

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
September 26, 2023  
Minutes

Board Members Present:

Jose Graveley  
Frances Garcia  
Rudy Galvan, Jr.  
Kathleen Lowman  
Joe Morales  
Patsy Rodgers  
Arturo Rodriguez

Board Members Absent:

Imelda Garza  
Angela Pena

Staff Present:

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

Guests Present:

Margaret Somereve, TCAP  
Rogelio Rodriguez, Water Finance Exchange  
Ivan Luna, I.C.E.  
Sergio Luna, I.C.E.

1. Call to Order.

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

2. Citizen Comments.

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

3. Presentation on Electric Rates by TCAP.

Ms. Margaret Somereve representing Texas Coalition on Affordable Power (TCAP) gave an overview of TCAP's history and operations. She explained that cities and political subdivisions have been able to get competitive rates on electricity as a result of being members of TCAP. Ms. Wagner added that STWA has experienced a huge cost savings since becoming a member.

4. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the September 12, 2023 Public Hearing and Regular Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

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

18. Presentation from ICE – STWA Master Plan.

Mr. Ivan Luna of International Consulting Engineers (I.C.E.) highlighted some of the major points of the STWA Master Plan. He stated he would like to schedule a workshop to listen to

any comments and answer any questions that the Board has. He commented that although complete information is not yet available, the area is experiencing a large amount of growth and he stressed the importance of conducting a thorough inspection of the entire length of the 42-inch waterline in order to best determine how to protect and maintain the line in the future.

Mr. Rogelio Rodriguez of Water Finance Exchange discussed the progress of STWA's application for Texas Water Development Board (TWDB) funding. STWA was ranked 28<sup>th</sup> among 276 applications. Mr. Rodriguez stated that he has been in contact with TWDB because STWA was not included in the invite list for funding despite the high ranking and at this point, he is waiting on an explanation. He urged the Board to send letters to the TWDB about the situation prior to their October 3<sup>rd</sup> closing date for comments.

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

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

STWA Investment Report for Quarter ended June 30, 2023  
Treasurer's Report for period ending June 30, 2023  
Revenue Fund Income Statement for period ending June 30, 2023  
Tax Fund Income Statement for period ending June 30, 2023  
Special Services Income Statement for period ending June 30, 2023  
STWA Revenue Fund Balance Sheet – June 30, 2023  
STWA Revenue Fund Trial Balance for June, 2023  
STWA Debt Service Fund Income Statement for period ending June 30, 2023  
STWA Debt Service Fund Balance Sheet – June 30, 2023  
STWA Debt Service Fund Trial Balance – June, 2023  
STWA Capital Projects Fund Income Statement for period ending June 30, 2023  
STWA Capital Projects Fund Balance Sheet – June 30, 2023  
STWA Capital Projects Fund Trial Balance – June, 2023  
Treasurer's Report for period ending July 31, 2023  
Revenue Fund Income Statement for period ending July 31, 2023  
Tax Fund Income Statement for period ending July 31, 2023  
Special Services Income Statement for period ending July 31, 2023  
STWA Revenue Fund Balance Sheet – July 31, 2023  
STWA Revenue Fund Trial Balance for July, 2023  
STWA Debt Service Fund Income Statement for period ending July 31, 2023  
STWA Debt Service Fund Balance Sheet – July 31, 2023  
STWA Debt Service Fund Trial Balance – July, 2023  
STWA Capital Projects Fund Income Statement for period ending July 31, 2023  
STWA Capital Projects Fund Balance Sheet – July 31, 2023  
STWA Capital Projects Fund Trial Balance – July, 2023  
Treasurer's Report for period ending August 31, 2023  
Revenue Fund Income Statement for period ending August 31, 2023  
Tax Fund Income Statement for period ending August 31, 2023  
Special Services Income Statement for period ending August 31, 2023  
STWA Revenue Fund Balance Sheet – August 31, 2023  
STWA Revenue Fund Trial Balance for August, 2023

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

STWA Debt Service Fund Balance Sheet – August 31, 2023

STWA Debt Service Fund Trial Balance – August, 2023

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

STWA Capital Projects Fund Balance Sheet – August 31, 2023

STWA Capital Projects Fund Trial Balance – August, 2023

STWA 2012 Bond Election Report

Anticipated vs Actual Water Rate Charged and Net Revenue Worksheets

The following invoices were presented for Board approval:

- Maguire Iron, Inc. \$ 4,000.00

Mr. Morales made a motion to approve the Quarterly Report, Treasurer's Reports and payment of the invoice as presented. Mr. Galvan seconded and all voted in favor.

