

MEMORANDUM

TO: South Texas Water Authority Board of Directors  
FROM: Jose M Graveley, President  
DATE: June 12, 2023  
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

**Tuesday, June 20, 2023**  
5:30 p.m.  
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. New Board member's oath of office.
4. Approval of Minutes. (Attachment 1)
5. Quarterly Report/Treasurer's Report/Payment of Bills. (Attachment 2)
6. Operation and Maintenance Reports. (Attachment 3)
  - O&M Report
  - CP Update
7. Fiscal Year 2023 Budget Amendments. (Attachment 4)
8. Water District Truth in Taxation Notices, Effective Tax Rate Calculation, and Meeting/Hearing Schedule. (Attachment 5)
9. Preliminary Fiscal Year 2024 Budget. (Attachment 6)
10. Nomination of candidate for the Kleberg County Appraisal District Board of Directors. (Attachment 7)

11. **Resolution 23-14.** Resolution submitting nomination for candidate for positions on the Board of Directors of the Kleberg County Appraisal District. (Attachment 8)
12. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place. (Roland Bayardo, Northeast ½ of Lot 29 and the Southwest ½ of Lot 30, Cyndie Park Subdivision, Unit 2 in Nueces County, Texas). (Attachment 9)
13. **Resolution 23-15.** Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Roland Bayardo) (Attachment 10)
14. Administration Report.
15. Adjournment.

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

JMG/JM/fdl  
Attachments

This meeting notice was posted on STWA's website, [www.stwa.org](http://www.stwa.org), and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 10:30 am/pm on June 16, 2023.

*James De Leon*  
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

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.

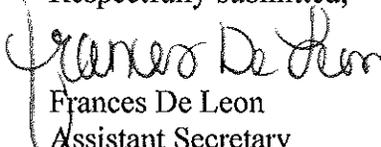
17. Administration Report.

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

ATTACHMENT 2

Quarterly Report/Treasurer's Report/Payment of Bills

SOUTH TEXAS WATER AUTHORITY  
INVESTMENT REPORT  
FOR QUARTER ENDED MARCH 31, 2023

	BEGINNING BOOK VALUE 1-Jan-23	BEGINNING MARKET VALUE 1-Jan-23	TRANSFERS	REVENUES JANUARY, FEBRUARY, & MARCH	EXPENSES	INTEREST	ENDING BOOK VALUE 31-Mar-23	ENDING MARKET VALUE 31-Mar-23
<b>CASH ACCOUNTS</b>								
GENERAL ACCT - PROSPERITY BANK	212,397.59	212,397.59	(25,000.00)	553,245.90	563,529.46	179.00	177,293.03	177,293.03
GENERAL ACCT TEXPOOL 1371300002	4,423,240.71	4,421,471.41	(300,000.00)	1,091,151.72	0.00	54,476.93	5,268,869.36	5,268,500.54
GENERAL ACCT TEXSTAR 1111-000	396,369.69	396,312.22	0.00	0.00	0.00	4,363.48	400,733.17	400,744.79
PAYROLL ACCT - PROSPERITY BANK	4,683.60	4,683.60	225,000.00	0.00	200,521.04	34.88	29,197.44	29,197.44
OPERATIONS ACCT - PROSPERITY BANK	39,892.60	39,892.60	100,000.00	0.00	114,854.92	32.88	25,070.56	25,070.56
DEBT SERVICE ACCT TEXPOOL 1371300008	241,048.29	240,951.87	0.00	228,922.88	50,775.00	4,009.31	423,205.48	423,175.86
<b>TOTAL CASH ACCOUNTS</b>	<b>5,317,632.48</b>	<b>5,315,709.29</b>	<b>0.00</b>	<b>1,873,320.50</b>	<b>929,680.42</b>	<b>63,096.48</b>	<b>6,324,369.04</b>	<b>6,323,982.22</b>

	AVG. MAT. 3/31/2023	JANUARY RATE	JANUARY EARNING	FEBRUARY RATE	FEBRUARY EARNING	MARCH RATE	MARCH EARNING	TOTALS
GENERAL ACCT - PROSPERITY BANK	immediate	0.3000%	\$39.98	0.3000%	\$79.62	0.3000%	\$59.40	\$179.00
GENERAL ACCT TEXPOOL 1371300002	17 days	4.2443%	\$16,565.35	4.4700%	\$17,421.82	4.5900%	\$20,489.76	\$54,476.93
GENERAL ACCT TEXSTAR 1111-000	11 days	4.2515%	\$1,430.93	4.4919%	\$1,370.79	4.6066%	\$1,561.76	\$4,363.48
PAYROLL ACCT - PROSPERITY BANK	immediate	0.3000%	\$11.08	0.3000%	\$10.30	0.3000%	\$13.50	\$34.88
OPERATIONS ACCT - PROSPERITY BANK	immediate	0.3000%	\$9.88	0.3000%	\$9.88	0.3000%	\$13.12	\$32.88
DEBT SERVICE ACCT TEXPOOL 1371300008	17 days	4.2443%	\$999.12	4.4700%	\$1,372.69	4.5900%	\$1,637.50	\$4,009.31
<b>TOTALS</b>			<b>\$19,056.34</b>		<b>\$20,265.10</b>		<b>\$23,775.04</b>	<b>\$63,096.48</b>

THIS REPORT IS IN COMPLIANCE WITH THE STRATEGIES AS APPROVED AND THE PUBLIC FUNDS INVESTMENT ACT.

  
INVESTMENT OFFICER

**SOUTH TEXAS WATER AUTHORITY**  
**Treasurer's Report**  
**For Period Ending March 31, 2023**

**STWA Water Sales:**

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$2.328269 per 1000 g</u>	<u>Handling Charge @ \$0.50/1000g</u>	<u>Incremental Increase @ \$0.50/1000g</u>	<u>Out of District Surcharge and Pass- Thru Credit</u>	<u>Total Due</u>
Kingsville	13,730	\$31,967.13	\$6,865.00	\$0.00	\$0.00	\$38,832.13
Bishop	7,820	\$18,207.06	\$3,910.00	\$0.00	\$0.00	\$22,117.06
Agua Dulce	2,456	\$5,718.28	\$1,228.01	\$0.00	\$0.00	\$6,946.29
RWSC	10,162	\$23,659.87	\$5,081.00	\$0.00	\$0.00	\$28,740.87
Driscoll	3,158	\$7,352.67	\$1,579.00	\$0.00	\$0.00	\$8,931.67
NCWCID #5	2,056	\$4,787.13	\$1,028.05	\$1,028.05	\$1,004.76	\$7,847.98
NWSC	12,274	\$28,577.62	\$6,137.10	\$0.00	\$0.00	\$34,714.71
<b>TOTAL</b>	<b>51,656</b>	<b>\$120,269.76</b>	<b>\$25,828.15</b>	<b>\$1,028.05</b>	<b>\$1,004.76</b>	<b>\$148,130.72</b>

**Water Cost and Usage for Period of:**

**03/01/23**

**03/31/23**

City of Corpus Christi Invoice for Cost of Water Purchased:	\$123,165.44
Gallons of Water Recorded by City of Corpus Christi:	52,900,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	50,330,000
Water Loss Percentage:	4.86%

**Annual Usage for FY 2023**

**Annual**

Gallons of Water Recorded by City of Corpus Christi:	259,100,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	259,017,180
Water Loss Percentage: (year to date)	0.03%

**REVENUE FUND  
INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2023**

**50.00%**

	MONTHLY	YEAR TO DATE	2023 ADOPTED BUDGET	% OF 2023 ADOPTED BUDGET	2022 YEAR TO DATE	2022 FINAL BUDGET
<b>REVENUES</b>						
Water Service Revenue	120,270	591,747	1,294,624	46%	536,464	1,304,353
Handling Charge Revenue	25,828	132,532	283,772	47%	96,594	250,500
Premium Incremental Increase	1,028	5,275	5,000	106%	4,437	9,665
Surcharge - Out of District	831	4,986	12,058	41%	3,916	7,740
Interest Income	20,576	92,637	30,000	309%	1,663	22,200
Interest - Note	0	2,701	1,275	212%	3,066	5,680
Other Revenue						
Operating & Maintenance Fees	653	4,047	11,300	36%	4,625	10,170
Miscellaneous Revenues	0	4,881	12,000	41%	6,330	16,750
<b>TOTAL REVENUES</b>	<b>169,186</b>	<b>838,807</b>	<b>1,650,029</b>	<b>51%</b>	<b>657,095</b>	<b>1,627,058</b>
<b>EXPENDITURES</b>						
<b>Water Service Expenditures:</b>						
Bulk Water Purchases	123,165	578,500	1,294,624	45%	526,748	1,304,353
<b>Payroll Costs</b>						
Salaries & Wages - Perm. Employees	33,788	158,591	394,996	40%	178,155	346,903
Salaries & Wages - Vacation Buyback	0	8,114	8,500	95%	0	10,500
Overtime - NWSC	0	0	0	0%	0	0
Stand-by Pay - NWSC	0	0	0	0%	0	0
Overtime - RWSC	0	0	0	0%	0	0
Stand-by Pay - RWSC	0	0	0	0%	0	0
Overtime - STWA	1,279	13,821	15,000	92%	10,608	22,250
Stand-by Pay - STWA	100	650	1,300	50%	650	1,300
Employee Retirement Premiums	8,986	15,320	65,026	24%	33,891	62,800
Group Insurance Premium	13,280	80,968	220,700	37%	61,714	192,699
Unemployment Compensation	(97)	15	1,094	1%	(168)	325
Workers' Compensation	(632)	14,806	8,903	166%	18,272	8,850
Car Allowance	0	0	0	0%	0	0
Hospital Insurance Tax	383	2,578	5,431	47%	2,714	5,520
<b>Supplies &amp; Materials</b>						
Repairs & Maintenance	4,248	55,995	150,000	37%	65,272	133,500
Meter Expense	0	0	5,000	0%	0	4,500
Tank Repairs	0	0	10,000	0%	0	0
Major Repairs	0	0	25,000	0%	0	25,000
<b>Other Operating Expenditures:</b>						
<b>Professional Fees</b>						
Legal	0	2,668	25,000	11%	3,330	15,000
Auditing	0	9,500	10,500	90%	9,625	9,750
Engineering	0	0	12,500	0%	675	12,500
Management & Consulting	0	0	7,500	0%	0	7,500
JMAE Management Consulting LLC	5,833	34,999	70,000	50%	49,998	100,000
Inspection	0	0	7,500	0%	0	6,000
<b>Consum Supplies/Materials</b>						
Postage	1,415	3,104	8,050	39%	9	3,500
Printing/Office Supplies	3,474	12,062	33,000	37%	12,399	23,550
Janitorial/Site Maintenance	1,826	7,336	17,750	41%	6,966	16,800
Fuel/Lubricants/Repairs	3,665	28,240	80,000	35%	30,285	67,500
Chemicals/Water Samples	3,125	21,541	57,750	37%	18,935	43,500
Safety Equipment	152	854	1,750	49%	(1,912)	1,500
Small Tools	1,112	1,147	2,800	41%	955	2,000

	MONTHLY	YEAR TO DATE	2023 ADOPTED BUDGET	% OF 2023 ADOPTED BUDGET	2022 YEAR TO DATE	2022 FINAL BUDGET
<b>Recurring Operating Costs</b>						
Telephone/Communications	2,742	17,809	29,000	61%	11,265	18,800
Utilities	8,549	44,532	115,000	39%	42,337	105,500
D & O Liability Insurance	1,093	3,445	2,800	123%	3,731	4,000
Property Insurance	0	44,647	45,000	99%	43,216	44,300
General Liability	0	1,820	4,765	38%	1,983	3,200
Auto Insurance	0	2,866	3,000	96%	2,700	3,000
Travel/Training/Meetings-Staff	1,522	6,201	10,000	62%	8,863	22,500
Travel/Training/Meetings-Board of Dir.	3,731	6,231	10,000	62%	0	0
Travel/Training/Meetings-Legislation	0	0	2,500	0%	0	0
Rental-Equipment/Uniforms	418	2,249	6,000	37%	653	5,000
Dues/Subscriptions/Publication	445	5,297	16,500	32%	3,394	12,000
Pass Through Cost	0	176	400	44%	3	400
Educational Materials	0	0	0	0%	0	0
<b>Miscellaneous</b>						
Miscellaneous Expenditures	784	6,029	11,000	55%	8,946	13,000
<b>Total Administrative &amp; Operations Exp.</b>	<b>224,386</b>	<b>1,192,113</b>	<b>2,795,639</b>	<b>43%</b>	<b>1,156,212</b>	<b>2,659,300</b>
<b>Capital Outlay</b>						
Capital Acquisition	54,368	103,610	204,675	51%	35,893	83,000
Engineering	0	0	0	0%	0	10,000
<b>TOTAL EXPENDITURES (w/o D.S. exp.)</b>	<b>278,754</b>	<b>1,295,723</b>	<b>3,000,314</b>	<b>43%</b>	<b>1,192,105</b>	<b>2,752,300</b>
<b>Excess (Deficiencies) of Revenue Over Expenditures</b>	<b>(109,569)</b>	<b>(456,916)</b>	<b>(1,350,285)</b>	<b>34%</b>	<b>(535,010)</b>	<b>(1,125,242)</b>
<b>OTHER FINANCE SOURCE (USES)</b>						
<b>Transfer to Other Funds</b>						
Transfer from Tax Account	(1,598,912)	(1,598,912)	(1,636,842)	98%	(1,470,990)	(1,620,400)
<b>Extra Ordinary Income</b>						
Disposition of Assets (Surplus Sale)	0	0	(1,500)	0%	0	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,598,912)</b>	<b>(1,598,912)</b>	<b>(1,638,342)</b>	<b>98%</b>	<b>(1,470,990)</b>	<b>(1,620,400)</b>
<b>EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)</b>						
	1,489,343	1,141,996	288,057		935,980	495,158
<b>NET INCOME</b>	<b>1,489,343</b>	<b>1,141,996</b>	<b>288,057</b>		<b>935,980</b>	<b>495,158</b>

**TAX FUND  
INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2023**

**50.00%**

	MONTHLY	YEAR TO DATE	2023 ADOPTED BUDGET	% OF 2023 ADOPTED BUDGET	2022 YEAR TO DATE	2022 FINAL BUDGET
<b>REVENUES</b>						
Ad-Valorem - Current	31,774	1,629,555	1,674,136	97%	1,528,761	1,620,450
Delinquent Tax Revenue	3,940	23,700	30,000	79%	30,311	49,350
Penalty & Interest - Tax Accounts	3,406	13,511	19,000	71%	13,017	27,750
Miscellaneous	69	(20)	0	0%	-45	0
<b>TOTAL TAXES &amp; INTEREST</b>	<b>39,189</b>	<b>1,666,746</b>	<b>1,723,136</b>	<b>97%</b>	<b>1,572,044</b>	<b>1,697,550</b>
<b>EXPENDITURES</b>						
Tax Collector Fees	3,512	55,405	57,132	97%	51,094	51,200
Appraisal Districts	3,370	12,429	29,162	43%	12,332	25,950
<b>TOTAL EXPENDITURES</b>	<b>6,882</b>	<b>67,834</b>	<b>86,294</b>	<b>79%</b>	<b>63,426</b>	<b>77,150</b>
 Transfer to General Fund	 1,598,912	 1,598,912	 1,636,842	 98%	 1,470,991	 1,620,400
 <b>EXCESS REVENUES &amp; OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES</b>	   <b>(1,566,605)</b>	   <b>(0)</b>	   <b>0</b>		   <b>37,627</b>	   <b>0</b>

**SPECIAL SERVICES  
INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2023**

**50.00%**

	MONTHLY	YEAR TO DATE	2023 ADOPTED BUDGET	% OF 2023 ADOPTED BUDGET	2022 YEAR TO DATE	2022 FINAL BUDGET
<b>REVENUES</b>						
Ricardo Water Supply Corporation	33,538	164,787	372,555	44%	130,120	308,904
Nueces Water Supply Corporation	33,973	177,360	361,255	49%	124,522	333,515
<b>TOTAL REVENUES</b>	<b>67,511</b>	<b>342,147</b>	<b>733,810</b>	<b>47%</b>	<b>254,642</b>	<b>642,419</b>
<b>EXPENDITURES</b>						
Personnel	32,583	205,128	415,005	49%	137,292	342,188
Administrator	2,500	15,000	30,000	50%	0	0
Overhead	28,661	167,445	288,805	58%	112,118	316,157
<b>TOTAL EXPENDITURES *</b>	<b>63,744</b>	<b>387,573</b>	<b>733,810</b>	<b>53%</b>	<b>249,410</b>	<b>658,345</b>
<b>EXCESS REVENUES &amp; OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES</b>	<b>3,766</b>	<b>(45,426)</b>	<b>0</b>		<b>5,232</b>	<b>(15,926)</b>

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SOUTH TEXAS WATER AUTHORITY  
Balance Sheet  
For the Accounting Period: 3 / 23

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101 Water

Assets

Current Assets

STWA - Operations	25,070.56	
STWA - General	177,293.03	
STWA - Payroll	13,204.58	
Petty Cash	150.00	
TexPool	5,268,869.38	
Tax Accounts Receivable	208,328.27	
Allowance for Uncollect Taxes	(88,575.35)	
Interlocal Rec - Tax Assessor	5,164.88	
Agua Dulce-Water	12,880.17	
Bishop - Water	22,116.62	
Driscoll - Water	15,476.49	
Kingsville - Water	38,832.15	
NCWCID 5 - Water	26,012.26	
Ricardo WSC - Water	28,740.86	
Nueces WSC - Water	34,714.71	
Ricardo WSC - General & Admin	23,435.35	
Nueces WSC - General & Admin	22,991.95	
Interlocal Rec-Bishop	0.03)	
Interlocal Rec-Driscoll	1,500.33	
Interlocal Rec-Ricardo	9,265.07	
RWSC-Credit Card	9.99	
Interlocal Rec-Nueces	11,586.36	
NWSC Credit Card	(118.20)	
Due From Capital Projects Fund	136,643.43	
Due from Debt Service Fund	3,171.18	
Due from D.S .-Collect Service	49,316.52	
Notes Receivable - Current	(28,418.98)	
Prepaid Expenses	30,002.59	
Inventory	41,746.65	
<b>Total Current Assets</b>		<b>6,089,410.82</b>

Other Assets

Notes Receivable-Not Current	50,040.62	
<b>Total Other Assets</b>		<b>50,040.62</b>

Total Assets

6,139,451.44

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SOUTH TEXAS WATER AUTHORITY  
Balance Sheet  
For the Accounting Period: 3 / 23

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101 Water

Liabilities and Equity

Current Liabilities

Trade Accounts Payable	165,079.23
Conversion Trade Accounts Payable	333.16
Salaries & Wages Payable	19,855.92
Due to RWSC	( 1,140.00)
Federal WH Taxes Payable	231.79
Medicare Payable	665.32
Unemployment Ins Payable	7,048.20
Emply Loan WH Payble	( 668.66)
Emply Insurance WH Payble	( 3,953.54)
Emply AFLAC Ins WH Payble	223.61
Emply Nationwide WH Payble	200.00
Emply Advance WH Payble	( 539.46)
Emply Other WH Payble	6,159.28
Miscellaneous Payables	7,453.92
Compensated Absences	15,784.58
Deferred Tax Revenue	119,752.92

Total Current Liabilities

336,486.27

Other Liabilities

Due to Debt Service Fund	6,227.68
Due to Capital Projects Fund	9,815.84

Total Other Liabilities

16,043.52

Total Liabilities

352,529.79

Equity

Retained Earnings	4,651,006.32
Assigned Fund Bal. - Inventory	39,346.85
CURRENT YEAR INCOME/(LOSS)	1,096,568.48

Total Equity

5,786,921.65

Total Liabilities & Equity

6,139,451.44

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SOUTH TEXAS WATER AUTHORITY  
Trial Balance  
For the Accounting Period: 3 / 23

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101 Water

Account	Beginning	Debit	Credit	Net Change	Ending Balance
<b>ASSETS</b>					
10100 STWA - Operations	17,417.74	50,261.11	42,608.29	7,652.82	25,070.56
10200 STWA - General	578,250.34	204,127.04	605,084.35 (	400,957.31)	177,293.03
10400 STWA - Payroll	30,295.40	53,168.85	70,259.67 (	17,090.82)	13,204.58
10800 Petty Cash	150.00	0.00	0.00	0.00	150.00
11300 TexPool	4,902,261.06	366,608.32	0.00	366,608.32	5,268,869.38
12100 Tax Accounts Receivable	208,328.27	0.00	0.00	0.00	208,328.27
12101 Allowance for Uncollect Taxes	( 88,575.35)	0.00	0.00	0.00	( 88,575.35)
12120 Interlocal Rec - Tax Assessor	12,098.20	5,164.69	12,098.01 (	6,933.32)	5,164.88
12201 Agua Dulce-Water	12,132.44	6,946.29	6,198.56	747.73	12,880.17
12202 Bishop - Water	40,076.86	22,117.06	40,077.30 (	17,960.24)	22,116.62
12203 Driscoll - Water	20,363.74	8,931.67	13,818.92 (	4,887.25)	15,476.49
12204 Kingsville - Water	25,332.48	38,832.13	25,332.46	13,499.67	38,832.15
12205 NCWCID 5 - Water	32,313.13	7,847.98	14,148.85 (	6,300.87)	26,012.26
12206 Ricardo WSC - Water	24,606.81	28,740.87	24,606.82	4,134.05	28,740.86
12207 Nueces WSC - Water	26,278.27	34,714.71	26,278.27	8,436.44	34,714.71
12208 Ricardo WSC - General & Admin	18,167.61	23,435.35	18,167.61	5,267.74	23,435.35
12209 Nueces WSC - General & Admin	17,977.52	22,991.95	17,977.52	5,014.43	22,991.95
12500 Interlocal Rec-Bishop	( 0.03)	0.00	0.00	0.00	( 0.03)
12700 Interlocal Rec-Driscoll	2,036.27	885.19	1,421.13 (	535.94)	1,500.33
12900 Interlocal Rec-Ricardo	3,771.60	9,265.07	3,771.60	5,493.47	9,265.07
12901 RWSC-Credit Card	0.00	9.99	0.00	9.99	9.99
13000 Interlocal Rec-Nueces	12,196.86	11,586.36	12,196.86 (	610.50)	11,586.36
13001 NWSC Credit Card	( 87.68)	41.22	71.74 (	30.52)	( 118.20)
13510 Due From Capital Projects Fund	132,183.75	4,459.68	0.00	4,459.68	136,643.43
13520 Due from Debt Service Fund	3,167.56	3.62	0.00	3.62	3,171.18
13530 Due from D.S.-Collect Service	47,877.03	1,439.49	0.00	1,439.49	49,316.52
13900 Notes Receivable - Current	( 28,418.98)	0.00	0.00	0.00	( 28,418.98)
14200 Prepaid Expenses	27,937.97	34,066.23	32,001.61	2,064.62	30,002.59
15500 Inventory	41,746.65	0.00	0.00	0.00	41,746.65
18910 Notes Receivable-Not Current	50,040.62	0.00	0.00	0.00	50,040.62
<b>Total ASSETS</b>	<b>6,169,926.14</b>	<b>935,644.87</b>	<b>966,119.57 (</b>	<b>30,474.70)</b>	<b>6,139,451.44</b>
<b>LIABILITIES AND FUND EQUITY</b>					
20300 Trade Accounts Payable	131,287.00	213,790.73	247,582.96	33,792.23	165,079.23
20310 Conversion Trade Accounts Payable	333.16	0.00	0.00	0.00	333.16
20400 Salaries & Wages Payable	11,299.20	11,299.20	19,855.92	8,556.72	19,855.92
20502 Due to RWSC	( 1,140.00)	0.00	0.00	0.00	( 1,140.00)
21051 Federal WH Taxes Payable	231.79	0.00	0.00	0.00	231.79
21052 Medicare Payable	665.32	0.00	0.00	0.00	665.32
21062 Unemployment Ins Payable	7,048.20	0.00	0.00	0.00	7,048.20
21063 Emphy Loan WH Payble	( 668.66)	0.00	0.00	0.00	( 668.66)
21064 Emphy Insurance WH Payble	( 3,675.74)	277.80	0.00 (	277.80)	( 3,953.54)
21065 Emphy AFLAC Ins WH Payble	196.93	1,695.46	1,722.14	26.68	223.61

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SOUTH TEXAS WATER AUTHORITY  
Trial Balance  
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101 Water

Account	Beginning	Debit	Credit	Net Change	Ending Balance
21067 Empl Nationwide WH Payble	200.00	0.00	0.00	0.00	200.00
21068 Empl Advance WH Payble	( 539.46)	0.00	0.00	0.00	( 539.46)
21069 Empl Other WH Payble	6,244.27	84.99	0.00	( 84.99)	6,159.28
21100 Miscellaneous Payables	6,619.71	0.00	834.21	834.21	7,453.92
21500 Compensated Absences	15,784.58	0.00	0.00	0.00	15,784.58
21700 Deferred Tax Revenue	119,752.92	0.00	0.00	0.00	119,752.92
24100 Due to Debt Service Fund	6,053.88	0.00	173.80	173.80	6,227.68
24200 Due to Capital Projects Fund	9,815.84	0.00	0.00	0.00	9,815.84
28400 Retained Earnings	4,651,006.32	0.00	0.00	0.00	4,651,006.32
28410 Assigned Fund Bal. - Inventory	39,346.85	0.00	0.00	0.00	39,346.85
28999 Net Income Current Year	1,170,064.03	366,939.66	293,444.11	( 73,495.55)	1,096,568.48
<b>Total LIABILITIES AND FUND EQUITY</b>	<b>6,169,926.14</b>	<b>594,087.84</b>	<b>563,613.14</b>	<b>( 30,474.70)</b>	<b>6,139,451.44</b>

**DEBT SERVICE FUND  
INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2023**

**50.00%**

	MONTHLY	YEAR TO DATE	2023 ADOPTED BUDGET	% OF 2023 ADOPTED BUDGET	2022 YEAR TO DATE	2022 FINAL BUDGET
<b>REVENUES</b>						
Ad-Valorem - Current	6,646	340,785	367,422	93%	337,543	358,160
Delinquent Tax Revenue	952	5,627	10,500	54%	7,539	12,520
Penalty & Interest - Tax Accounts	770	3,042	2,085	146%	2,850	6,150
Out-of-District Surcharge	174	1,043	6,250	17%	865	1,731
Interest on Temporary Investments	1,638	5,443	3,450	158%	86	1,560
Miscellaneous	<u>0</u>	<u>-10</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL TAXES & INTEREST	10,180	355,931	389,707	91%	348,883	380,121
<b>OTHER FINANCING SOURCES</b>						
Excess Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCE SOURCES	0	0	0		0	0
TOTAL REVENUE AND OTHER FINANCE SOURCES	10,180	355,931	389,707	91%	348,883	380,121
<b>EXPENDITURES</b>						
Fiscal Agent Fees	0	100	200	50%	100	200
Bond Interest Expense	0	50,675	101,350	50%	54,275	113,250
Bond Principal Payments	0	0	245,000	0%	0	235,000
Tax Collector Fees	0	10,854	14,427	75%	11,293	12,500
Appraisal District Fees	1,439	3,334	6,445	52%	2,726	6,000
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	1,439	64,963	367,422	18%	68,394	366,950
<b>EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES</b>	8,740	290,968	22,285		280,489	13,171

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SOUTH TEXAS WATER AUTHORITY  
Balance Sheet  
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310 Debt Service

Assets

Current Assets

TexPool	423,205.48
Tax Accounts Receivable	58,238.39
Allowance for Uncollect Taxes	11,370.61
Interlocal Rec - Tax Assessor	1,095.89
Due from General Fund	6,227.68

Total Current Assets

477,396.83

Total Assets

477,396.83

Liabilities and Equity

Current Liabilities

Deferred Tax Revenue	46,867.78
----------------------	-----------

Total Current Liabilities

46,867.78

Other Liabilities

Due to General Fund	52,487.70
---------------------	-----------

Total Other Liabilities

52,487.70

Total Liabilities

99,355.48

Equity

Fund Balance	87,073.69
CURRENT YEAR INCOME/(LOSS)	290,967.66

Total Equity

378,041.35

Total Liabilities & Equity

477,396.83

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SOUTH TEXAS WATER AUTHORITY  
Trial Balance  
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310 Debt Service

Account	Beginning	Debit	Credit	Net Change	Ending Balance
ASSETS					
11300 TexPool	411,732.46	11,473.02	0.00	11,473.02	423,205.48
12100 Tax Accounts Receivable	58,238.39	0.00	0.00	0.00	58,238.39
12101 Allowance for Uncollect Taxes	( 11,370.61)	0.00	0.00	0.00	( 11,370.61)
12120 Interlocal Rec - Tax Assessor	2,559.13	1,095.89	2,559.13	( 1,463.24)	1,095.89
13511 Due from General Fund	6,053.88	173.80	0.00	173.80	6,227.68
<b>Total ASSETS</b>	<b>467,213.25</b>	<b>12,742.71</b>	<b>2,559.13</b>	<b>10,183.58</b>	<b>477,396.83</b>
LIABILITIES AND FUND EQUITY					
21700 Deferred Tax Revenue	46,867.78	0.00	0.00	0.00	46,867.78
24300 Due to General Fund	51,044.59	0.00	1,443.11	1,443.11	52,487.70
28300 Fund Balance	87,073.69	0.00	0.00	0.00	87,073.69
28999 Net Income Current Year	282,227.19	1,461.32	10,201.79	8,740.47	290,967.66
<b>Total LIABILITIES AND FUND EQUITY</b>	<b>467,213.25</b>	<b>1,461.32</b>	<b>11,644.90</b>	<b>10,183.58</b>	<b>477,396.83</b>

**CAPITAL PROJECTS FUND  
INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2023**

**50.00%**

	MONTHLY	YEAR TO DATE	2023 ADOPTED BUDGET	% OF 2023 ADOPTED BUDGET	2022 YEAR TO DATE	2022 FINAL BUDGET
<b>REVENUES</b>						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	1,562	7,799	1,500	520%	53	1,750
Other Income	0	0	0	0%	0	0
TOTAL REVENUE AND OTHER FINANCE SOURCES	1,562	7,799	1,500	520%	53	1,750
 <b>EXPENDITURES</b>						
Right of Way Acquisition	0	0	0	0%	0	0
Engineering Fees	0	0	0	0%	0	0
Construction Costs	0	0	0	0%	0	0
42" Line-Cathodic Protection	4,460	21,366	247,355	9%	9,172	50,000
Pipeline Condition Assessment	0	0	0	0%	0	0
Legal & Administrative Fees	0	0	0	0%	0	0
Cost of Bond Issuance	0	0	0	0%	0	0
Miscellaneous Fees	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	4,460	21,366	247,355	9%	9,172	50,000
 <b>EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES</b>						
	(2,898)	(13,567)	(245,855)		(9,119)	(48,250)

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SOUTH TEXAS WATER AUTHORITY  
Balance Sheet  
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410 Capital Projects

Assets			
Current Assets			
TexStar	400,733.07		
Due from General Fund	9,815.84		
	-----		
<b>Total Current Assets</b>			<b>410,548.91</b>
			-----
	<b>Total Assets</b>		<b>410,548.91</b>
			-----
Liabilities and Equity			
Other Liabilities			
Due to General Fund	136,643.44		
	-----		
<b>Total Other Liabilities</b>			<b>136,643.44</b>
			-----
	<b>Total Liabilities</b>		<b>136,643.44</b>
			-----
Equity			
Fund Balance	287,472.50		
CURRENT YEAR INCOME/(LOSS)	( 13,567.03)		
	-----		
<b>Total Equity</b>			<b>273,905.47</b>
			-----
	<b>Total Liabilities &amp; Equity</b>		<b>410,548.91</b>

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SOUTH TEXAS WATER AUTHORITY  
Trial Balance  
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410 Capital Projects

Account	Beginning	Debit	Credit	Net Change	Ending Balance
ASSETS					
11400 TexStar	399,171.31	1,561.76	0.00	1,561.76	400,733.07
13511 Due from General Fund	9,815.84	0.00	0.00	0.00	9,815.84
<b>Total ASSETS</b>	<b>408,987.15</b>	<b>1,561.76</b>	<b>0.00</b>	<b>1,561.76</b>	<b>410,548.91</b>
LIABILITIES AND FUND EQUITY					
24300 Due to General Fund	132,183.76	0.00	4,459.68	4,459.68	136,643.44
28300 Fund Balance	287,472.50	0.00	0.00	0.00	287,472.50
28999 Net Income Current Year	( 10,669.11)	4,459.68	1,561.76 (	2,897.92) (	13,567.03)
<b>Total LIABILITIES AND FUND EQUITY</b>	<b>408,987.15</b>	<b>4,459.68</b>	<b>6,021.44</b>	<b>1,561.76</b>	<b>410,548.91</b>

**CATHODIC PROTECTION  
FY2023**

	<b>Payroll</b>	<b>Construction &amp; Materials</b>	<b>Engineering</b>	<b>Total</b>
October 2022	\$7,729.12	\$0.00	\$0.00	\$7,729.12 Due from Capital Projects Fund
November 2022	\$5,875.43	\$0.00	\$0.00	\$5,875.43 Due from Capital Projects Fund
December 2022	\$3,301.85	\$0.00	\$0.00	\$3,301.85 Due from Capital Projects Fund
January 2023	\$0.00	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
February 2023	\$0.00	\$0.00	\$0.00	\$0.00 Due from Capital Projects Fund
March 2023	\$4,459.68	\$0.00	\$0.00	\$4,459.68 Due from Capital Projects Fund
April 2023				
May 2023				
June 2023				
July 2023				
August 2023				
September 2023				
Totals	<u>\$21,366.08</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$21,366.08</u>



Payroll Costs - CP Tech #2  
FY2023

	Noah	Daniel	Daniel	Daniel	Daniel	Daniel								
	October	November	December	January	February	March	April	May	June	July	August	September	Year to	
	2022	2022	2022	2023	2023	2023	2023	2023	2023	2023	2023	2023	Date	
	56.02%	18.23%	29.16%										Total	
Payroll	\$1,907.12	\$1,183.79	\$886.46	\$0.00	\$0.00	\$1,140.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,118.12	
Medicare	\$27.65	\$17.16	\$12.85	\$0.00	\$0.00	\$16.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$74.21	
Retirement	\$228.85	\$142.06	\$106.38	\$0.00	\$0.00	\$136.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$614.17	
Worker's Comp	\$55.61	\$35.36	\$26.48	\$0.00	\$0.00	\$33.26	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150.72	
Texas Workforce	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.14	
Health	\$1,734.90	\$564.57	\$903.06	\$0.00	\$0.00	\$1,150.20	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,352.73	
LTD/ADD/Life	\$21.13	\$6.33	\$10.12	\$0.00	\$0.00	\$12.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.48	
Dental	\$33.07	\$10.76	\$17.22	\$0.00	\$0.00	\$21.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$82.98	
Total	\$4,008.34	\$1,960.04	\$1,962.57	\$0.00	\$0.00	\$2,513.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,444.56	
						combined							\$10,444.56	
						Jan. Feb.								
						& Mar.								

**SOUTH TEXAS WATER AUTHORITY  
2012 BOND ELECTION**

<b>Cost of Bond Issuance:</b>	<b>\$107,386.40</b>	
<b>Proposition #1: REGIONAL WATERLINE</b>	<b>\$1,900,000.00</b>	<b>36.54%</b>
<b>Proposition #2: KINGSVILLE PUMP STATION</b>	<b>\$2,925,000.00</b>	<b>56.25%</b>
<b>Proposition #3: BISHOP FACILITY</b>	<b><u>\$375,000.00</u></b>	<b><u>7.21%</u></b>
<b>TOTAL BOND PROCEEDS:</b>	<b>\$5,307,386.40</b>	<b>100.00%</b>

<b>Cost of Bond Issuance</b>		
Financial Advisory Fee (First Southwest)	\$30,385.00	
Computer Structure Fee (for bidding securities)	\$6,000.00	
Bond Counsel - Leroy Grawunder (MP&H)	\$39,000.00	
Attorney General - State Fees and Review	\$5,110.00	
Standard & Poor's - Rating Agency	\$11,000.00	
Paying Agent - Bank processing bonds/paid semi annually	\$200.00	
Document Preparation/Printing	\$5,000.00	
Miscellaneous	\$1,973.90	
Accrued Interest - use to make first Debt Payment	<u>\$8,717.50</u>	
<b>TOTAL Cost of Bond Issuance</b>	<b>\$107,386.40</b>	

**Proposition #1: REGIONAL WATERLINE**

**36.54%**

	Engineer Estimate	Contract Amount	Amount Expended	Amount Remaining
<b>TOTAL PROPOSITION #1:</b>	<b>\$1,900,000.00</b>			<b>\$1,900,000.00</b>
<b>Engineering: HDR</b>		\$209,300.00	\$209,300.00	\$1,690,700.00
Construction: Lewis Construction		\$1,035,100.00	\$1,035,100.00	
Change Order #1		\$4,320.85	\$0.00	
Change Order #2		\$30,815.17	\$30,815.17	
Change Order #3		-\$5,100.00	-\$5,100.00	
Change Order #4		\$13,954.16	\$13,954.16	
		<u>\$1,079,090.18</u>	<u>\$1,074,769.33</u>	
ROW Acquisition:		<u>\$57,436.31</u>	<u>\$57,436.31</u>	
		\$1,136,526.49	\$1,132,205.64	
Verizon Wireless - Prepay			\$4,688.46	
Verizon Wireless - Additional amount due			\$911.04	
J. V. Oilfield			<u>\$3,528.80</u>	
			\$1,141,333.94	\$549,366.06
HDR Pipeline Condition Assessment		\$105,900.00	\$100,605.00	\$448,761.06
HDR LAS Booster -Driscoll		\$71,100.00	\$31,998.00	\$416,763.06
LAS Booster - Construction		\$369,000.00	\$369,000.00	
Change Order #1		\$45,586.84	\$45,586.84	
Change Order #2		\$1,705.00	\$1,705.00	
Change Order #3		<u>\$10,650.00</u>	<u>\$10,650.00</u>	
		\$426,941.84	\$426,941.84	-\$10,178.78
Rock Engineering			\$1,051.00	
Rock Engineering			\$201.00	
Rock Engineering			<u>\$2,026.00</u>	
			\$3,278.00	-\$13,456.78
Non-Construction Related Costs:		<u>\$22,650.42</u>	<u>\$20,031.42</u>	
<b>TOTAL Proposition #1</b>	<b>\$1,900,000.00</b>	<b>\$1,763,118.75</b>	<b>\$1,933,488.20</b>	<b>-\$33,488.20</b>

**Proposition #2: KINGSVILLE PUMP STATION**

56.25%

	Engineer Estimate	Contract Amount	Amount Expended	Amount Remaining
<b>TOTAL PROPOSITION #2</b>	<b>\$2,925,000.00</b>			
<b>Construction Related Costs:</b>	<b>\$2,242,000.00</b>			\$2,242,000.00
<b>PreLoad - 1 million gallon ground storage tank</b>		\$1,319,700.00		
Change Order #1		-\$4,802.06		
Change Order - Liquidated Damages		-\$66,295.39		
Ground Storage Tank - PreLoad		\$1,248,602.55 *	\$1,206,897.95	
Final - Payment #8 - Liquidated damages			\$41,704.60	
			<b>\$1,248,602.55</b>	
Mission Automated - additional work on mixing system (not a subcontractor of PreLoad)			\$1,750.00	
Rock Engineering - Soil samples			\$1,521.50	
			<b>\$1,251,874.05</b>	
<b>Liquidated Damages</b>				
Liquidated Damages - HDR Eng.		\$48,000.00		
Mission Automated		\$11,854.14		
Reimburse STWA-water/employee overtime		<b>\$6,441.25</b>		
<b>Total Liquidated Damages</b>		\$66,295.39		
<b>Total Construction cost of Ground Storage Tank</b>			<b>\$1,318,169.44</b>	\$923,830.56
<b>ACP - New Kingsville Pumps</b>		\$295,000.00	\$295,000.00	
Change Order #1		\$12,310.75	\$12,310.75	
Odessa Pumps		<u>\$20,162.00</u>	<u>\$20,162.00</u>	
		\$327,472.75	\$327,472.75	\$596,357.81
<b>D &amp; H United Fueling Solutions - Generator</b>		\$123,586.38	\$123,586.39	
				<b>\$472,771.42</b>
<b>Engineering Costs:</b>	<b>\$560,500.00</b>			\$560,500.00
HDR Engineering - GST*		\$234,800.00	\$234,800.00	
HDR Engineering - Kingsville Pumps		\$91,600.00	\$91,600.00	
LNV - Generator		\$30,000.00	<u>\$30,000.00</u>	
			\$356,400.00	<b>\$204,100.00</b>
Non-Construction Related Costs:	<b>\$122,500.00</b>	\$0.00	\$30,836.54	<b>\$91,663.46</b>
<b>TOTAL Proposition #2</b>	<b>\$2,925,000.00</b>		<b>\$2,086,898.23</b>	<b>\$768,534.88</b>

**Proposition #3: BISHOP FACILITY**

7.21%

	Engineer Estimate	Contract Amount	Amount Expended	Amount Remaining
<b>Construction Related Costs:</b>	<b>\$277,100.00</b>			\$277,100.00
Mercer - Bishop West Pumps		\$109,900.00	\$109,900.00	
Change Order: Change Order #1 - Paint Building		\$3,996.50	\$3,996.50	
Change to WYE		\$3,700.00	\$3,700.00	
		\$117,596.50	\$117,596.50	\$159,503.50
<b>Engineering Costs:</b>	<b>\$69,300.00</b>			
LNV Engineering		\$52,200.00	\$52,200.00	\$17,100.00
<b>Non-Construction Related Costs:</b>	<b>\$28,600.00</b>		\$3,952.55	\$24,647.45
				<b>\$201,250.95</b>

<b>TOTAL</b>	<b>\$936,297.63</b>
<b>INTEREST EARNINGS</b>	<b>\$83,985.86</b>
<b>MISCELLANEOUS INCOME</b>	<b>\$9,835.00</b>
<b>BALANCE</b>	<b>\$1,039,108.49</b>
<b>CATHODIC PROTECTION</b>	<b>\$451,203.02</b>
<b>NEW BANQUETE PUMP STATION</b>	<b>\$305,010.00</b>
<b>REMAINING BOND FUNDS</b>	<b>\$273,905.47</b>

**ANTICIPATED (BUDGETED) vs. ACTUAL WATER RATE CHARGED**

	ANTICIPATED (BUDGETED) CHARGES			ACTUAL CHARGES			Difference: Actual vs. Budgeted
	Handling Charge	CC Cost	Total	Handling Charge	CC Cost	Total	
Oct-22	\$0.500000	\$2.1295	\$2.6295	\$0.500000	\$2.132716	\$2.632716	\$0.0032
Nov-22	\$0.500000	\$2.1306	\$2.6306	\$0.500000	\$2.134378	\$2.634378	\$0.0038
Dec-22	\$0.500000	\$2.1314	\$2.6314	\$0.500000	\$2.130609	\$2.630609	-\$0.0008
Jan-23	\$0.500000	\$2.3327	\$2.8327	\$0.500000	\$2.335601	\$2.835601	\$0.0029
Feb-23	\$0.500000	\$2.3339	\$2.8339	\$0.500000	\$2.334560	\$2.834560	\$0.0007
Mar-23	\$0.500000	\$2.3322	\$2.8322	\$0.500000	\$2.328269	\$2.828269	-\$0.0040
Apr-23	\$0.500000	\$2.3313	\$2.8313	\$0.500000	\$2.333288	\$2.833288	\$0.0020
May-23	\$0.500000	\$2.3303	\$2.8303				-\$2.8303
Jun-23	\$0.500000	\$2.3313	\$2.8313				-\$2.8313
Jul-23	\$0.500000	\$2.3294	\$2.8294				-\$2.8294
Aug-23	\$0.500000	\$2.3280	\$2.8280				-\$2.8280
Sep-23	\$0.500000	\$2.3308	\$2.8308				-\$2.8308
<b>Avg Cost</b>	<b>\$0.500000</b>	<b>\$2.2810</b>	<b>\$2.7810</b>				<b>-\$2.7810</b>

**ANTICIPATED (BUDGETED) vs. ACTUAL WATER USAGE**

All Customers				NWSC			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-22	49,405,017	46,856,290	-2,548,727	Oct-22	15,017,918	12,652,310	-2,365,608
Nov-22	46,791,539	40,608,630	-6,182,909	Nov-22	13,906,722	9,848,100	-4,058,622
Dec-22	45,017,893	45,075,860	57,967	Dec-22	13,200,302	11,848,450	-1,351,852
Jan-23	43,713,307	41,537,048	-2,176,259	Jan-23	13,609,350	9,856,830	-3,752,520
Feb-23	41,660,422	39,330,277	-2,330,145	Feb-23	12,930,292	9,270,670	-3,659,622
Mar-23	44,721,298	51,656,300	6,935,002	Mar-23	14,063,118	12,274,190	-1,788,928
Apr-23	46,666,266	46,457,826	-208,440	Apr-23	14,164,404	11,542,520	-2,621,884
May-23	48,869,453	0		May-23	15,238,810		
Jun-23	46,581,833	0		Jun-23	14,797,883		
Jul-23	51,186,607	0		Jul-23	16,522,222		
Aug-23	55,180,325	0		Aug-23	16,624,720		
Sep-23	47,749,267	0		Sep-23	13,923,668		
<b>TOTAL</b>	<b>567,543,231</b>	<b>311,522,231</b>	<b>-6,453,513</b>	<b>TOTAL</b>	<b>173,999,409</b>	<b>77,293,070</b>	<b>-19,599,036</b>

Kingsville				RWSC			
	Budgeted	Actual	Difference		Budgeted	Actual	Difference
Oct-22	11,985,653	12,924,000	938,347	Oct-22	9,159,000	10,186,000	1,027,000
Nov-22	11,985,653	10,712,000	-1,273,653	Nov-22	8,203,600	9,698,000	1,494,400
Dec-22	11,985,653	9,411,000	-2,574,653	Dec-22	8,412,800	10,342,000	1,929,200
Jan-23	11,985,653	9,226,000	-2,759,653	Jan-23	7,755,400	8,459,000	703,600
Feb-23	11,985,653	8,937,000	-3,048,653	Feb-23	7,166,600	8,681,000	1,514,400
Mar-23	11,985,653	13,730,000	1,744,347	Mar-23	8,654,600	10,162,000	1,507,400
Apr-23	11,985,653	15,644,000	3,658,347	Apr-23	9,092,600	7,466,000	-1,626,600
May-23	11,985,653			May-23	9,082,400		
Jun-23	11,985,653			Jun-23	8,441,200		
Jul-23	11,985,653			Jul-23	9,580,000		
Aug-23	11,985,653			Aug-23	11,009,800		
Sep-23	11,985,653			Sep-23	9,349,000		
<b>TOTAL</b>	<b>143,827,842</b>	<b>80,584,000</b>	<b>-3,315,574</b>	<b>TOTAL</b>	<b>105,907,000</b>	<b>64,994,000</b>	<b>6,549,400</b>

<b>Bishop</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
Oct-22	4,539,400	4,251,000	-288,400
Nov-22	4,245,200	4,582,000	336,800
Dec-22	2,910,200	6,340,000	3,429,800
Jan-23	2,607,200	7,651,000	5,043,800
Feb-23	2,828,200	6,485,000	3,656,800
Mar-23	2,622,267	7,820,000	5,197,733
Apr-23	3,480,022	4,868,000	1,387,978
May-23	4,269,000		
Jun-23	3,691,600		
Jul-23	4,460,200		
Aug-23	6,297,800		
Sep-23	3,933,800		
<b>TOTAL</b>	<b>45,884,889</b>	<b>41,997,000</b>	<b>18,764,511</b>

<b>Banquete</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
Oct-22	1,936,148	1,667,660	-268,488
Nov-22	1,987,386	1,520,720	-466,666
Dec-22	2,039,932	1,950,980	-88,952
Jan-23	2,021,558	1,808,240	-213,318
Feb-23	1,675,422	1,547,200	-128,222
Mar-23	1,762,178	2,056,090	293,912
Apr-23	1,914,712	1,829,596	-85,116
May-23	1,992,566		
Jun-23	1,743,470		
Jul-23	1,998,398		
Aug-23	2,290,406		
Sep-23	2,148,400		
<b>TOTAL</b>	<b>23,510,576</b>	<b>12,380,486</b>	<b>-956,850</b>

<b>Driscoll</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
Oct-22	4,657,760	2,476,000	-2,181,760
Nov-22	4,556,820	2,245,000	-2,311,820
Dec-22	4,537,460	2,720,000	-1,817,460
Jan-23	3,833,964	2,350,000	-1,483,964
Feb-23	3,398,236	2,316,000	-1,082,236
Mar-23	3,611,000	3,158,000	-453,000
Apr-23	3,745,400	2,468,000	-1,277,400
May-23	3,808,500		
Jun-23	3,512,460		
Jul-23	4,131,560		
Aug-23	4,394,760		
Sep-23	4,201,560		
<b>TOTAL</b>	<b>48,389,480</b>	<b>17,733,000</b>	<b>-10,607,640</b>

<b>Agua Dulce</b>	<b>Budgeted</b>	<b>Actual</b>	<b>Difference</b>
Oct-22	2,109,138	2,699,320	590,182
Nov-22	1,906,158	2,002,810	96,652
Dec-22	1,931,546	2,463,430	531,884
Jan-23	1,900,182	2,185,978	285,796
Feb-23	1,676,018	2,093,407	417,389
Mar-23	2,022,482	2,456,020	433,538
Apr-23	2,283,475	2,639,710	356,235
May-23	2,492,523		
Jun-23	2,409,567		
Jul-23	2,508,574		
Aug-23	2,577,186		
Sep-23	2,207,186		
<b>TOTAL</b>	<b>26,024,035</b>	<b>16,540,675</b>	<b>2,711,676</b>

ATTACHMENT 3

Field Reports

## Memorandum

To: South Texas Water Authority Board of Directors and John Marez, Administrator  
From: Nigel Gomez, O&M Manager  
Date: June 16, 2023  
Re: O&M Activities

### **During the Week of May 1<sup>st</sup>:**

#### **Admin:**

- Review GPS records
- City Gallons Report
- TRWA Apprenticeship Hour Updates
- 2023 Coastal Bend Hurricane Conference
- Master Plan w/ ICE

