

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

Board Members Present:

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

Board Members Absent:

Imelda Garza
Joe Morales
Arturo Rodriguez

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Nigel Gomez

Guests Present:

None

1. Call to Order.

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

2. Citizen Comments.

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

3. New Board members' oaths of office.

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

4. Approval of Minutes.

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

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

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

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

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STWA Revenue Fund Balance Sheet – March 31, 2023

STWA Revenue Fund Trial Balance for March, 2023

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

STWA Debt Service Fund Balance Sheet – March 31, 2023

STWA Debt Service Fund Trial Balance – March, 2023

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

STWA Capital Projects Fund Balance Sheet – March 31, 2023

STWA Capital Projects Fund Trial Balance – March, 2023

STWA 2012 Bond Election Report

Anticipated vs Actual Water Rate Charged and Net Revenue Worksheets

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

6. Reports from O&M and CP.

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

7. Fiscal Year 2023 Budget Amendments.

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

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

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

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

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

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

9. Preliminary FY 2024 Budget.

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

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

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

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

No action.

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

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

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

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

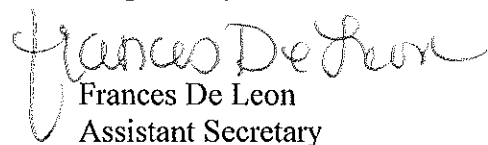
14. Administration Report.

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

15. Adjournment.

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

Respectfully submitted,


Frances De Leon
Assistant Secretary