6. Operation and Maintenance Reports.

The Board reviewed the Cathodic Protection update. There were no questions from the Board. The O&M report will be presented at the next meeting.

7. Bids for purchase of compact track loader.

Mr. Marez presented two bids for the purchase of a compact track loader. He explained that after the last meeting, staff contacted the bidding vendors in order to clarify some questions on the taxes that were included on some of the bids. The bid from NPE in the amount of \$76,066.56 remains the lowest bid and meets the specifications approved by the Board.

8. Resolution 23-24. Resolution awarding the bid for the purchase of one compact track loader.

Ms. Lowman made a motion to adopt Resolution 23-24 awarding the bid for the purchase of a compact track loader to NPE in the amount of \$76,066.56. Ms. Rodgers seconded. The motion passed by unanimous vote.

9. Fiscal Year 2023 Budget Amendments.

Ms. Wagner reviewed the amended budget. Total Revenues increased by \$977,688 and Total Expenditures increased by \$1,456,598 for a decrease of \$270,632 in Net Income ending at \$227,998. Ms. Lowman made a motion to approve the amended FY 2023 budget. Ms. Rodgers seconded and all voted in favor.

10. Tax year 2023 tax roll/levy for the South Texas Water Authority's district in Kleberg County.

Ms. Wagner presented the Kleberg County tax roll/levy for Tax Year 2023 reflecting a taxable value of \$1,610,877,737 and a total levy amount of \$1,135,133.31. She recommended approval

of Resolution 23-25 adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2023.

11. Resolution 23 25. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2023.

Ms. Lowman made a motion to approve Resolution 23-25 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2023. Ms. Garcia seconded the motion and all voted in favor.

12. Tax year 2023 tax roll/levy for the South Texas Water Authority's district in Nueces County.

The 2023 Nueces County tax roll has not been completed and will be presented at the next meeting.

13. Resolution 23-26. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2023.

Ms. Rodgers made a motion to table Resolution 23-26, Mr. Rodriguez seconded and the motion passed unanimously.

14. STWA Investment Policies:
  - a) South Texas Water Authority General Fund
  - b) South Texas Water Authority Debt Service Fund
  - c) South Texas Water Authority Capital Project Fund

Mr. Marez informed the Board that review and approval of STWA's Investment Policies is required every year and added that there have been no changes to the Policies since last year. He recommended adoption of Resolutions 23-27, 23-28 and 23-29 approving the STWA General Fund, Debt Service Fund and Capital Project Fund Investment Policies.

15. Resolutions 23-27 through 23-29. Resolutions approving the following South Texas Water Authority Investment Policies:
  - a) South Texas Water Authority General Fund
  - b) South Texas Water Authority Debt Service Fund
  - c) South Texas Water Authority Capital Project Fund

Ms. Lowman made a motion to adopt Resolutions 23-27, 23-28 and 23-29. Mr. Galvan seconded. All voted in favor.

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

Mr. Marez stated that bid packets were again sent out and only one bid was received. He presented a bid for a 2023 Chevrolet 1500 Crew Cab LT 4x4 from Caldwell Country Chevrolet in the amount of \$58,530. He stated that the bid met all specifications except that this truck has

cloth seats. Caldwell included an additional cost of \$1,250 for vinyl seats for a total of \$59,780.00.

17. Resolution 23-30. Resolution awarding the bid for the purchase of one half-ton pickup truck.

Mr. Galvan moved to adopt Resolution 23-30 awarding the bid to Caldwell Country Chevrolet in the amount of \$59,750 to include vinyl seats. Ms. Rodgers seconded the motion. All voted in favor.

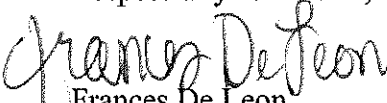
19. Administration Report.

Mr. Marez reported that Seven Seas recently held a groundbreaking for their desalination plant in Alice, Texas and he and two STWA Board Members attended. He also stated that he would poll the Board for a date for a workshop with I.C.E. on the STWA's Master Plan.

20. Adjournment.

With no further business to discuss, Mr. Galvan made a motion to adjourn the meeting at 7:00 p.m. Mr. Graveley seconded. All voted in favor.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary