manager for Verizon's Global Network Operations and Assurance team. He manages teams responsible for FOTS installation and maintenance, customer premise equipment installations and maintenance, and fiber facilities within southeast Texas including Houston. Mr. Frederick has been in the telecommunications industry since 1999. Previously, He proudly served his community in law enforcement from 1996-1999.

Terry Davis is Operations Supervisor for Kinder Morgan in Houston. He started with Kinder Morgan in 2009 as a GIS Analyst before assuming his role with the OneCall / Damage Prevention group. His current position involves maintaining and supporting multiple OneCall and Damage Prevention programs covering 80,000 miles of Kinder Morgan's assets across United States. Terry has worked in the Energy industry for 24 years with experience in Drafting, Mapping, GIS and Damage Prevention.

Allen Hawkins is a Director of Operations for Atmos Energy. He leads a team responsible for Customer Service, Construction, and Compliance activities in the North Region. Mr. Hawkins has been in the natural gas industry for 32 years and held various leadership positions within Atmos Energy. He has a degree in Organizational Management from Ashford University

Tyler Hjorth is the Director of Utilities at the City of San Marcos. He manages the City's water, wastewater, and electric utility systems. Mr. Hjorth began his career as a construction electrician before graduating from Texas A&M University with a Bachelor of Science in Electrical Engineering. His thirty-year professional career includes service in the chemical production, nuclear energy, and higher education industries before joining San Marcos in 2018.

Eddie Marengo is the Manager of Field Operations for Texas Gas Service, with statewide responsibilities in Line Locating and Regulatory Compliance. Eddie has over 40 years of experience in the natural gas industry, having held several supervisory and management positions in service, construction, leak survey, measurement and regulation, damage prevention, and internal auditing.



**ANNUAL MEETING OF GENERAL MEMBERS OF
TEXAS EXCAVATION SAFETY SYSTEM, INC.**

Bylaws Amendment

BALLOT

Article XI of the Bylaws states that bylaws may be amended by a majority vote of the General Membership of the Corporation at a meeting of the membership provided previous written notice has been given, and copies of the proposed amendments have been sent by mail to the General Membership.

Proposed amendment is as follows:

ARTICLE XI

Admission, Qualification, and Other Membership Rights

Section 4 Voting. Only General Members of this Corporation shall be entitled to vote, in person or by proxy, at any Annual or Other Meeting of the members of this Corporation. Each general member of this Corporation shall be entitled to one (1) vote on all matters submitted, or required to be submitted, to the membership for each One Hundred Dollars (\$100.00), or any portion thereof, paid in membership fees to this Corporation during the twelve (12) month period ending ~~thirty (30)~~ **ninety (90)** days prior to the date of such meeting. In any election of Directors, General Members may cast all of their votes for one candidate or may allocate their votes to candidates in any manner they desire. Sustaining Members may attend and participate in the Annual or Other Meetings of this Corporation but shall have no voting privileges at such meetings.

Member Name: South Texas Water Authority

Amount PAID: **\$948.10**

(Please do NOT send payment)

Total Votes: 10

Please choose one of the following:

_____ Yes – I APPROVE

_____ No – I REJECT

**ANNUAL MEETING OF GENERAL MEMBERS OF
TEXAS EXCAVATION SAFETY SYSTEM, INC.**

Bylaws Amendment

PROXY

- I. The undersigned hereby appoints and constitutes Curtis Proske and Christopher Stovall, or either of them, as my lawful attorneys and proxies with full power of substitution and revocation, to attend and represent the undersigned at the Annual Meeting of the General Members of Texas Excavation Safety System, Inc. (dba Texas811), a Texas non-profit corporation, on February 7, 2024. Such proxies are authorized to vote the number of votes that the undersigned is entitled to vote pursuant of the Bylaws of the Corporation on any question, election of Directors, amendments to the Bylaws, resolutions, or other matters that may come before the Annual Meeting of the General Members of the Corporation.

- II. This proxy is revocable at any time prior to its use at the meeting and shall be void if the undersigned attends said meeting.

IN WITNESS WHEREOF, this proxy has been executed on the _____ day of _____, 2024.

Member Name: South Texas Water Authority
Amount PAID: \$948.10
(Please do NOT send payment)
Total Votes: 10

Signature

Title

Date

**ANNUAL MEETING
OF GENERAL MEMBERS OF
TEXAS EXCAVATION SAFETY SYSTEM, INC.**

FEBRUARY 7, 2024

BALLOT

Article IX, Section 4 of the Bylaws states that in any election of Directors, each General Member may cast all votes for one candidate or may divide their votes among the candidates in any manner they desire.

The Nominating Committee has recommended the following as candidates for the current election:

# VOTES	CANDIDATE	COMPANY
_____	Molly Carriere	Energy Transfer
_____	Ryun Frederick	Verizon
_____	Terry Davis	Kinder Morgan
_____	Allen Hawkins	Atmos Energy
_____	Tyler Hjorth	City of San Marcos
_____	Eddie Marengo	One Gas

Please vote for the above candidate(s) you might wish to serve on the Board. If you are unable to attend the meeting, your proxy will be voted per your instructions.

Member Name: South Texas Water Authority

Amount PAID: **\$948.10**

(Please do NOT send payment)

Total Votes: 10

**ANNUAL MEETING
OF GENERAL MEMBERS OF
TEXAS EXCAVATION SAFETY SYSTEM, INC.**

FEBRUARY 7, 2024

PROXY

- I. The undersigned hereby appoints and constitutes Curtis Proske and Christopher Stovall, or either of them, as my lawful attorneys and proxies with full power of substitution and revocation, to attend and represent the undersigned at the Annual Meeting of the General Members of Texas Excavation Safety System, Inc. (dba Texas811), a Texas non-profit corporation, on February 7, 2024. Such proxies are authorized to vote the number of votes that the undersigned is entitled to vote pursuant of the Bylaws of the Corporation on any question, election of Directors, amendments to the Bylaws, resolutions, or other matters that may come before the Annual Meeting of the General Members of the Corporation.

- II. This proxy is revocable at any time prior to its use at the meeting and shall be void if the undersigned attends said meeting.

IN WITNESS WHEREOF, this proxy has been executed on the _____ day of _____, 2024.

Member Name: South Texas Water Authority
Amount PAID: **\$948.10**
(Please do NOT send payment)
Total Votes: 10

Signature

Title

Date