

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
May 23, 2023  
Minutes

Board Members Present:

Jose Graveley  
Imelda Garza  
Rudy Galvan, Jr.  
Kathleen Lowman  
Joe Morales  
Patsy Rodgers

Board Members Absent:

Frances Garcia  
Arturo Rodriguez  
Angela Pena

Staff Present:

John Marez  
Frances De Leon  
Jo Ella Wagner  
Nigel Gomez  
Patrick Sendejo

Guests Present:

Terry Arnold, Seven Seas  
Ivan Luna, ICE  
Itzak Hinojosa, ICE  
Billy Sais, Tex-Isle  
Greg Wilck, Tex-Isle

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:30 p.m. A quorum was present.

2. Citizen Comments.

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

3. New Board members' oaths of office.

Ms. Wagner administered the Oath of Office to Mr. Galvan who was re-appointed to his current position on the Board by the Kleberg County Commissioner's Court.

*The order of the agenda was changed to accommodate the guests.*

5. Tex-Isle presentation on request for water service.

Mr. Marez introduced Mr. Billy Sais and Mr. Greg Wilck representing Tex-Isle, a manufacturing facility which includes a pipe mill, heat treatment, inspection and threading facility located in the vicinity of I-69 and CR30 in Robstown. The company is expanding and added a new facility last year. Tex-Isle is seeking another source to provide about 120,000 gallons of water per day. Mr. Sais explained that currently the facility uses a total of 40,000 to 45,000 gallons per day from five onsite wells but use of the ground water has negatively impacted their equipment. He added that the company has 115 employees at the Robstown facility but they hope to increase to 300 employees if they are able to secure another water source which can meet the projected demand. If they are able to receive service, they will no longer use ground water. Mr. Marez stated that service would be provided by Nueces Water Supply Corporation but he wanted to make the

STWA Board aware of this request for service because of the volume that the company expects to purchase.

16. Discussion of Water Options & Funding.

Mr. Marez introduced Mr. Terry Arnold of Seven Seas who provided a brief overview of the company's services. He noted that Seven Seas could potentially address the Board's request of securing an alternative source of water. Mr. Arnold said he has been in discussions with STWA for over a year regarding the services offered by Seven Seas. The company produces 18 billion gallons per day and has 16 desalination plants at various locations. They offer a package to fully finance, design, build, own, operate and sell the water so there is no risk involved. They also train staff on maintaining the desalination plant. They will search for a location for a well where it can produce enough to meet the needs. Seven Seas has been working with the City of Alice on a 3MGD desalination plant that is very near to completion and should be operational by the end of the year. The City secured \$5.2 million in financing from the Texas Water Development Board for the project. The Alice plant took about 2 ½ years because of permitting delays which have now been addressed and he expects that future projects will take a shorter amount of time. The water is taken from the Jasper Aquifer which is about 2,000 feet deep and will serve as the City's primary source.

Mr. Ivan Luna (I.C.E.) pointed out that water used in this area is either surface water or ground water. Seven Seas' offer is different because it is from a deeper location and is considered an independent source.

6. Approval of Minutes.

Ms. Rodgers made a motion to approve the minutes of the April 25, 2023 Public Hearing and Regular Meeting as presented. Ms. Garza seconded. The motion passed by unanimous vote.

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

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

Corrected Treasurer's Report for period ending December 31, 2022  
Treasurer's Report for period ending January 31, 2023  
Revenue Fund Income Statement for period ending January 31, 2023  
Tax Fund Income Statement for period ending January 31, 2023  
Special Services Income Statement for period ending January 31, 2023  
STWA Revenue Fund Balance Sheet – January 31, 2023  
STWA Revenue Fund Trial Balance for January, 2023  
STWA Debt Service Fund Income Statement for period ending January 31, 2023  
STWA Debt Service Fund Balance Sheet – January 31, 2023  
STWA Debt Service Fund Trial Balance – January, 2023  
STWA Capital Projects Fund Income Statement for period ending January 31, 2023  
STWA Capital Projects Fund Balance Sheet – January 31, 2023  
STWA Capital Projects Fund Trial Balance – January 31, 2023  
Treasurer's Report for period ending February 28, 2023