#### **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
- Remote & Manual Meter Readings – NWSC
- Completed Taps - 1

#### **Safety & Maintenance:**

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

### **During the Week of May 8<sup>th</sup>:**

#### **Admin:**

- Review GPS records
- Water Loss Report
- Art of Generator Maintenance Workshop – Beaumont
- Lead and Copper Rule Revision (LCRR) Workshop

**Operations:**

- Collect/Monitor NAP samples – STWA, RWSC & NWSC
- Monitor residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on the 42” line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run & RWSC Meter Run @ Office
- Collect Bac-T Samples
- Weekly CL17 Verification
- Completed service orders for NWSC and RWSC
- DR 900 Calibration
- Meter Readings - RWSC
- Master Plan w/ ICE
- Update Materials Inventory List
- Aqua Metrics Master Meter Troubleshoot

**Safety & Maintenance:**

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

**During the Week of May 15<sup>th</sup>:**

**Admin:**

- Review GPS records
- TRWA Apprenticeship Hour Updates
- Master Plan w/ ICE
- Core & Main Inventory Meeting
- Class D Water License – 1 Field Staff

**Operations:**

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

**Safety & Maintenance:**

Safety Meetings:

**“Handling The Load: Forklift Safety”**

Generators – Exercise Transfer Switch

Weekly Preventative Maintenance – Heavy Equipment

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

**During the Week of May 22<sup>nd</sup>:**

**Admin:**

Review GPS records

TRWA Apprenticeship Hour Updates

Master Plan w/ ICE

Art of Generator Maintenance Workshop – Waco

**Operations:**

Collect/Monitor NAP samples – STWA, RWSC & NWSC

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

Collect Bac-T Samples

Weekly CL 17 Verification

Completed service orders for NWSC and RWSC

Lockouts – NWSC & RWSC

Flushing – NWSC & RWSC

Master Plan w/ ICE

**Safety & Maintenance:**

Generators – Exercise Transfer Switch

Weekly Preventative Maintenance – Heavy Equipment

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

**During the Week of May 29<sup>th</sup>:**

**Admin:**

Review GPS records

TRWA Apprenticeship Hour Updates

DR900 Calibration Training w/Corpus Christi Water

Master Plan w/ ICE

Memorial Day Holiday

**Operations:**

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

**Safety & Maintenance:**

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

ATTACHMENT 4

FY 2023 Budget Amendments

## Memo

To: South Texas Water Authority Board of Directors  
From: John Marez, Exec Dir/Admin  
Date: June 16, 2023  
Re: Fiscal Year (FY) 2022/23 Budget Amendments

### Background

Enclosed are staffs recommended amendments for the FY 2022/23 Budget. These amendments are provided as a comparison of our Adopted and Actual budget expenses and revenues for this fiscal year.

### Analysis

1. Total Revenues increased by \$175,439 based on an increase in interest income. This includes an increase of approximately \$1,725 in interest on Driscoll pay plan and a net neutral amount of \$0 on the Maintenance & Operations (M&O) agreement.
  - Payroll Costs are decreased by (\$1,235). The Board should note that this item will definitely require adjustment prior to year-end due to the final field tech position being filed by June 20, 2023.
  - Supplies and Materials are currently showing a net neutral (\$0).
  - Professional Fees have a net increase of \$17,500 due to the increase for Engineering Services provided by International Consulting Engineers (ICE) to develop and complete the STWA Short/Long Term Master Plan.
  - Consumable Supplies/Materials/Tech Support currently shows no increase in costs.
  - Recurring Operating Costs increased by \$5,435 mainly due to the new office telephone system. There was a noted decrease in general liability insurance \$1,765.
  - Miscellaneous Cost increased by \$2,500.
3. Capital Outlay is increased by \$10,8083.
4. Other Finance Sources increased by \$11,632.
5. Deficiencies of Revenues over Expenditures is increased by \$152,789 for a Net Income of \$440,845 as compared to the original budget's ending balance of \$288,056.

### Staff Recommendation

Approve the FY 2022/23 Budget Amendments.

### Board Action

Determine whether to approve the recommended amendments.

### Summary

The attached amended budget includes providing \$17,500 for the STWA Short/Long Term Master Plan and \$6,500 for the new office telephone system.

SOUTH TEXAS WATER AUTHORITY  
**PROPOSED AMENDED**  
 FISCAL YEAR 2023 BUDGET  
 General Fund

CC Water Cost  
 \$2.31000  
 Handling Charge  
 \$0.500000  
 M&O Tax Rate  
 \$0.064912  
 I&S Tax Rate  
 \$0.013577

	ADOPTED FY 2023 BUDGET	YEAR TO DATE 3/31/2023	% OF 2023 ADOPTED BUDGET	PROPOSED AMENDED FY 2023 BUDGET	VARIANCE
<b>REVENUES</b>					
Water Service Revenues	\$1,294,624	\$591,747	46%	\$1,294,624	\$0
Handling Charge Revenue	\$283,772	\$132,532	47%	\$283,772	\$0
Premium Incremental Increase	\$5,000	\$5,275	106%	\$10,800	\$5,800
Fee in Lieu of Taxes/Out of Dist. Surcharge	\$12,058	\$4,986	41%	\$9,972	-\$2,086
Interest on Temp. Invest.	\$30,000	\$92,637	309%	\$200,000	\$170,000
Interest Note - City of Driscoll	\$1,275	\$2,701	212%	\$3,000	\$1,725
Other Revenue					
Operations & Maintenance Fees	\$11,300	\$4,047	36%	\$11,300	\$0
Miscellaneous Revenues	\$12,000	\$4,881	41%	\$12,000	\$0
<b>TOTAL REVENUES</b>	<b>\$1,650,029</b>	<b>\$838,806</b>	<b>51%</b>	<b>\$1,825,468</b>	<b>\$175,439</b>
<b>EXPENDITURES</b>					
Water Service Expenditures:					
Bulk Water Purchases	\$1,294,624	\$578,500	45%	\$1,294,624	\$0
<b>TOTAL WATER SERVICE</b>	<b>\$1,294,624</b>	<b>\$578,500</b>	<b>45%</b>	<b>\$1,294,624</b>	<b>\$0</b>
<b>Payroll Costs</b>					
Salaries & Wages - 4% COLA management					
Permanent Employees	\$394,996	\$158,591	40%	\$394,996	\$0
Vacation Buy Back	\$8,500	\$8,114	95%	\$8,115	-\$385
Part-Time Employee	\$0	\$0	0%	\$0	\$0
Overtime - NWSC	\$0	\$0	0%	\$0	\$0
Stand-by Pay - NWSC	\$0	\$0	0%	\$0	\$0
Overtime - RWSC	\$0	\$0	0%	\$0	\$0
Stand-by Pay - RWSC	\$0	\$0	0%	\$0	\$0
Overtime - STWA	\$15,000	\$13,821	92%	\$30,000	\$15,000
Stand-by Pay - STWA	\$1,300	\$650	50%	\$1,300	\$0
Employee Retirement Premiums	\$65,026	\$15,320	24%	\$65,026	\$0
Group Insurance Premium	\$220,700	\$80,968	37%	\$205,700	-\$15,000
Unemployment Compensation	\$1,094	\$15	1%	\$175	-\$919
Workers' Compensation	\$8,903	\$14,806	166%	\$8,903	\$0
Car Allowance	\$0	\$0	0%	\$0	\$0
Hospital Insurance Tax	\$5,431	\$2,578	47%	\$5,500	\$69
<b>TOTAL PERSONNEL</b>	<b>\$720,950</b>	<b>\$294,863</b>	<b>41%</b>	<b>\$719,715</b>	<b>-\$1,235</b>

	ADOPTED FY 2023 BUDGET	YEAR TO DATE 3/31/2023	% OF 2023 ADOPTED BUDGET	PROPOSED AMENDED FY 2023 BUDGET	VARIANCE
Supplies & Materials					
Repairs & Maintenance	\$150,000	\$55,995	37%	\$150,000	\$0
Meter Expense	\$5,000	\$0	0%	\$5,000	\$0
Tank Repairs	\$10,000	\$0	0%	\$10,000	\$0
Major Repairs	\$25,000	\$0	0%	\$25,000	\$0
<b>TOTAL SUPPLIES &amp; MATERIALS</b>	<b>\$190,000</b>	<b>\$55,995</b>	<b>29%</b>	<b>\$190,000</b>	<b>\$0</b>
Other Operating Expenditures:					
Professional Fees					
Legal	\$25,000	\$2,668	11%	\$25,000	\$0
Auditing	\$10,500	\$9,500	90%	\$10,500	\$0
Engineering	\$12,500	\$0	0%	\$30,000	\$17,500
Management & Consulting	\$7,500	\$0	0%	\$7,500	\$0
JMAE Management Consulting, LLC	\$70,000	\$34,999	50%	\$70,000	\$0
Inspection	\$7,500	\$0	0%	\$7,500	\$0
<b>TOTAL PROFESSIONAL FEES</b>	<b>\$133,000</b>	<b>\$47,167</b>	<b>35%</b>	<b>\$150,500</b>	<b>\$17,500</b>
Consum Supplies/Materials					
Postage	\$8,050	\$3,104	39%	\$8,050	\$0
Printing/Office Supplies	\$33,000	\$12,062	37%	\$33,000	\$0
Janitorial/Site Maintenance	\$17,750	\$7,336	41%	\$17,750	\$0
Fuel/Lubricants/Repairs	\$80,000	\$28,240	35%	\$80,000	\$0
Chemicals/Water Samples	\$57,750	\$21,541	37%	\$57,750	\$0
Safety Equipment	\$1,750	\$854	49%	\$1,750	\$0
Small Tools	\$2,800	\$1,147	41%	\$2,800	\$0
<b>TOTAL CONSUM SUPPLIES/MATERIALS</b>	<b>\$201,100</b>	<b>\$74,284</b>	<b>37%</b>	<b>\$201,100</b>	<b>\$0</b>
Recurring Operating Costs					
Telephone/Communications	\$29,000	\$17,809	61%	\$35,500	\$6,500
Utilities	\$115,000	\$44,532	39%	\$115,000	\$0
D & O Liability Insurance	\$2,800	\$3,445	123%	\$3,500	\$700
Property Insurance	\$45,000	\$44,647	99%	\$45,000	\$0
General Liability	\$4,765	\$1,820	38%	\$3,000	-\$1,765
Auto Insurance	\$3,000	\$2,866	96%	\$3,000	\$0
Travel/Training/Meetings - Staff	\$10,000	\$6,201	62%	\$10,000	\$0
Travel/Training/Meetings - Board of Directors	\$10,000	\$6,231	62%	\$10,000	\$0
Travel/Training/Meetings - Legislative Travel	\$2,500	\$0	0%	\$2,500	\$0
Rental-Equipment/Uniforms	\$6,000	\$2,249	37%	\$6,000	\$0
Dues/Subscriptions/Publications	\$16,500	\$5,297	32%	\$16,500	\$0
Pass Through Costs	\$400	\$176	44%	\$400	\$0
<b>TOTAL RECURRING OPER. COSTS</b>	<b>\$244,965</b>	<b>\$135,273</b>	<b>55%</b>	<b>\$250,400</b>	<b>\$5,435</b>
Miscellaneous					
Miscellaneous Expenditures	\$11,000	\$6,029	55%	\$13,500	\$2,500
<b>TOTAL MISCELLANEOUS</b>	<b>\$11,000</b>	<b>\$6,029</b>	<b>55%</b>	<b>\$13,500</b>	<b>\$2,500</b>
<b>Total Administrative &amp; Operations Exp.</b>	<b>\$2,795,639</b>	<b>\$1,192,111</b>		<b>\$2,819,839</b>	<b>\$24,200</b>

	ADOPTED FY 2023 BUDGET	YEAR TO DATE 3/31/2023	% OF 2023 ADOPTED BUDGET	PROPOSED AMENDED FY 2023 BUDGET	VARIANCE
Capital Outlay					
Capital Acquisition	\$204,675	\$103,610	51%	\$214,758	\$10,083
Engineering	\$0	\$0	0%	\$0	\$0
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$204,675</b>	<b>\$103,610</b>	<b>51%</b>	<b>\$214,758</b>	<b>\$10,083</b>
<b>TOTAL EXPENDITURES (w/o D.S. exp.)</b>	<b>\$3,000,314</b>	<b>\$1,295,721</b>	<b>43%</b>	<b>\$3,034,597</b>	<b>\$34,283</b>
Excess (Deficiencies) of Revenue Over Expenditures	(\$1,350,285)	(\$456,915)	34%	(\$1,209,129)	\$141,156
<b>OTHER FINANCE SOURCES (USES)</b>					
Transfer to Other Funds					
Disposition of Assets (Surplus Sale)	\$1,500	\$0	0%	\$1,500	\$0
Transfer from Tax Fund	\$1,636,842	\$1,598,912	98%	\$1,648,474	\$11,632
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$1,638,342</b>	<b>\$1,598,912</b>	<b>98%</b>	<b>\$1,649,974</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$1,361,973</b>	<b>(\$303,191)</b>		<b>\$1,384,623</b>	<b>\$22,650</b>
<b>EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USED)</b>	<b>\$288,056</b>	<b>\$1,141,997</b>		<b>\$440,845</b>	<b>\$152,789</b>
<b>NET INCOME</b>	<b>\$288,056</b>	<b>\$1,141,997</b>		<b>\$440,845</b>	<b>\$152,789</b>

**Capital Acquisitions**

\$37,500	1 new truck
\$5,000	Technology
\$0	Phone system
\$25,000	Marquee
\$66,175	Hydrovac
\$50,000	Forklift
\$10,000	GIS
<u>\$11,000</u>	Shoring
<b>\$204,675</b>	

**Amended**

\$93,595	2 trucks and outfitting
\$5,163	computers
\$0	
\$15,000	
\$0	
\$80,000	
\$10,000	
<u>\$11,000</u>	
<b>\$214,758</b>	

SOUTH TEXAS WATER AUTHORITY  
**PROPOSED AMENDED**  
 FISCAL YEAR 2023 BUDGET  
 \*\*\*M & O TAX FUND\*\*\*

CC Water Cost  
 \$2.31000  
 Handling Charge  
 \$0.500000  
 M&O Tax Rate  
 \$0.064912  
 I&S Tax Rate  
 \$0.013577

	ADOPTED 2023 BUDGET	YEAR TO DATE 3/31/2023	% OF 2023 ADOPTED BUDGET	PROPOSED AMENDED FY 2023 BUDGET	VARIANCE
<b>REVENUES</b>					
Ad Valorem - Current (M&O)	\$1,674,136	\$1,629,555	97%	\$1,679,136	\$5,000
Delinquent Taxes	\$30,000	\$23,700	79%	\$32,500	\$2,500
Penalty & Interest - Tax Accounts (M&O)	\$19,000	\$13,511	71%	\$25,000	\$6,000
Miscellaneous	\$0	-\$20	0%	\$0	\$0
<b>TOTAL M&amp;O TAX REVENUES</b>	<b>\$1,723,136</b>	<b>\$1,666,746</b>	<b>97%</b>	<b>\$1,736,636</b>	<b>\$13,500</b>
<b>EXPENDITURES</b>					
Tax Collector Fees	\$57,132	\$55,405	97%	\$59,000	\$1,868
Appraisal Districts	\$29,162	\$12,429	43%	\$29,162	\$0
Refunds	\$0	\$0	0%	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$86,294</b>	<b>\$67,834</b>	<b>79%</b>	<b>\$88,162</b>	<b>\$1,868</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>\$1,636,842</b>	<b>\$1,598,912</b>	<b>98%</b>	<b>\$1,648,474</b>	<b>\$11,632</b>
<b>OTHER USES</b>					
Transfer to Revenue Fund (Tax)	\$1,636,842	\$1,598,912	98%	\$1,648,474	\$11,632
<b>TOTAL EXPEND. &amp; OTHER USES</b>	<b>\$1,723,136</b>	<b>\$1,666,746</b>	<b>97%</b>	<b>\$1,736,636</b>	<b>\$13,500</b>
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0	\$0		\$0	

SOUTH TEXAS WATER AUTHORITY  
**PROPOSED AMENDED**  
 FISCAL YEAR 2023 BUDGET  
 \*\*\*Special Services\*\*\*

CC Water Cost  
 \$2.31000  
 Handling Charge  
 \$0.500000  
 M&O Tax Rate  
 \$0.064912  
 I&S Tax Rate  
 \$0.013577

	Adopted FY 2023 Budget	YEAR TO DATE 3/31/2023	% OF 2023 ADOPTED BUDGET	PROPOSED AMENDED FY 2023 BUDGET	VARIANCE
<b>REVENUES</b>					
Ricardo Water Supply Corporation	\$372,555	\$164,787	44%	\$385,555	\$13,000
Nueces Water Supply Corporation	\$361,255	\$177,360	49%	\$377,255	\$16,000
<b>TOTAL SPECIAL SERVICES REVENUE</b>	<b>\$733,810</b>	<b>\$342,147</b>	<b>47%</b>	<b>\$762,810</b>	<b>\$29,000</b>
<b>EXPENDITURES</b>					
Personnel	\$415,005	\$205,128	49%	\$415,005	\$0
Overhead	\$288,805	\$167,445	58%	\$317,805	\$29,000
Administrator	\$30,000	\$15,000	50%	\$30,000	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$733,810</b>	<b>\$387,573</b>	<b>53%</b>	<b>\$762,810</b>	<b>\$29,000</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>\$0</b>	<b>-\$45,426</b>		<b>\$0</b>	<b>\$0</b>

SOUTH TEXAS WATER AUTHORITY  
**PROPOSED AMENDED**  
 FISCAL YEAR 2023 BUDGET  
 \*\*\*I&S TAX FUND\*\*\*

CC Water Cost  
 \$2.31000  
 Handling Charge  
 \$0.500000  
 M&O Tax Rate  
 \$0.064912  
 I&S Tax Rate  
 \$0.013577

	ADOPTED FY 2023 BUDGET	YEAR TO DATE 3/31/2023	% OF 2023 ADOPTED BUDGET	PROPOSED AMENDED FY 2023 BUDGET	VARIANCE
<b>REVENUES</b>					
Ad Valorem - Current (I&S)	\$367,422	\$340,785	93%	\$362,422	-\$5,000
Delinquent Taxes	\$10,500	\$5,627	54%	\$10,500	\$0
Out of District - Fee in Lieu of Taxes - NCWCID#5	\$2,085	\$3,042	146%	\$6,084	\$3,999
Penalty & Interest - Tax Accounts (I&S)	\$6,250	\$1,043	17%	\$6,250	\$0
Interest on Temporary Investments	\$3,450	\$5,443	158%	\$14,450	\$11,000
Miscellaneous	\$0	-\$10	0%	\$0	\$0
<b>TOTAL M&amp;O TAX REVENUES</b>	<b>\$389,707</b>	<b>\$355,930</b>	<b>91%</b>	<b>\$399,706</b>	<b>\$9,999</b>
<b>EXPENDITURES</b>					
Fiscal Agent Fees	\$200	\$100	50%	\$200	\$0
Bond Interest Expense	\$101,350	\$50,675	50%	\$101,350	\$0
Bond Principal Payments	\$245,000	\$0	0%	\$245,000	\$0
Tax Collector Fees	\$14,427	\$10,854	75%	\$14,427	\$0
Appraisal Districts	\$6,445	\$3,334	52%	\$6,975	\$530
Refunds	\$0	\$0	0%	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$367,422</b>	<b>\$64,963</b>	<b>18%</b>	<b>\$367,952</b>	<b>\$530</b>
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$22,285	\$290,967	1306%	\$31,754	\$9,469

ATTACHMENT 5

Truth in Taxation

## Memo

To: South Texas Water Authority Board of Directors  
From: John Marez, Exec Dir/Admin  
Date: June 15, 2023  
Re: Truth in Taxation and Meeting (Hearing) Schedules

### Background:

Every year, a review of the water district's Truth in Taxation (TNT) requirements is presented for public review. Water districts compare the *average home value* from the previous to the current year. This is different compared to other taxing bodies since they evaluate their total taxable value from one year to the next. The STWA's Tax Year 2023 Average Home Value will be determined once the certified values are provided by both the Nueces County Appraisal District (NCAD) and Kleberg Couth Appraisal District (KCAD). For the Tax Year 2022, last year's average home value after the \$5,000 homestead exemption was \$108,500. The previous year's average home value was \$99,825 after the \$5,000 homestead exemption.

The STWA's "No New Tax Rate" (NNTR) is calculated by multiplying the Tax Year 2022 average home value by the proposed tax rate to attain a proposed tax bill. That proposed tax bill is compared to the tax bill for last year's average home value using the current year's tax rate. This comparison is made as a dollar amount and as a percentage change.

State law allows up to a 3.5% increase on the M&O (Maintenance & Operation) portion of a property tax without being subject to a rollback election by the authority's residents. Previously, staff has calculated a value below the allowed maximum based on the rollback percentage of 3.5%. This provides the greatest degree of flexibility in terms of adopting a rate since a lower rate can be adopted without another newspaper publication and public hearing.

### Analysis:

In order to comply with the necessary TNT laws as well as the deadline established by the tax offices the following must occur:

1. Staff anticipates that the Nueces County and Kleberg County Certified Appraisal rolls will be delivered by Tuesday, July 25<sup>th</sup>. Staff also expects delivery to occur via email rather than hand delivered as in past years.
2. The Board agreed to postpone the July meeting by a week until August 1<sup>st</sup>. During that meeting, a vote is needed on a PROPOSED tax rate which includes setting the date, time and location for the Public Hearing. Although it is not part of the TNT requirements, the Board will also be asked to approve a proposed budget during the August 1<sup>st</sup> meeting which will be mailed to STWA's wholesale customers the following day, if approved.
3. Water districts are only required to hold one (1) public hearing. The recorded vote on the PROPOSED rate is published together with the notice of the public hearing. The Public Hearing and Board meeting will need to occur on Tuesday, September 5<sup>th</sup>. Public postings in the Corpus Christi

Caller will occur on August 27<sup>th</sup> and in the Kingsville Record on August 24<sup>th</sup>. This will provide the seven-day required advance notice.

**Staff Recommendation:**

In order to comply with the necessary TNT rules, provisions of the wholesale water supply contracts and a Nueces County Tax Office deadline, the following schedule is being presented to ensure that a quorum will be available for the necessary meetings and public hearing.

Date	Event	Action
June 20, 2023	Board Meeting	Agree on calendar, confirm quorums, review preliminary FY 2023/24 Budget
July 25 <sup>th</sup> , 2023	County Appraisal Districts deliver Certified Tax Rolls	Staff calculates Effective Tax Rate using Average Home Values
August 1, 2023	Board Meeting	Board votes on proposed rate, set date/time of hearings, approves sending out Proposed Budget to Wholesale Customers
August 2, 2023	Staff Prep	Proposed Budget sent to Wholesale Customers for 30-day written comment period
August 3-Sept 4	30-Day Period	Wholesale Customers review/written comment period on the Proposed Budget
August 24 and 27, 2023	Public Notices	Newspaper Notices must be published at least 7 days before the hearing
September 5, 2023	Public Hearing	Board holds public hearing on proposed tax rates
September 5, 2023	Board Meeting	After hearing, Board adopts Tax Rates, Budgets, Water Rates, Handling Charge
September 8, 2023	Nueces County Tax Office Deadline	Failure to submit Tax Rates could result in the STWA paying for separate tax bill mail-outs.

**Board Action:**

Determine whether to approve tax schedule (listed above).

**Summary:**

This outline should ensure establishing quorums for the necessary public hearing and board meetings.

ATTACHMENT 6

Preliminary FY 2024 Budget

Information will be provided prior to meeting.

ATTACHMENT 7

KCAD Nominations

## Memo

To: South Texas Water Authority Board of Directors  
From: John Marez, Exec Dir/Admin  
Date: June 15, 2023  
Re: Kleberg County Appraisal District (KCAD) Board of Directors Election

### Background

In July 2021 the STWA Board voted to submit a candidate for election to the KCAD. Attached is information from Chief Appraiser Tina Flores regarding the election process, STW A's eligibility and number of votes STWA can cast.

### Analysis

At this time, the Board can submit a nominee by resolution to be placed on the KCAD ballot. The election is scheduled to occur in September of this year. The STWA has 125 votes it can cast for one candidate or split its votes between multiple candidates. If Board Members are aware of a person that is interested in serving, Resolution 23-14 would need to be formally approved and submitted to KCAD.

### Staff Recommendation

As the Board can see by the KCAD supplied information, STWA's number of votes is much smaller by comparison to the other taxing units in Kleberg County. This is as a result of STW A's tax levy being much smaller than those other entities.

### Board Action

Determine whether to submit the name of a nominee with the adoption of Resolution 23-14.

### Summary

This board are representative of the entire community in spite of being nominated by various local tax entities.

## John Marez

---

**From:** John Marez <jmarez@stwa.org>  
**Sent:** Tuesday, June 6, 2023 4:28 PM  
**To:** 'tinaf@sbcglobal.net'  
**Cc:** Joella Wagner; fvrosales@stwa.org  
**Subject:** Kleberg County Appraisal District Board of Director Election

Tina,

Please consider this email official notice of the South Texas Water Authority as interest to participate in this year's KCAD Board of Director's Election. Since I was appointed to this role during the middle of the last election process please send me any updates so I do not miss any required or important dates. In addition, let me know if there is any part of the process that I need to complete aside from this notification.

Since we had one member experience interest during the elections in 2021, I am sure we will have further another candidate seek a position on the KCAD Board. I am copying Frances DeLeon and Jo Ella Wagner as my backups for any further communications or notices to the STWA Board.

Thank you for your attention to this matter.

Sincerely,

John



John Marez, Exec Dir/Administrator  
2302 E. Sage Rd  
Kingsville, Texas 78363  
Office: 361-592-9323  
Direct: 361-813-2105

Bcc: STWA Board Officers

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*KLEBERG COUNTY APPRAISAL DISTRICT*

*502 E. Kleberg - P. O. BOX 1027*

*KINGSVILLE, TEXAS 78364*

*PH# (361) 595-5775 FAX# (361) 595-7984*

June 6, 2023

South Texas Water Authority  
Mr. John Marez,  
Executive Director/Administrator  
P. O. Box 1701  
Kingsville, Texas 78363-1701

Dear Mr. Marez,

Please consider this a reminder to South Texas Water Authority that if it wishes to participate in Kleberg County Appraisal District Board of Director's Election Process, Texas Property Tax Code Section 6.03 (c) states that you need to submit a written request to the chief appraiser to nominate and vote on the board of directors by June 1, 2023. I have not received such a request in our office as of today. Since South Texas Water Authority has had a change in administration since our last election, I would be willing to allow you to submit your request to our office not later than June 12, 2023, but would appreciate it as soon as possible. I have enclosed a copy of the Texas Property Tax Code section for your review. I have also enclosed a copy of what the former Executive Director submitted.

If you have any questions, please feel free to contact me at 361-595-5775.

Sincerely,

  
Ernestina Flores, R. P. A.  
Chief Appraiser of Kleberg County

Attachments

Section		Section	
6.07.	Taxing Unit Boundaries.	6.25.	County Contract with Appraisal District [Repealed].
6.08.	Notice of Optional Exemptions.	6.26.	Election to Consolidate Assessing and Collecting Functions.
6.09.	Designation of District Depository.	6.27.	Compensation for Assessment and Collection.
6.10.	Disapproval of Board Actions.	6.275.	Release of Assessor and Collector from Liability.
6.11.	Purchasing and Contracting Authority.	6.28.	Bonds for State and County Taxes.
6.12.	Agricultural Appraisal Advisory Board.	6.29.	Bonds for Other Taxes.
6.13.	District Records.	6.30.	Attorneys Representing Taxing Units.
6.14.	Information Provided to Texas Legislative Council.	6.31 to 6.40.	[Reserved].
6.15.	Ex Parte Communications; Penalty.		
6.155.	Certain Communications by Taxing Units Prohibited; Penalty. [Effective January 1, 2022]		
6.16.	Residential Property Owner Assistance.		
6.17 to 6.20.	[Reserved].		
	<b>Subchapter B. Assessors and Collectors</b>		<b>Subchapter C. Appraisal Review Board</b>
6.21.	County Assessor-Collector.	6.41.	Appraisal Review Board.
6.22.	Assessor and Collector for Other Taxing Units.	6.411.	Ex Parte Communications; Penalty.
6.23.	Duties of Assessor and Collector.	6.412.	Restrictions on Eligibility of Board Members.
6.231.	Continuing Education.	6.413.	Interest in Certain Contracts Prohibited.
6.235.	Continuing Education Requirements [Repealed].	6.414.	Auxiliary Appraisal Review Board Members.
6.24.	Contracts for Assessment and Collection.	6.42.	Organization, Meetings, and Compensation.
		6.425.	Special Appraisal Review Board Panels in Certain Districts.
		6.43.	Personnel.

*Subchapter A*

*Appraisal Districts*

**Sec. 6.01. Appraisal Districts Established.**

- (a) An appraisal district is established in each county.
- (b) The district is responsible for appraising property in the district for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the district.
- (c) An appraisal district is a political subdivision of the state.

**HISTORY:** Enacted by 1979, 66th Leg., ch. 841 (S.B. 621), § 1, effective January 1, 1982; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 12, 13, effective January 1, 1982; am. Acts 1983, 68th Leg., ch. 851 (H.B. 1203), § 1, effective August 29, 1983.

**Sec. 6.02. District Boundaries.**

- (a) The appraisal district's boundaries are the same as the county's boundaries.
- (b) This section does not preclude the board of directors of two or more adjoining appraisal districts from providing for the operation of a consolidated appraisal district by interlocal contract.
- (c) to (g) [Repealed by Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(2), effective January 1, 2008.]

**HISTORY:** Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1, effective January 1, 1980; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 14, 167(a), effective January 1, 1982; am. Acts 1983, 68th Leg., ch. 117 (S.B. 433), § 1, effective May 17, 1983; am. Acts 1991, 72nd Leg., ch. 20 (S.B. 351), § 14, effective August 26, 1991; am. Acts 1991, 72nd Leg., ch. 391 (H.B. 2885), § 13, effective August 26, 1991; am. Acts 1993, 73rd Leg., ch. 347 (S.B. 7), § 4.05, effective May 31, 1993; am. Acts 1997, 75th Leg., ch. 165 (S.B. 898), § 6.72, effective September 1, 1997; am. Acts 2007, 80th Leg., ch. 648 (H.B. 1010), §§ 1, 5(2), effective January 1, 2008.

**Sec. 6.025. Overlapping Appraisal Districts; Joint Procedures [Repealed].**

Repealed by Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(3), effective January 1, 2008.

**HISTORY:** Enacted by Acts 1995, 74th Leg., ch. 186 (H.B. 623), § 1, effective January 1, 1996; am. Acts 1997, 75th Leg., ch. 1357 (H.B. 670), § 1, effective January 1, 1998; am. Acts 1999, 76th Leg., ch. 250 (H.B. 1037), § 1, 2, effective January 1, 2000; am. Acts 2003, 78th Leg., ch. 455 (H.B. 703), § 1, effective January 1, 2004; am. Acts 2003, 78th Leg., ch. 1041 (H.B. 1082), § 1, effective January 1, 2004.

**Sec. 6.03. Board of Directors.**

- (a) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the

board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(b) Members of the board of directors other than a county assessor-collector serving as a nonvoting director serve two-year terms beginning on January 1 of even-numbered years.

(c) Members of the board of directors other than a county assessor-collector serving as a nonvoting director are appointed by vote of the governing bodies of the incorporated cities and towns, the school districts, the junior college districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships. Conservation and reclamation districts are not entitled to vote unless at least one conservation and reclamation district in the district delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year. On receipt of a request, the chief appraiser shall certify a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district.

(d) The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. That number is multiplied by the number of directorships to be filled. A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

(e) The chief appraiser shall calculate the number of votes to which each taxing unit other than a conservation and reclamation district is entitled and shall deliver written notice to each of those units of its voting entitlement before October 1 of each odd-numbered year. The chief appraiser shall deliver the notice:

- (1) to the county judge and each commissioner of the county served by the appraisal district;
- (2) to the presiding officer of the governing body of each city or town participating in the appraisal district, to the city manager of each city or town having a city manager, and to the city secretary or clerk, if there is one, of each city or town that does not have a city manager;
- (3) to the presiding officer of the governing body of each school district participating in the district and to the superintendent of those school districts; and
- (4) to the presiding officer of the governing body of each junior college district participating in the district and to the president, chancellor, or other chief executive officer of those junior college districts.

(f) The chief appraiser shall calculate the number of votes to which each conservation and reclamation district entitled to vote for district directors is entitled and shall deliver written notice to the presiding officer of each conservation and reclamation district of its voting entitlement and right to nominate a person to serve as a director of the district before July 1 of each odd-numbered year.

(g) Each taxing unit other than a conservation and reclamation district that is entitled to vote may nominate by resolution adopted by its governing body one candidate for each position to be filled on the board of directors. The presiding officer of the governing body of the unit shall submit the names of the unit's nominees to the chief appraiser before October 15.

(h) Each conservation and reclamation district entitled to vote may nominate by resolution adopted by its governing body one candidate for the district's board of directors. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year. Before August 1, the chief appraiser shall prepare a nominating ballot, listing all the nominees of conservation and reclamation districts alphabetically by surname, and shall deliver a copy of the nominating ballot to the presiding officer of the board of directors of each district. The board of directors of each district shall determine its vote by resolution and submit it to the chief appraiser before August 15. The nominee on the ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district if the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(i) If no nominee of the conservation and reclamation districts receives more than 10 percent of the votes entitled to be cast under Subsection (h), the chief appraiser, before September 1, shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee. Each conservation and reclamation district may submit a nominee by September 15 to the chief appraiser as provided by Subsection (h). The chief appraiser shall submit a second nominating ballot by October 1 to the conservation and reclamation districts as provided by Subsection (h). The conservation and reclamation districts shall submit their votes for nomination before October 15 as provided by Subsection (h). The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(j) Before October 30, the chief appraiser shall prepare a ballot, listing the candidates whose names were timely submitted under Subsections (g) and, if applicable, (h) or (i) alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

Fw: BOD elections

From: Isa Espinoza (isae@sbcglobal.net)  
To: dcantu@sbcglobal.net  
Date: Thursday, June 3, 2021, 11:33 AM CDT

fyi

for your records

Isa

----- Forwarded Message -----

From: "mcgserrato@stwa.org" <mcgserrato@stwa.org>  
To: 'Isa Espinoza' <isae@sbcglobal.net>; Tina Flores <tinaf@sbcglobal.net>  
Cc: Frances Rosales <frosales@stwa.org>; Jo Ella Wagner <jwagner@stwa.org>  
Sent: Wednesday, June 2, 2021, 12:20:59 PM CDT  
Subject: RE: BOD elections

Hello Tina and Isa,

Please consider this email as South Texas Water Authority's notice that it wants to participate in the Kleberg County Appraisal District Board of Director election this year in accordance with Texas Property Tax Code Section 6.03 (c). It is my understanding due to this year's situation with Covid-19, KCAD is allowing entities to submit their request no later than June 4, 2021.

Please let me know if there is anything else needed for this process.

I am copying Jo Ella Wagner and Frances DeLeon on this email due to my upcoming retirement. At this time, STWA has hired a consultant to assist in recruiting my replacement. I hope to be retired by late August, if not sooner.

Thank-you for all of your assistance through the years,

Carola

Carola G. Serrato  
Executive Director  
South Texas Water Authority  
2302 East Sage Rd  
Kingsville, Texas 78363  
361-592-9323 x112

*KLEBERG COUNTY APPRAISAL DISTRICT*

*P. O. BOX 1027 - 502 E. Kleberg*

*Kingsville, Texas 78364*

*Phone: 361-595-5775 -- Fax: 361-595-7984*

RECEIVED

JUN 12 2023

June 9, 2023

SOUTH TEXAS WATER AUTHORITY

South Texas Water Authority  
Mr. Jose M. Graveley  
President  
2302 E. Sage Rd.  
Kingsville, Texas 78363

Dear Mr. Graveley,

In accordance with Section 6.03(c), Conservation and Reclamation districts may participate in this year's board of director's election process. This is due to the request for participation submitted by South Texas Water Authority dated June 6, 2023. The request made by South Texas Water Authority was made by June 12, 2023 and was considered timely filed. Kleberg County Appraisal District allowed for filing requests no later than June 12, 2023

In accordance with Section 6.03(c) of the Texas Property Tax Code, after receiving the request for participation from South Texas Water Authority, The Chief Appraiser shall:

1. Certified a list of all eligible conservation and reclamation Districts that are imposing taxes and that participate in the appraisal district by June 15. (This is provided for you on page 4 of this letter)

In accordance with Section 6.03(f) of the Texas Property Tax Code, the chief appraiser shall:

1. Calculate the number of votes to which each eligible conservation and reclamation district is entitled and deliver written notice to the presiding officer of each conservation and reclamation district of its voting entitlement and right to nominate a person to serve as a director of the district before July 1 of each odd-number year. (This is provided for you on page 4 of this letter)

Kleberg County Appraisal District considers this written notice of each conservation and reclamation districts voting entitlement and right to nominate a board of director for Kleberg County Appraisal District. **You will find a certification of all eligible conservation and reclamation districts and their number of votes for this process on page 4 of this letter.** Enclosed, you will find information sources that will also help you with this process.

Below you will find information and timelines that dictate your district's and the appraisal district's responsibilities during Kleberg County Appraisal District's process of board of directors elections.

In accordance with Section 6.03 (h) of the Texas Property Tax Code, your district may nominate by resolution adopted by its governing body, one candidate for the appraisal district's board of directors. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the appraisal district nominee to the chief appraiser **before July 15, 2023.** (The Chief Appraiser will ask for a copy of the resolution for verification.)

In accordance with Section 6.03(h) of the Texas Property Tax Code, **before August 1, 2023,** the chief appraiser shall prepare and deliver a nominating ballot to the presiding officer of each conservation and reclamation district's board of directors. The ballot will list all the nominees of each conservation and reclamation district alphabetically by surname.

In accordance with Section 6.03(h) of the Texas Property Tax Code, **before August 15, 2023,** each conservation and reclamation district's board of directors shall determine its votes for nominees by resolution and submit the resolution to the chief appraiser. The chief appraiser will then count the votes and determine the conservation and reclamation district's nominee. The person with the most votes from the conservation and reclamation districts wins the nomination if the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

In accordance with Section 6.03(i) of the Texas Property Tax Code, **if no nominee of the conservation and reclamation districts receives more than 10 percent of the votes entitled to be cast under Subsection (h),** The chief appraiser **before September 1, 2023,** shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee. **By September 15, 2023,** each conservation and reclamation district may submit a nominee by resolution adopted by its governing body one candidate for the district's board of directors (The Chief appraiser will ask for a copy of the resolution for verification.) The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser. **By October 1, 2023,** the Chief appraiser shall prepare and deliver to the presiding officer of the board of directors of each conservation and reclamation district, a second nominating ballot, listing all the nominees of the conservation and reclamation districts alphabetically by surname. **Before October 15, 2023,** the conservation and reclamation districts shall determine their votes for a nominee by resolution and submit it to the chief appraiser. The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in

the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

In accordance with Section 6.03(j) of the Texas Property Tax Code, **before October 30, 2023**, the chief appraiser shall prepare a ballot, listing the candidates alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each Taxing unit that is entitled to vote.

In accordance with Section 6.03(k) of the Texas Property Tax Code, **before December 15, 2023**, the governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit the resolution to the chief appraiser.

In accordance with Section 6.03(k) of the Texas Property Tax Code, **before December 31, 2023**, the chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results to the taxing units that were entitled to vote and the to the candidates.

(For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes cast by the conservation and reclamation districts is considered to have received all of the votes cast by the conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts.)

In accordance with Section 6.03(k) of the Texas Property Tax Code, the chief appraiser shall resolve a tie vote by any method of chance.

If the last day for the performance of an act is dated on a Saturday, Sunday, or legal state or national holiday the act is timely if performed on the next regular business day.

Please feel free to contact me if you have any question.

Sincerely,



Ernestina (Tina) Flores, R.P.A.  
Chief Appraiser of Kleberg County

Cc: Mr. John Marez - Executive Director/Administrator of South Texas Water Authority

enclosures

**CERTIFICATION OF ALL ELIGIBLE CONSERVATION  
AND/OR RECLAMATION DISTRICTS**

**THAT ARE IMPOSING TAXES IN KLEBERG COUNTY  
and  
THAT PARTICIPATE IN KLEBERG COUNTY APPRAISAL DISTRICT**

**Taxing Unit: South Texas Water Authority**

I, Ernestina (Tina) Flores, Chief Appraiser of  
Kleberg County Appraisal District, do hereby  
Certify the 2023 list of eligible conservation  
and reclamation districts and their number of  
votes listed below.

Eligible Conservation Districts

Kenedy County Ground Water Conservation District

Votes: 5

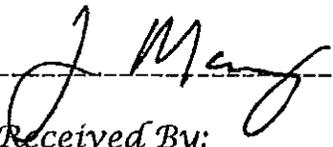
Eligible Conservation and Reclamation Districts:

South Texas Water Authority

Votes: 125

  
\_\_\_\_\_  
Ernestina Flores, R.P.A.  
Chief Appraiser of Kleberg County

Date: 6-7-23

  
\_\_\_\_\_  
Received By:

Date: 6/12/23

(Please sign and send a signed copy of this page to Kleberg County  
Appraisal District)

KLEBERG COUNTY APPRAISAL DISTRICT  
 2024-2025 BOARD OF DIRECTORS  
 TAXING ENTITY CALCULATION OF VOTES

**KLEBERG COUNTY**

\$13,828,668.63	÷	\$45,126,540.92		
0.306442	X	1000		
306.44	=	306		
306	X	5		
	=	1530		

**CITY OF KINGSVILLE**

\$8,372,234.72	÷	\$45,126,540.92		
0.185528	X	1000		
185.53	=	185		
185	X	5		
	=	925		

**KINGSVILLE I.S.D.**

\$15,191,199.68	÷	\$45,126,540.92		
0.336636	X	1,000		
336.64	=	337		
337	X	5		
	=	1685		

**RICARDO I.S.D.**

\$2,352,765.58	÷	\$45,126,540.92		
0.052137	X	1000		
52.14	=	52		
52	X	5		
	=	260		

**RIVIERA I.S.D.**

\$2,975,965.83	÷	\$45,126,540.92		
0.065947	X	1,000		
65.95	=	66		
66	X	5		
	=	330		

**SANTA GERTRUDIS I.S.D.**

\$1,247,917.74	÷	\$45,126,540.92		
0.027654	X	1,000		
27.65	=	28		
28	X	5		
	=	140		

KLEBERG COUNTY APPRAISAL DISTRICT  
2024-2025 BOARD OF DIRECTORS  
TAXING ENTITY CALCULATION OF VOTES

**SOUTH TEXAS WATER AUTHORITY**

$$\begin{array}{r r r r} \$1,109,833.24 & \div & \$45,126,540.92 & \\ 0.024594 & X & 1,000 & \\ 24.59 & = & 25 & \\ 25 & X & 5 & \\ & = & \underline{125} & \end{array}$$

**KENEDY COUNTY GROUNDWATER**

$$\begin{array}{r r r r} \$42,315.64 & \div & \$45,126,540.92 & \\ 0.000938 & X & 1,000 & \\ 0.94 & = & 1 & \\ 1 & X & 5 & \\ & = & \underline{5} & \end{array}$$

**CITY OF CORPUS CHRISTI**

$$\begin{array}{r r r r} \$5,639.86 & \div & \$45,126,540.92 & \\ 0.00012 & X & 1,000 & \\ 0.12 & = & 0 & \\ 0 & X & 5 & \\ & = & \underline{0} & \end{array}$$

KLEBERG COUNTY APPRAISAL DISTRICT  
 2024-2025 BOARD OF DIRECTORS  
 TAXING ENTITY VOTES

TAXING JURISDICTIONS	2022 LEVIES	PERCENT	TOTAL VOTES	CALCULATED DISTRICT VOTES	ACTUAL VOTES
KLEBERG COUNTY	\$13,828,668.63	0.306442	5000	1532	1530
CITY OF KINGSVILLE	\$8,372,234.72	0.185528	5000	928	925
KINGSVILLE I.S.D.	\$15,191,199.68	0.336636	5000	1683	1685
RICARDO I.S.D.	\$2,352,765.58	0.052137	5000	261	260
RIVIERA I.S.D.	\$2,975,965.83	0.065947	5000	330	330
SANTA GERTRUDIS I.S.D.	\$1,247,917.74	0.027654	5000	138	140
SOUTH TEXAS WATER AUTHORITY	\$1,109,833.24	0.024594	5000	123	125
KENEDY COUNTY GROUNDWATER	\$42,315.64	0.000938	5000	5	5
CITY OF CORPUS CHRISTI	<u>\$5,639.86</u>	0.000125	5000	0.6	0
TOTAL	\$45,126,540.92	100.00%		5000	5000

Section		Section	
6.07.	Taxing Unit Boundaries.	6.25.	County Contract with Appraisal District [Repealed].
6.08.	Notice of Optional Exemptions.	6.26.	Election to Consolidate Assessing and Collecting Functions.
6.09.	Designation of District Depository.	6.27.	Compensation for Assessment and Collection.
6.10.	Disapproval of Board Actions.	6.275.	Release of Assessor and Collector from Liability.
6.11.	Purchasing and Contracting Authority.	6.28.	Bonds for State and County Taxes.
6.12.	Agricultural Appraisal Advisory Board.	6.29.	Bonds for Other Taxes.
6.13.	District Records.	6.30.	Attorneys Representing Taxing Units.
6.14.	Information Provided to Texas Legislative Council.	6.31 to 6.40.	[Reserved].
6.15.	Ex Parte Communications; Penalty.		
6.155.	Certain Communications by Taxing Units Prohibited; Penalty. [Effective January 1, 2022]		
6.16.	Residential Property Owner Assistance.		
6.17 to 6.20.	[Reserved].		
	<b>Subchapter B. Assessors and Collectors</b>		<b>Subchapter C. Appraisal Review Board</b>
6.21.	County Assessor-Collector.	6.41.	Appraisal Review Board.
6.22.	Assessor and Collector for Other Taxing Units.	6.411.	Ex Parte Communications; Penalty.
6.23.	Duties of Assessor and Collector.	6.412.	Restrictions on Eligibility of Board Members.
6.231.	Continuing Education.	6.413.	Interest in Certain Contracts Prohibited.
6.235.	Continuing Education Requirements [Repealed].	6.414.	Auxiliary Appraisal Review Board Members.
6.24.	Contracts for Assessment and Collection.	6.42.	Organization, Meetings, and Compensation.
		6.425.	Special Appraisal Review Board Panels in Certain Districts.
		6.43.	Personnel.

*Subchapter A*

*Appraisal Districts*

**Sec. 6.01. Appraisal Districts Established.**

- (a) An appraisal district is established in each county.
- (b) The district is responsible for appraising property in the district for ad valorem tax purposes of each taxing unit that imposes ad valorem taxes on property in the district.
- (c) An appraisal district is a political subdivision of the state.

**HISTORY:** Enacted by 1979, 66th Leg., ch. 841 (S.B. 621), § 1, effective January 1, 1982; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 12, 13, effective January 1, 1982; am. Acts 1983, 68th Leg., ch. 851 (H.B. 1203), § 1, effective August 29, 1983.

**Sec. 6.02. District Boundaries.**

- (a) The appraisal district's boundaries are the same as the county's boundaries.
- (b) This section does not preclude the board of directors of two or more adjoining appraisal districts from providing for the operation of a consolidated appraisal district by interlocal contract.
- (c) to (g) [Repealed by Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(2), effective January 1, 2008.]

**HISTORY:** Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1, effective January 1, 1980; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 14, 167(a), effective January 1, 1982; am. Acts 1983, 68th Leg., ch. 117 (S.B. 433), § 1, effective May 17, 1983; am. Acts 1991, 72nd Leg., ch. 20 (S.B. 361), § 14, effective August 26, 1991; am. Acts 1991, 72nd Leg., ch. 391 (H.B. 2885), § 13, effective August 26, 1991; am. Acts 1993, 73rd Leg., ch. 347 (S.B. 7), § 4.05, effective May 31, 1993; am. Acts 1997, 75th Leg., ch. 165 (S.B. 898), § 6.72, effective September 1, 1997; am. Acts 2007, 80th Leg., ch. 648 (H.B. 1010), §§ 1, 5(2), effective January 1, 2008.

**Sec. 6.025. Overlapping Appraisal Districts; Joint Procedures [Repealed].**

Repealed by Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(3), effective January 1, 2008.

**HISTORY:** Enacted by Acts 1995, 74th Leg., ch. 186 (H.B. 623), § 1, effective January 1, 1996; am. Acts 1997, 75th Leg., ch. 1357 (H.B. 670), § 1, effective January 1, 1998; am. Acts 1999, 76th Leg., ch. 250 (H.B. 1037), § 1, 2, effective January 1, 2000; am. Acts 2003, 78th Leg., ch. 455 (H.B. 703), § 1, effective January 1, 2004; am. Acts 2003, 78th Leg., ch. 1041 (H.B. 1082), § 1, effective January 1, 2004.

**Sec. 6.03. Board of Directors.**

- (a) The appraisal district is governed by a board of directors. Five directors are appointed by the taxing units that participate in the district as provided by this section. If the county assessor-collector is not appointed to the board, the county assessor-collector serves as a nonvoting director. The county assessor-collector is ineligible to serve if the board enters into a contract under Section 6.05(b) or if the commissioners court of the county enters into a contract under Section 6.24(b). To be eligible to serve on the board of directors, an individual other than a county assessor-collector serving as a nonvoting director must be a resident of the district and must have resided in the district for at least two years immediately preceding the date the individual takes office. An individual who is otherwise eligible to serve on the

board is not ineligible because of membership on the governing body of a taxing unit. An employee of a taxing unit that participates in the district is not eligible to serve on the board unless the individual is also a member of the governing body or an elected official of a taxing unit that participates in the district.

(b) Members of the board of directors other than a county assessor-collector serving as a nonvoting director serve two-year terms beginning on January 1 of even-numbered years.

(c) Members of the board of directors other than a county assessor-collector serving as a nonvoting director are appointed by vote of the governing bodies of the incorporated cities and towns, the school districts, the junior college districts, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships. Conservation and reclamation districts are not entitled to vote unless at least one conservation and reclamation district in the district delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year. On receipt of a request, the chief appraiser shall certify a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district.

(d) The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. That number is multiplied by the number of directorships to be filled. A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

(e) The chief appraiser shall calculate the number of votes to which each taxing unit other than a conservation and reclamation district is entitled and shall deliver written notice to each of those units of its voting entitlement before October 1 of each odd-numbered year. The chief appraiser shall deliver the notice:

(1) to the county judge and each commissioner of the county served by the appraisal district;

(2) to the presiding officer of the governing body of each city or town participating in the appraisal district, to the city manager of each city or town having a city manager, and to the city secretary or clerk, if there is one, of each city or town that does not have a city manager;

(3) to the presiding officer of the governing body of each school district participating in the district and to the superintendent of those school districts; and

(4) to the presiding officer of the governing body of each junior college district participating in the district and to the president, chancellor, or other chief executive officer of those junior college districts.

(f) The chief appraiser shall calculate the number of votes to which each conservation and reclamation district entitled to vote for district directors is entitled and shall deliver written notice to the presiding officer of each conservation and reclamation district of its voting entitlement and right to nominate a person to serve as a director of the district before July 1 of each odd-numbered year.

(g) Each taxing unit other than a conservation and reclamation district that is entitled to vote may nominate by resolution adopted by its governing body one candidate for each position to be filled on the board of directors. The presiding officer of the governing body of the unit shall submit the names of the unit's nominees to the chief appraiser before October 15.

(h) Each conservation and reclamation district entitled to vote may nominate by resolution adopted by its governing body one candidate for the district's board of directors. The presiding officer of the conservation and reclamation district's governing body shall submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year. Before August 1, the chief appraiser shall prepare a nominating ballot, listing all the nominees of conservation and reclamation districts alphabetically by surname, and shall deliver a copy of the nominating ballot to the presiding officer of the board of directors of each district. The board of directors of each district shall determine its vote by resolution and submit it to the chief appraiser before August 15. The nominee on the ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district if the nominee received more than 10 percent of the votes entitled to be cast by all of the conservation and reclamation districts in the appraisal district, and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(i) If no nominee of the conservation and reclamation districts receives more than 10 percent of the votes entitled to be cast under Subsection (h), the chief appraiser, before September 1, shall notify the presiding officer of the board of directors of each conservation and reclamation district of the failure to select a nominee. Each conservation and reclamation district may submit a nominee by September 15 to the chief appraiser as provided by Subsection (h). The chief appraiser shall submit a second nominating ballot by October 1 to the conservation and reclamation districts as provided by Subsection (h). The conservation and reclamation districts shall submit their votes for nomination before October 15 as provided by Subsection (h). The nominee on the second nominating ballot with the most votes is the nominee of the conservation and reclamation districts in the appraisal district and shall be named on the ballot with the candidates nominated by the other taxing units. The chief appraiser shall resolve a tie vote by any method of chance.

(j) Before October 30, the chief appraiser shall prepare a ballot, listing the candidates whose names were timely submitted under Subsections (g) and, if applicable, (h) or (i) alphabetically according to the first letter in each candidate's surname, and shall deliver a copy of the ballot to the presiding officer of the governing body of each taxing unit that is entitled to vote.

(k) [Effective until January 1, 2022] The governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the chief appraiser before December 15. The chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates. For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes of the conservation and reclamation districts is considered to have received all of the votes cast by conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts. The chief appraiser shall resolve a tie vote by any method of chance.

(k) [Effective January 1, 2022] Except as provided by Subsection (k-1), the governing body of each taxing unit entitled to vote shall determine its vote by resolution and submit it to the chief appraiser before December 15. The chief appraiser shall count the votes, declare the five candidates who receive the largest cumulative vote totals elected, and submit the results before December 31 to the governing body of each taxing unit in the district and to the candidates. For purposes of determining the number of votes received by the candidates, the candidate receiving the most votes of the conservation and reclamation districts is considered to have received all of the votes cast by conservation and reclamation districts and the other candidates are considered not to have received any votes of the conservation and reclamation districts. The chief appraiser shall resolve a tie vote by any method of chance.

(k-1) [Effective January 1, 2022] This subsection applies only to an appraisal district established in a county with a population of 120,000 or more. The governing body of each taxing unit entitled to cast at least five percent of the total votes must determine its vote by resolution adopted at the first or second open meeting of the governing body that is held after the date the chief appraiser delivers the ballot to the presiding officer of the governing body. The governing body must submit its vote to the chief appraiser not later than the third day following the date the resolution is adopted.

(l) If a vacancy occurs on the board of directors other than a vacancy in the position held by a county assessor-collector serving as a nonvoting director, each taxing unit that is entitled to vote by this section may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall elect by majority vote of its members one of the nominees to fill the vacancy.

(m) [Repealed by Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(4), effective January 1, 2008.]

**HISTORY:** Enacted by Acts 1979, 66th Leg., ch. 841 (S.B. 621), § 1; am. Acts 1981, 67th Leg., 1st C.S., ch. 13 (H.B. 30), §§ 15, 167(a), effective January 1, 1982; am. Acts 1987, 70th Leg., ch. 59 (S.B. 469), § 1, effective September 1, 1987; am. Acts 1987, 70th Leg., ch. 270 (H.B. 268), § 1, effective August 31, 1987; am. Acts 1989, 71st Leg., ch. 1123 (H.B. 2301), § 2, effective January 1, 1990; am. Acts 1991, 72nd Leg., ch. 20 (S.B. 351), § 15, effective August 26, 1991; am. Acts 1991, 72nd Leg., ch. 371 (H.B. 864), § 1, effective September 1, 1991; am. Acts 1993, 73rd Leg., ch. 347 (S.B. 7), § 4.06, effective May 31, 1993; am. Acts 1997, 75th Leg., ch. 165 (S.B. 898), § 6.73, effective September 1, 1997; am. Acts 1997, 75th Leg., ch. 1039, § 2, effective January 1, 1998; am. Acts 1999, 76th Leg., ch. 705 (H.B. 834), § 1, effective January 1, 2000; am. Acts 2003, 78th Leg., ch. 629 (H.B. 2043), effective June 20, 2003; am. Acts 2007, 80th Leg., ch. 648 (H.B. 1010), § 5(4), effective January 1, 2008; am. Acts 2013, 83rd Leg., ch. 1161 (S.B. 359), § 1, effective June 14, 2013; am. Acts 2021, 87th Leg., ch. 644 (H.B. 988), § 3, effective January 1, 2022.

### Sec. 6.031. Changes in Board Membership or Selection.

(a) The board of directors of an appraisal district, by resolution adopted and delivered to each taxing unit participating in the district before August 15, may increase the number of members on the board of directors of the district to not more than 13, change the method or procedure for appointing the members, or both, unless the governing body of a taxing unit that is entitled to vote on the appointment of board members adopts a resolution opposing the change, and files it with the board of directors before September 1. If a change is rejected, the board shall notify, in writing, each taxing unit participating in the district before September 15.

(b) The taxing units participating in an appraisal district may increase the number of members on the board of directors of the district to not more than 13, change the method or procedure for appointing the members, or both, if the governing bodies of three-fourths of the taxing units that are entitled to vote on the appointment of board members adopt resolutions providing for the change. However, a change under this subsection is not valid if it reduces the voting entitlement of one or more taxing units that do not adopt a resolution proposing it to less than a majority of the voting entitlement under Section 6.03 of this code or if it reduces the voting entitlement of any taxing unit that does not adopt a resolution proposing it to less than 50 percent of its voting entitlement under Section 6.03 of this code and if that taxing unit's allocation of the budget is not reduced to the same proportional percentage amount, or if it expands the types of taxing units that are entitled to vote on appointment of board members.

(b-1) If an appraisal district increases the number of members on the board of directors of the district or changes the method or procedure for appointing the members as provided by this section, the board of directors by resolution shall provide for the junior college districts that participate in the appraisal district to collectively participate in the selection of directors in the same manner as the school district that imposes the lowest total dollar amount of property taxes in the appraisal district among all of the school districts with representation in the appraisal district. A resolution adopted under this section is not subject to rejection by a resolution opposing the change filed with the board of directors by a taxing unit under Subsection (a).

(c) An official copy of a resolution under this section must be filed with the chief appraiser of the appraisal district after June 30 and before October 1 of a year in which board members are appointed or the resolution is ineffective.

# Governance

## Composition of Board of Directors

The board of directors is composed of five members.<sup>4</sup> The number of directors can be increased up to 13 by action of the board of directors.<sup>5</sup> However, in most cases, the board of directors may not make this change if a voting taxing unit adopts a resolution opposing the change.<sup>6</sup>

Taxing units participating in the CAD may increase the number of directors up to 13 members if three-fourths of voting taxing units adopt resolutions.<sup>7</sup> A change is not valid if it reduces the voting entitlement of one or more taxing units (unless the taxing unit adopts one of two specified resolutions) or if it expands the types of taxing units that are entitled to vote on the appointment of directors.<sup>8</sup>

The county TAC is a nonvoting director, if not appointed as a voting director.<sup>9</sup> If a commissioner's court of the county enters into a contract for assessment and collections under Tax Code Section 6.24(b) or if the CAD board of directors enters into a contract for appraisal under Tax Code Section 6.05(b), then the county TAC is ineligible to serve on the board of directors.<sup>10</sup>

Board members may not receive compensation for service on the board but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties.<sup>11</sup> This reimbursement is as provided by the budget adopted the board of directors.<sup>12</sup>

<sup>4</sup> Tex. Tax Code §6.03(a)  
<sup>5</sup> Tex. Tax Code §6.031(a)  
<sup>6</sup> Tex. Tax Code §6.031(a)  
<sup>7</sup> Tex. Tax Code §6.031(b)  
<sup>8</sup> Tex. Tax Code §6.031(b)  
<sup>9</sup> Tex. Tax Code §6.03(a)  
<sup>10</sup> Tex. Tax Code §6.03(c)  
<sup>11</sup> Tex. Tax Code §6.04(c)  
<sup>12</sup> Tex. Tax Code §6.04(c)



## Appointment, Eligibility and Terms

**Appointment:** Taxing units—counties, cities/towns, school districts, junior colleges and certain conservation and reclamation districts—select directors in the fall of odd-numbered years.<sup>13</sup> Conservation and reclamation districts may participate in this process if at least one conservation and reclamation district in the CAD delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year.<sup>14</sup> On request, the chief appraiser must certify all eligible conservation and reclamation districts that are imposing taxes and that participate in the CAD by June 15.<sup>15</sup>

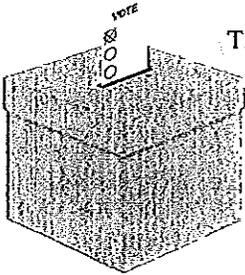
The board of directors is selected by appointment; it is not an election governed by the Texas Election Code.<sup>16</sup> The method or procedure for appointing members can be changed by the board of directors or by three-fourths of the voting taxing units acting through resolutions.<sup>17</sup>

The voting entitlement of a taxing unit is determined by a calculation that takes into account a taxing unit's share of the total dollar amount of property taxes imposed in the CAD.<sup>18</sup> The chief appraiser makes this calculation for each taxing unit (other than conservation and reclamation districts) and delivers written notice before Oct. 1 of each odd-numbered year of the number of votes to which each taxing unit is

<sup>13</sup> Tex. Tax Code §6.03  
<sup>14</sup> Tex. Tax Code §6.03(c)  
<sup>15</sup> Tex. Tax Code §6.03(c)  
<sup>16</sup> Tex. Att'y Gen. Op. JM-166 (1984)  
<sup>17</sup> Tex. Tax Code §6.031(a) and (b)  
<sup>18</sup> Tex. Tax Code §6.03(d)

entitled.<sup>19</sup> Each taxing unit (other than a conservation and reclamation district) that is entitled to vote may submit to the chief appraiser one nominee for each position to be filled before Oct. 15.<sup>20</sup>

The chief appraiser also must calculate the number of votes that an eligible conservation and reclamation district is entitled to and must deliver before July 1 of each odd-numbered year, a written notice to the district of its voting entitlement and right to nominate one candidate for director.<sup>21</sup> All eligible conservation and reclamation districts must submit the name of the district's nominee to the chief appraiser before July 15 of each odd-numbered year.<sup>22</sup> Before Aug. 1, the chief appraiser must prepare a nominating ballot listing all the nominees of conservation and reclamation districts and deliver a ballot to the presiding officer of the board of directors of each district.<sup>23</sup> The board of directors of each district must submit its vote for the nominee of conservation and reclamation districts before Aug. 15.<sup>24</sup> The winning nominee of the conservation and reclamation districts in the CAD becomes a nominee for CAD director.<sup>25</sup>



The chief appraiser must prepare a ballot before Oct. 30 with candidates whose names were timely submitted, including the nominee of conservation and reclamation districts, if applicable.<sup>26</sup> Each taxing unit entitled to vote must determine its vote by resolution and submit it to the chief appraiser before

Dec. 15.<sup>27</sup> The five candidates who receive the largest cumulative vote totals become the board of directors.<sup>28</sup> The chief appraiser announces the new directors before Dec. 31.<sup>29</sup> Ties must be resolved by the chief appraiser by any method of chance.<sup>30</sup>

In counties with a population of 120,000 or more, a taxing unit entitled to cast at least five percent of the total votes is required to determine its vote by resolution adopted at the first or second meeting held after the chief appraiser delivers the ballot. The taxing unit must submit its vote not later than the third day following the date the resolution is adopted.<sup>31</sup>

Both the board of directors and taxing units may propose to change the method or procedure for appointing directors.<sup>32</sup> If the board of directors makes the proposal, a voting taxing unit may veto the proposal by adopting a resolution opposing the change before Sept. 1.<sup>33</sup> If a participating taxing unit proposes a change, the change is adopted if three-fourths of the voting taxing units adopt resolutions providing for the change.<sup>34</sup> A resolution to change the method or procedure for appointing directors must be filed with the chief appraiser after June 30 and before Oct. 1 of a year in which members are appointed, or the resolution is ineffective.<sup>35</sup>

Throughout the selection process, the Tax Code specifies dates for action by the chief appraiser and the taxing units. The dates provided in Tax Code Section 6.03(f) and (g) are directory and not mandatory.<sup>36</sup> However, the advice of legal counsel should be obtained in such situations.

**Eligibility:** To be eligible to serve on a board of directors, an individual must be a resident of the CAD and must have resided in the CAD for at least two years immediately preceding the date of taking office.<sup>37</sup> This residency requirement does not apply to a county TAC serving as a nonvoting director.<sup>38</sup>

An employee of a taxing unit that participates in the CAD is not eligible to serve on the board of directors, unless that individual also is a member of the governing body of the taxing unit or an elected official of a taxing unit.<sup>39</sup> Membership on the governing body of a taxing unit does not make an otherwise eligible individual ineligible to serve on the board of directors.<sup>40</sup>

<sup>19</sup> Tex. Tax Code §6.03(e)

<sup>20</sup> Tex. Tax Code §6.03(g)

<sup>21</sup> Tex. Tax Code §6.03(f) and (h)

<sup>22</sup> Tex. Tax Code §6.03(h)

<sup>23</sup> Tex. Tax Code §6.03(h)

<sup>24</sup> Tex. Tax Code §6.03(h)

<sup>25</sup> Tex. Tax Code §6.03(h)

<sup>26</sup> Tex. Tax Code §6.03(j)

<sup>27</sup> Tex. Tax Code §6.03(k)

<sup>28</sup> Tex. Tax Code §6.03(k)

<sup>29</sup> Tex. Tax Code §6.03(k)

<sup>30</sup> Tex. Tax Code §6.03(k)

<sup>31</sup> Tex. Tax Code §6.03(k-1)

<sup>32</sup> Tex. Tax Code §6.031(a) and (b)

<sup>33</sup> Tex. Tax Code §6.031(a)

<sup>34</sup> Tex. Tax Code §6.031(b)

<sup>35</sup> Tex. Tax Code §6.031(c)

<sup>36</sup> Tex. Att'y Gen. Op. JM-166 (1984)

<sup>37</sup> Tex. Tax Code §6.03(a)

<sup>38</sup> Tex. Tax Code §6.03(a)

<sup>39</sup> Tex. Tax Code §6.03(a)

<sup>40</sup> Tex. Tax Code §6.03(a)

## Degrees of Consanguinity and Affinity

<b>1st DEGREE</b>	<b>2nd DEGREE</b>	<b>3rd DEGREE</b>
<p><b>By Consanguinity</b></p> <ul style="list-style-type: none"> <li>• Parents</li> <li>• Children</li> </ul> <p><b>By Affinity</b></p> <ul style="list-style-type: none"> <li>• Spouses of relatives listed under first degree consanguinity</li> <li>• Spouse</li> <li>• Spouse's parents</li> <li>• Spouse's children</li> <li>• Stepparents</li> <li>• Stepchildren</li> </ul>	<p><b>By Consanguinity</b></p> <ul style="list-style-type: none"> <li>• Grandparents</li> <li>• Grandchildren</li> <li>• Brothers &amp; sisters</li> </ul> <p><b>By Affinity</b></p> <ul style="list-style-type: none"> <li>• Spouses of relatives listed by second degree consanguinity</li> <li>• Spouse's grandparents</li> <li>• Spouse's grandchildren</li> <li>• Spouse's brothers &amp; sisters</li> </ul>	<p><b>By Consanguinity</b></p> <ul style="list-style-type: none"> <li>• Great grandparents</li> <li>• Great grandchildren</li> <li>• Nieces &amp; nephews</li> <li>• Aunts &amp; uncles</li> </ul> <p><b>By Affinity</b></p> <ul style="list-style-type: none"> <li>• No prohibitions</li> </ul>

Owing delinquent property taxes disqualifies a person from serving on the CAD board of directors.<sup>41</sup> The person is ineligible if he or she owns property on which delinquent property taxes have been owed for more than 60 days after the date the person knew or should have known of the delinquency.<sup>42</sup> This disqualification does not apply if the person is paying the delinquent taxes and any penalties and interest under an installment payment agreement or has deferred or abated a suit to collect the delinquent taxes.<sup>43</sup>

A person is ineligible to serve on an appraisal district's board of directors if the individual served as a member of the board of directors for all or part of five terms, unless they were a county assessor-collector at the time of service or the appraisal district is established in a county with a population of less than 120,000.<sup>44</sup>

A person who has appraised property for compensation for use in proceedings, represented property owners for compensation in proceedings in the CAD or was a CAD employee at any time within the preceding three years is ineligible to serve on the board of directors.<sup>45</sup>

<sup>41</sup> Tex. Tax Code §6.035(a)(2)

<sup>42</sup> Tex. Tax Code §6.035(a)(2)

<sup>43</sup> Tex. Tax Code §6.035(a)(2)

<sup>44</sup> Tex. Tax Code §6.035(a-1)

<sup>45</sup> Tex. Tax Code §6.035(a-1)

A person is ineligible to serve on the board of directors if the individual is related within the second degree of consanguinity (blood) or affinity (marriage) to the following:

- an appraiser who appraises property for use in a proceeding under the Tax Code; or
- a person who represents property owners for compensation in proceedings under the Tax Code in the CAD.<sup>46</sup>

A director who continues to hold office knowing he or she is related in this manner to the above named persons commits a Class B misdemeanor offense.<sup>47</sup>

An individual is not eligible to be appointed to or to serve on the board of directors if an individual has a substantial interest in a business entity that is party to a contract or the individual is a party to a contract with the CAD.<sup>48</sup> This prohibition also applies to contracts with a taxing unit that participates in the CAD if the contract relates to the performance of an activity governed by the Tax Code.<sup>49</sup> A CAD may not enter into a contract with a board member or with a business entity in which a board member has a substantial interest.<sup>50</sup> A taxing unit may not enter into a contract relating to the performance of an activity governed by the Tax Code with a board member in which

<sup>46</sup> Tex. Tax Code §6.035(a)(1)

<sup>47</sup> Tex. Tax Code §6.035(b)

<sup>48</sup> Tex. Tax Code §6.036(a)

<sup>49</sup> Tex. Tax Code §6.036(a)

<sup>50</sup> Tex. Tax Code §6.036(b)

the taxing unit participates or with a business entity in which a board member has a substantial interest.<sup>51</sup>

An individual has substantial interest in a business entity if:

- the combined ownership of the director and the director's spouse is at least 10 percent of the voting stock or shares of the business entity; or
- the director or director's spouse is a partner, limited partner or officer of the business entity.<sup>52</sup>



**Term of Office and Vacancy:** CAD directors serve two-year terms.<sup>53</sup> Each term begins on Jan. 1 of an even-numbered year.<sup>54</sup> The two-year term of office does not apply to the county TAC who serves as a nonvoting director.<sup>55</sup>

Voting taxing units may adopt staggered one and two-year terms.<sup>56</sup> To adopt staggered terms, taxing units must take two actions.<sup>57</sup> First, at least three-fourths of the voting taxing units are required to adopt resolutions for staggered terms.<sup>58</sup> Second, the voting taxing units must have changed the method for appointing members to end cumulative voting (casting all or part of the votes to which the taxing unit is entitled). These two actions may be proposed concurrently.<sup>59</sup>

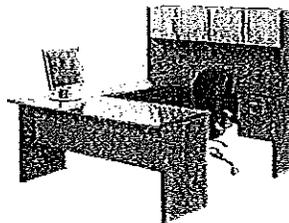
A resolution proposing staggered terms must be filed with the chief appraiser after June 30 and before Oct. 1.<sup>60</sup> If the chief appraiser determines that enough taxing units filed valid resolutions, he or she must notify all taxing units of the change before Oct. 10.<sup>61</sup> Staggered terms take effect on Jan. 1 of the next even-numbered year.<sup>62</sup> To start staggering terms, all members are appointed for that year without regard to staggered terms.<sup>63</sup> At the earliest practical date after Jan. 1, the board

determines by lot which of its members will serve one- and two-year terms.<sup>64</sup>

Boards with an even number of members divide the one- and two-year terms in half. Boards with an odd number of members must have one more member with a two-year term than members with one-year terms.<sup>65</sup> For example, a six-member board would choose three members to serve one-year terms. A five-member board would choose two.

For each director's term that expires on Jan. 1, the CAD must annually appoint directors for a term that begins on that Jan. 1.<sup>66</sup>

Staggered terms may be rescinded by resolution of a majority of voting taxing units.<sup>67</sup> The resolution must be adopted and filed with the chief appraiser after June 30 and before Oct. 1 of odd-numbered years.<sup>68</sup> After a valid rescission, the terms of all current members expire on the next Jan. 1, even if a member will have only served one year of a two-year term.<sup>69</sup> The entire board will be appointed for two-year terms on that date.<sup>70</sup> Staggered terms are automatically rescinded if the CAD makes a change in the method of appointing board members that results in a method of using cumulative voting.<sup>71</sup>



If a vacancy occurs on the board, each voting taxing unit nominates by resolution a candidate to fill the vacancy.<sup>72</sup>

Within 45 days after receiving notice from the board of

directors that a vacancy exists, a taxing unit

must submit the nomination to the chief appraiser.<sup>73</sup> The chief appraiser delivers a list of the nominees to the directors within the next five days.<sup>74</sup> Directors select by majority vote one of the nominees to fill the vacancy.<sup>75</sup> If a vacancy occurs for a board with staggered terms, the vacancy is filled by appointment of the

<sup>51</sup> Tex. Tax Code §6.036(e)

<sup>52</sup> Tex. Tax Code §6.036(d)

<sup>53</sup> Tex. Tax Code §6.03(b)

<sup>54</sup> Tex. Tax Code §6.03(b)

<sup>55</sup> Tex. Tax Code §6.03(b)

<sup>56</sup> Tex. Tax Code §6.034(a)

<sup>57</sup> Tex. Tax Code §6.034(a)

<sup>58</sup> Tex. Tax Code §6.034(a)

<sup>59</sup> Tex. Tax Code §6.034(a)

<sup>60</sup> Tex. Tax Code §6.034(b)

<sup>61</sup> Tex. Tax Code §6.034(c)

<sup>62</sup> Tex. Tax Code §6.034(d)

<sup>63</sup> Tex. Tax Code §6.034(d)

<sup>64</sup> Tex. Tax Code §6.034(d)

<sup>65</sup> Tex. Tax Code §6.034(d)

<sup>66</sup> Tex. Tax Code §6.034(e)

<sup>67</sup> Tex. Tax Code §6.034(g)

<sup>68</sup> Tex. Tax Code §6.034(g)

<sup>69</sup> Tex. Tax Code §6.034(g)

<sup>70</sup> Tex. Tax Code §6.034(g)

<sup>71</sup> Tex. Tax Code §6.034(h)

<sup>72</sup> Tex. Tax Code §6.03(l)

<sup>73</sup> Tex. Tax Code §6.03(l)

<sup>74</sup> Tex. Tax Code §6.03(l)

<sup>75</sup> Tex. Tax Code §6.03(l)

voting taxing unit that nominated the person whose departure caused the vacancy.<sup>76</sup>

## Conflicts of Interest

Board members are subject to conflict of interest provisions in law, including Tax Code Section 6.036 which excludes certain individuals from serving on the board of directors. Local Government Code Chapter 171 applies to all local officials, including boards of directors of CADs. Local Government Code Chapter 176 applies to officers of political subdivisions of the state.<sup>77</sup>

For more information, see the Texas Ethics Commission's conflict of interest forms at [ethics.state.tx.us/forms/conflict](http://ethics.state.tx.us/forms/conflict).

## Ex Parte Communications

A board member commits a Class C misdemeanor offense if the member directly or indirectly communicates with the chief appraiser on any matter relating to the appraisal of property by the CAD.<sup>78</sup> However, this type of communication is allowed in:

- an open meeting of the CAD board of directors or another public forum; or
- a closed meeting of the board of directors held to consult with its attorney about pending litigation, at which the chief appraiser's presence is necessary for full communication between the board and its attorney.<sup>79</sup>

These ex parte communication provisions do not apply to a routine communication between the chief appraiser and the county TAC relating to the administration of an appraisal roll, including a communication made in connection with the certification, correction or collection of an account.<sup>80</sup> This exception applies regardless of whether the county TAC was appointed to the board of directors or serves as a nonvoting director.<sup>81</sup>

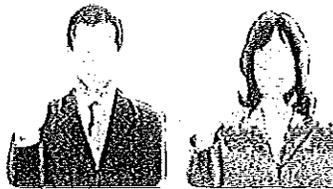
These ex parte communication provisions do not prohibit a CAD board member from transmitting in writing to a chief

appraiser, without comment, a complaint by a property owner or taxing unit about the appraisal of a specific property.<sup>82</sup>

A board member, officer or employee of a taxing unit commits a Class A misdemeanor offense if they directly or indirectly communicate with the chief appraiser or another employee of the CAD for the purpose of influencing an appraised property value, unless they own or lease the property themselves.<sup>83</sup>

## Oath of Office

The Texas Constitution requires all elected and appointed officers to sign an anti-bribery statement and take an oath of office before beginning the duties of the office.<sup>84</sup>



The constitutionally prescribed anti-bribery statement is located on the Secretary of State's web-

site as Form 2201 at [sos.state.tx.us/statdoc/forms/2201.pdf](http://sos.state.tx.us/statdoc/forms/2201.pdf). A director signs this statement before the oath of office is administered.<sup>85</sup> Directors should retain the statement in the official records of the appraisal district.<sup>86</sup>

The official oath of office is found on the Secretary of State's website as Form 2204 at [sos.state.tx.us/statdoc/forms/2204.pdf](http://sos.state.tx.us/statdoc/forms/2204.pdf).

## Recalling a Director

A taxing unit may ask for the recall of any director the taxing unit voted for in the appointment process.<sup>87</sup> A recall starts when a taxing unit files a resolution with the chief appraiser stating that the taxing unit is calling for the recall of a named member.<sup>88</sup> Within 10 days after a taxing unit files a recall resolution, the chief appraiser must give written notice of the filing of the resolution to the presiding officer of each voting taxing unit.<sup>89</sup>

<sup>76</sup> Tex. Tax Code §6.034(i)

<sup>77</sup> Tex. Local Government Code §§171.001(1) and 176.001(3) and (4)

<sup>78</sup> Tex. Tax Code §6.15(a) and (d)

<sup>79</sup> Tex. Tax Code §6.15(a)

<sup>80</sup> Tex. Tax Code §6.15(e)

<sup>81</sup> Tex. Tax Code §6.15(e)

<sup>82</sup> Tex. Tax Code §6.15( c)

<sup>83</sup> Tex. Tax Code §6.155

<sup>84</sup> Tex. Const. XVI, §1(a) and (b)

<sup>85</sup> Tex. Const. XVI, §1

<sup>86</sup> Tex. Const. XVI, §1(c)

<sup>87</sup> Tex. Tax Code §6.033(a)

<sup>88</sup> Tex. Tax Code §6.033(a)

<sup>89</sup> Tex. Tax Code §6.033(a)

ATTACHMENT 8

Resolution 23-14

SOUTH TEXAS WATER AUTHORITY

Resolution 23-14

RESOLUTION SUBMITTING NOMINATIONS FOR CANDIDATE FOR POSITIONS  
ON THE BOARD OF DIRECTORS OF THE KLEBERG COUNTY APPRAISAL  
DISTRICT.

WHEREAS, the South Texas Water Authority, as a water conservation and reclamation district, is authorized to make nominations for the Kleberg County Appraisal District Board of Directors, and

WHEREAS, the Appraisal District has requested that each taxing unit which is a water conservation and reclamation district submit the name of its nominee to the chief appraiser before July 15, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority nominates \_\_\_\_\_ to serve on the Board of Directors of the Kleberg County Appraisal District.

Duly adopted this 20th day of June, 2023.

\_\_\_\_\_  
JOSE M. GRAVELEY, PRESIDENT

ATTEST:

\_\_\_\_\_  
IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 9

Annexation Petition

Memo

To: South Texas Water Authority, Board of Directors  
From: John Marez, Exec Dir/Admin  
Date: March 24, 2023  
Re: Annexation Petition - Set Time and Date for Public Hearing:  
Resolution 23-15 – Roland Bayardo – Northeast ½ of Lot 29 and the Southwest ½ of Lot 30, Cyndie Park Subdivision Unit 2, in Nueces County, Texas

Background:

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. Roland Bayardo contacted our office to request service in the Cyndie Park Subdivision Unit 2 Subdivision and filed an annexation petition.

Resolution 23-15 sets the date and time for the required public hearing. The public hearing will be scheduled immediately prior to the next regular STWA Board meeting.

Analysis:

Adoption of Resolution 23-15 begins the annexation process and enables the NWSC to provide retail service to Roland Bayardo.

Staff Recommendation:

Adopt Resolution 23-15.

Board Action:

Determine whether to adopt Resolution 23-15.

Summary:

The annexation process is established by State law and staff is following the required steps to include this applicant annexed into the South Texas Water Authority district boundaries.

ATTACHMENT 10

Resolutions 23-15

SOUTH TEXAS WATER AUTHORITY

Resolution 23-15

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

WHEREAS, Roland Bayardo (Petitioner), has filed the attached petition (the Petition) with the South Texas Water Authority requesting annexation of his property into the South Texas Water Authority in order to allow water service to the property to be provided by Nueces Water Supply Corporation, and

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

WHEREAS, the Board of Directors hereby sets a public hearing to hear evidence for or against the proposed annexation of this property to be held on August 1, 2023 at 5:30 p.m. at the South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority hereby authorizes the publication of the attached Notice of Public Hearing on Annexation for a public hearing to be held on August 1, 2023 at 5:30 p.m. at South Texas Water Authority, 2302 East Sage Road, Kingsville, Texas. At such hearing all interested persons may appear and offer evidence for or against the proposed annexation of the property described in Exhibit A of the Petition.

Duly adopted this 20th day of June, 2023.

\_\_\_\_\_  
JOSE M. GRAVELEY, PRESIDENT

ATTEST:

\_\_\_\_\_  
IMELDA GARZA, SECRETARY/TREASURER

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

STATE OF TEXAS :  
COUNTY OF NUECES :

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

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

I.

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

II.

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

III.

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

IV.

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

V.

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

WHEREFORE, Petitioner prays that this petition be properly filed, as provided by law; that the Board of Directors of South Texas Water Authority hear and consider the petition in keeping with the provisions of Section 11006.052, Special District Local Laws Code and that this

petition in all things be granted and that the territory described in Exhibit "A" be added to and become a part of the established South Texas Water Authority; that after this petition is granted the Board's order thereon be filed of record and be recorded in the Deed Records of Nueces County, Texas; and that the area described in Exhibit "A" be thereafter a component part of South Texas Water Authority.

[Signatures and Acknowledgement on following page.]

EXECUTED this 26 day of May, 2023.

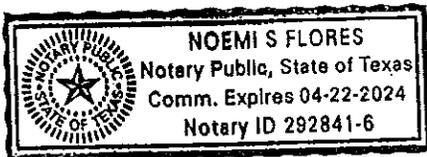
Roland Bayardo  
Roland Bayardo

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Kleberg

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



Noemi S Flores  
Notary Public

My Commission Expires: 4/22/24

NOTARY SEAL

Exhibit "A"

To

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

Property Description:

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

NOTICE OF PUBLIC HEARING ON ANNEXATION

THE STATE OF TEXAS  
SOUTH TEXAS WATER AUTHORITY

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

Signed this the 20<sup>th</sup> day of June, 2023.

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

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

0.64 acres, more or less, situated in the Casa Blanca Survey, Nueces County, Texas, being the Northeast ½ of Lot 29 and the Southwest ½ of Lot 30, Cyndie Park Subdivision, Unit 2, an unrecorded subdivision; said 0.64 acres as described in deed dated April 23, 2001, from Chaminade Capital Corporation to Associates Financial Services Company, Inc., in Clerk's File #2001035337, Official Public Records of Nueces County, Texas.