Revenue Fund Income Statement for period ending February 28, 2023  
Tax Fund Income Statement for period ending February 28, 2023  
Special Services Income Statement for period ending February 28, 2023  
STWA Revenue Fund Balance Sheet – February 28, 2023  
STWA Revenue Fund Trial Balance for February, 2023  
STWA Debt Service Fund Income Statement for period ending February 28, 2023  
STWA Debt Service Fund Balance Sheet – February 28, 2023  
STWA Debt Service Fund Trial Balance – February, 2023  
STWA Capital Projects Fund Income Statement for period ending February 28, 2023  
STWA Capital Projects Fund Balance Sheet – February 28, 2023  
STWA Capital Projects Fund Trial Balance – February, 2023  
STWA 2012 Bond Election Report  
Anticipated vs Actual Water Rate Charged and Net Revenue Worksheets

No invoices were presented for Board approval. Ms. Wagner stated that the Quarterly Report was not being presented because the March Treasurer's Report has not been completed.

Mr. Galvan made a motion to approve the Treasurer's Reports as presented, Ms. Garza seconded and all voted in favor.

8. Reports from O&M and CP.

The Board reviewed the O&M and CP reports. Mr. Gomez stated that he plans to contract out the pending taps and start off fresh from there in order to hit the 30-day mark to provide service on pending taps. He added that the apprenticeship has been working out well and hopes to continue using it in the future. Mr. Morales asked about the Corpus Christi meter relocation and Mr. Marez stated that the meter is on order. He added that the City of Corpus Christi will reimburse the expense of the ARV replacement from December.

9. Fiscal Year 2023 Budget Amendments.

Budget amendments will be presented at the next meeting.

10. Resolution 23-10. Resolution appointing Jo Ella Wagner, Assistant Executive Director, to serve as Chief Tax Assessor for South Texas Water Authority.
11. Resolution 23-11. Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County.
12. Resolution 23-12. Resolution appointing Maria Victoria Valadez, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County.
13. Resolution 23-13. Resolution establishing tax exemptions for residence homesteads, for property owners who are 65 years of age or older, for persons who are disabled, and for disabled veterans.

Ms. Lowman made a motion to adopt Resolution 23-10, 23-11, 23-12 and 23-13. The motion was seconded by Ms. Rodgers and passed unanimously.

14. Preliminary Nueces and Kleberg County Appraisal District Values.

Mr. Marez presented the preliminary values for Nueces and Kleberg Counties and reported that this year's preliminary values reflect an amount of \$1,361,669,804 in Nueces County and \$1,487,055,988 in Kleberg County for a total of \$2,848,725,681. This is an increase compared to last year's certified value total of \$2,705,588,408. He also noted that the values are preliminary and are being provided for informational purposes. Certified values should be delivered by July 25th. No action was taken on the presented information.

15. Declaration of salvage property and authorization to dispose of property.

Mr. Marez presented a list of computers and requested that the Board declare them as salvage and authorize disposal of the property. The hard drives will be destroyed and therefore the computers will have little or no value. Mr. Morales made a motion to declare the items as salvage property and to authorize staff to dispose of them. Ms. Rodgers seconded and all voted in favor.

4. STWA Master Plan.

Mr. Marez provided a 45% draft of the STWA Master Plan. Mr. Ivan Luna said the Master Plan is the playbook detailing what is needed to maintain and carry out all the current and upcoming services provided by STWA. At this stage I.C.E. is working on costing out the various elements of the plan in order to develop strategies for 5, 10 and 15 years. They are also researching water sources while taking into account the companies that are coming to the area and adjusting demand as needed. In addition, they are looking at funding options with Water Finance Exchange to determine what projects are feasible.


17. Administration Report.

Mr. Marez reported that he will be meeting with Corpus Christi Water to update them on the increase in purchase volume related to selling water to Tesla. He continues working with I.C.E. and Water Finance Exchange on the Master Plan.

18. Adjournment.

With no further business to discuss, Ms. Rodgers made a motion to adjourn the meeting at 6:54 p.m. Mr. Galvan seconded. All voted in favor.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary