

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M. Graveley, President
DATE: February 12, 2025
SUBJECT: Public Hearing Notice and Agenda for the South Texas Water Authority

A public hearing of the STWA Board of Directors is scheduled for:

Tuesday, February 18, 2025

5:30 p.m.

Courthouse Annex Law Enforcement Center

1500 E. King

Kingsville TX 78363

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

Agenda

1. Call to order.
2. Petition for Addition of Certain Lands to the South Texas Water Authority.
 - a. Maria Cecilia Lazo –Lot 2 Block F of The Ranch Subdivision as recorded in the map records of Nueces County also recognized as 6303 Branding Iron, Robstown, Texas and Lot 3 Block F of The Ranch Subdivision as recorded in the map records of Nueces County also recognized as 6297 Branding Iron, Robstown, Texas.
 - b. Antonio Perez and Gloria Hernandez Perez – The East One-Half (E. ½) of Tract 2, Tierra Verde Unit Number 2, a subdivision in Nueces County, Texas, according to map or plat thereof recorded in Volume 50, Pages 92-93, of the Map Records of Nueces County, Texas.
3. Public Comment
4. Adjournment.

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

This meeting notice was posted on
STWA's website, www.stwa.org, and on
indoor and outdoor bulletin boards at
STWA's administrative offices,
2302 East Sage Road, Kingsville, Texas at
5:00 am on February 14, 2025
Francis DeLeon
Assistant Secretary

JMG/JM/fdl

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

STWA Public Hearing Agenda – 02/18/2025

Page 1 of 1
(361) 592-9323 Or (361) 692-0337 (C.C. line)
Fax: (361) 592-5965

Joe Morales
Angela N. Pena
Arturo Rodriguez
Patsy A. Rodgers
John Marez, Administrator

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M Graveley, President
DATE: February 10, 2025
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, February 18, 2025
Immediately following the 5:30 p.m. Public Hearing
Courthouse Annex Law Enforcement Center
1500 E. King
Kingsville TX 78363

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

Agenda

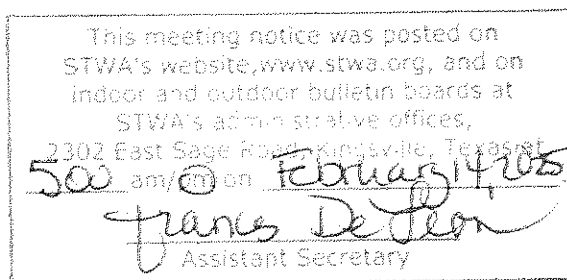
1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit 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. Approval of Minutes. (Attachment 1)
4. Treasurer's Report/Quarterly Report/Payment of Bills. (Attachment 2)
5. Operation and Maintenance Reports. (Attachment 3)
 - O&M Technical Report
 - Cathodic Protection Presentation
 - 42" Soil Corrosion Testing
6. Approval of Annexation of Certain Lands to the South Texas Water Authority. (Attachment 4)
 - a. Maria Cecilia Lazo –Lot 2 Block F of The Ranch Subdivision as recorded in the map records of Nueces County also recognized as 6303 Branding Iron, Robstown, Texas and Lot 3 Block F of The Ranch Subdivision as recorded in the map records of Nueces County also recognized as 6297 Branding Iron, Robstown, Texas.
 - b. Antonio Perez and Gloria Hernandez Perez – The East One-Half (E. ½) of Tract 2, Tierra Verde Unit Number 2, a subdivision in Nueces County, Texas, according to

map or plat thereof recorded in Volume 50, Pages 92-93, of the Map Records of Nueces County, Texas.

7. **Resolution 25-04.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Maria Cecilia Lazo) (Attachment 5)
8. **Resolution 25-05.** Resolution approving Annexation of Certain Lands to the South Texas Water Authority (Antonio Perez and Gloria Hernandez Perez) (Attachment 6)
9. Bid for Maintenance Services – Tree Trimming. (Attachment 7)
10. Water Supply Contract with the City of Corpus Christi. (Attachment 8)
11. Administration Report.
 - Pay/Compensation Update
 - Upcoming Board Meeting Dates
 - Master Plan Review – I.C.E.
 - Groundwater Feasibility Study – I.C.E.
12. Adjournment.

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

JMG/JM/fdl
Attachments



ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Minutes – Special Board of Directors Meeting
January 7, 2025

Board Members Present:

Jose Graveley
Imelda Garza
Frances Garcia
Kathleen Lowman
Joe Morales
Patsy Rodgers
Arturo Rodriguez
Angela Pena

Board Members Absent:

Rudy Galvan, Jr.

Staff Present:

John Marez
Jo Ella Wagner

Guests Present:

Dan Martinez, Winstead
Bobby Villarreal, Estrada-Hinojosa
Isaiah Huerta, Estrada-Hinojosa
Ivan Luna, I.C.E.
Rogelio Rodriguez, Water Finance Exchange

1. Call to Order.

Mr. Jose Graveley, Board President, called the Special Meeting of the STWA Board of Directors to order at 5:38 p.m. at the Courthouse Annex Law Enforcement Center, 1500 E. King, Kingsville, Texas. A quorum was present.

2. Citizen Comments.

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

3. Consideration and Approval of a Special Project Contract between the South Texas Water Authority and the Ricardo Water Supply Corporation and other matters related thereto.

Mr. Morales made a motion to approve a Special Project Contract between the South Texas Water Authority and the Ricardo Water Supply Corporation. Ms. Garcia seconded. By a show of hands, all directors voted in favor.

4. Consideration and Approval of a Special Project Contract between the South Texas Water Authority and the Nueces Water Supply Corporation and other matters related thereto.

Mr. Morales made a motion to approve a Special Project Contract between the South Texas Water Authority and the Nueces Water Supply Corporation. Mr. Rodriguez seconded. By a show of hands, all directors voted in favor.

5. Consideration and Approval of a Resolution by the Board of Directors of the South Texas Water Authority authorizing execution of a Principal Forgiveness Agreement with the Texas Water Development Board and other matters related thereto pertaining to the South Texas Water Authority Contract Revenue Bonds (Ricardo Water Supply Corporation), Taxable Series 2025.

Mr. Morales made a motion to approve a Resolution by the Board of Directors of the South Texas Water Authority authorizing execution of a Principal Forgiveness Agreement with the Texas Water Development Board. Ms. Garza seconded. By a show of hands, all directors voted in favor.

6. Consideration and Approval of a Resolution by the Board of Directors of the South Texas Water Authority authorizing execution of a Principal Forgiveness Agreement with the Texas Water Development Board and other matters related thereto pertaining to the South Texas Water Authority Contract Revenue Bonds (Nueces Water Supply Corporation), Taxable Series 2025.

Mr. Graveley made a motion to approve a Resolution by the Board of Directors of the South Texas Water Authority authorizing execution of a Principal Forgiveness Agreement with the Texas Water Development Board. Ms. Garcia seconded. By a show of hands, all directors voted in favor.

7. Consideration and Approval of a Resolution authorizing the Issuance, Sale, and Delivery of South Texas Water Authority Contract Revenue Bonds (Ricardo Water Supply Corporation), Taxable Series 2025, and approving and authorizing Instruments and Procedures related thereto.

Ms. Garza made a motion to approve a Resolution authorizing the Issuance, Sale, and Delivery of South Texas Water Authority Contract Revenue Bonds (Ricardo Water Supply Corporation), Taxable Series 2025, and approving and authorizing Instruments and Procedures related thereto. Ms. Garcia seconded the motion. By a show of hands, all directors voted in favor.

8. Consideration and Approval of a Resolution authorizing the Issuance, Sale, and Delivery of South Texas Water Authority Contract Revenue Bonds (Nueces Water Supply Corporation), Taxable Series 2025, and approving and authorizing Instruments and Procedures related thereto.

Mr. Rodriguez made a motion to approve a Resolution authorizing the Issuance, Sale, and Delivery of South Texas Water Authority Contract Revenue Bonds (Nueces Water Supply Corporation), Taxable Series 2025, and approving and authorizing Instruments and Procedures related thereto. Ms. Rodgers seconded the motion and by a show of hands, all directors voted in favor.

9. Adjournment.

With no further business to discuss, Mr. Morales moved to adjourn the meeting at 5:47 p.m. Ms. Garza seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
January 28, 2025

Board Members Present:

Jose Graveley
Imelda Garza
Frances Garcia
Kathleen Lowman
Joe Morales
Angela Pena
Patsy Rodgers

Board Members Absent:

Rudy Galvan, Jr.
Arturo Rodriguez

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo

Guests Present:

Charles W. Zahn
Rogelio Rodriguez, Water Finance Exchange
Margaret Kelly, John Womack & Co., P.C.
Louis Longoria, John Womack & Co., P.C.
Kasy Stinson, Seven Seas

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. at the Courthouse Annex Law Enforcement Center, 1500 E. King, Kingsville, Texas. A quorum was present.

2. Citizen Comments.

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

3. Proposed Fiscal Year 2024 Audit.

Ms. Margaret Kelly, John Womack & Co., P.C. reviewed the Fiscal Year 2024 Audit with the Board and reported that all records were in order and the Authority's financial position continued to strengthen. She added that there was nothing negative to report and thanked staff for their work.

4. Resolution 25-01. Resolution accepting the Fiscal Year 2024 Audit prepared by John Womack & Co., P.C. of Kingsville, Texas.

Ms. Garza made a motion to approve Resolution 25-01. Ms. Garcia seconded the motion. All voted in favor.

5. Approval of Minutes.

Ms. Rodgers made a motion to approve the minutes of the December 10, 2024 Regular Meeting as updated. Ms. Garza seconded. The motion passed by unanimous vote.

6. Treasurer' Report/Payment of Bills.

Mr. Marez reported that financial reports were delayed due to technical issues but will be presented at the February meeting. Ms. Wagner presented the following invoices for Board approval:

• Charles W. Zahn, Jr., Attorney at Law	\$ 44,910.00
• International Consulting Engineers	\$ 133,121.18
• International Consulting Engineers	\$ 48,165.00
• International Consulting Engineers	\$ 1,906.50
• International Consulting Engineers	\$ 55,657.50
• International Consulting Engineers	\$ 3,567.00

Mr. Morales made a motion to approve Payment of Bills as presented. Ms. Garcia seconded. The motion passed unanimously.

7. Operation and Maintenance Reports.

Mr. Sendejo reported that two employees were terminated and he is working on filling the vacancies. The remaining staff continues working on training.

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

- a. Maria Cecilia Lazo –Lot 2 Block F of The Ranch Subdivision as recorded in the map records of Nueces County also recognized as 6303 Branding Iron, Robstown, Texas and Lot 3 Block F of The Ranch Subdivision as recorded in the map records of Nueces County also recognized as 6297 Branding Iron, Robstown, Texas.
- b. Antonio Perez and Gloria Hernandez Perez – The East One-Half (E. ½) of Tract 2, Tierra Verde Unit Number 2, a subdivision in Nueces County, Texas, according to map or plat thereof recorded in Volume 50, Pages 92-93, of the Map Records of Nueces County, Texas.

The Board reviewed the Annexation Petitions. The property owners recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries and filed Annexation Petitions to begin the process of obtaining water service on the property. Mr. Marez recommended approval of Resolutions 25-02 and 25-03 setting the Public Hearing on February 18, 2025 at 5:30 p.m. at the Courthouse Annex Law Enforcement Center, 1500 E. King, Kingsville, Texas.

9. Resolution 25-02. Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Maria Cecilia Lazo
10. Resolution 25-03. 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. (Antonio Perez and Gloria Hernandez Perez)

Mr. Graveley made a motion to adopt Resolutions 25-01 and 25-02 setting the Public Hearing on February 18, 2025 at 5:30 p.m. at the Courthouse Annex Law Enforcement Center and authorizing publication of the public hearing notice. The motion was seconded by Ms. Garza and passed unanimously.

11. Approval of Professional Services Contract for a Consultant of Legislative Affairs.

Mr. Marez presented a Professional Services Agreement for a Consultant of Legislative Affairs. He explained that the consultant would advise and assist STWA with legislative matters, monitor legislative developments and represent STWA's interests in discussion with legislative bodies. The consultant will also provide additional support as mutually agreed and services will be provided on a pro bono basis. Ms. Rodgers made a motion to approve the Professional Services Agreement with Arthur Granado. Ms. Garza seconded. All voted in favor.

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

14. Job Description/Posting – Finance Manager.

Mr. Marez stated that in response to Ms. Wagner's expected retirement in February 2026, he recommends beginning the process to hire another Finance Manager in order to provide sufficient time for training. He presented an updated job description for the Finance Manager position. He requested the Board's feedback and approval of the job description in order to begin recruitment. Mr. Morales suggested adding reference to the type of accounting software used by STWA's Finance Department. Ms. Garza made a motion to approve the job description and post the opening with the suggested modification. Ms. Garcia seconded the motion and all voted in favor.

15. Specifications for Fiscal Year 2025 pickup trucks.

Mr. Marez presented information on various truck models. He added that Mr. Sendejo prefers a mid-size 4x4 truck rather than a full-size truck. Additionally, he expects smaller trucks to be less expensive. After reviewing the information Ms. Pena made a motion to authorize staff to submit a bid proposal for two pickup trucks and make minor adjustments to the specifications, as necessary, without requiring additional board action. Ms. Garza seconded. All voted in favor.

16. Texas Water Development Board Funding

- PIF Authorization

Mr. Marez reported that the Drinking Water State Revolving Fund has opened the current funding cycle. He requested authorization to apply for the next round of funding under the DWSRF program. Mr. Graveley moved to authorize staff to submit the Project Information Form for the DWSRF application in time to meet the March 7, 2025 deadline. Ms. Rodgers seconded and the motion passed by unanimous vote.

18. Administration Report.

Mr. Marez reported that there has been a small delay in kicking off the compensation study due to snow storms in Tennessee. The orientation has been rescheduled for February 10th and the end date of the study is expected to change to April. The next STWA Board Meeting is scheduled for February 18th. He informed the Board that some conferences are scheduled for March and that other legislative events are approaching. He asked that Board members notify him if they are interested in attending any of these events.

17. Water Supply Contract with the City of Corpus Christi.

12 Recess Open Meeting and Convene in Executive Session - In this executive session the board of Directors will deliberate or receive legal advice regarding (1) each of the following matters pursuant to the Section(s) of the Texas Open Meetings in parenthesis at the end of such matter, and (2) any other agenda item announced by the President of the meeting has announced will be considered in this executive session (collectively, the "Executive Session Agenda Items"). The Board of Directors may take action in open session after the executive session on any of the Executive Session Agenda items. The Board of Directors will deliberate the purchase, exchange, lease or value of real property in executive session only if deliberation in an open meeting would have a detrimental effect on South Texas Water Authority's position in negotiations with a third person.

12.a. Deliberate and receive legal advice regarding acquisition of an alternate source of water for the Authority.

Mr. Graveley announced that the Board would convene in Closed Session at 6:26 p.m. pursuant to Section 551.071 of the Government Code to receive legal advice from counsel regarding the Water Supply Contract with the City of Corpus Christi and regarding acquisition of an alternate source of water for the Authority.

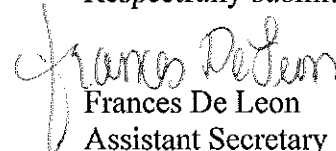
13. Open Session Items for Post Executive Session Action – The Board of Directors will convene in Open Session and take action on (1) the agenda items listed below, (2) any other items on this agenda that were postponed or tabled until after Executive Session, and (3) any Executive Session Agenda Items

The Board reconvened in Open Session at 7:08 p.m. No action was taken during Closed Session.

19. Adjournment.

With no further business to discuss, Ms. Garza moved to adjourn the meeting at 7:08 p.m. Mr. Graveley seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

Quarterly Report/Treasurer's Report/Payment of Bills

**REVENUE FUND
INCOME STATEMENT
FOR PERIOD ENDING OCTOBER 31, 2024
CORRECT**

8.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Water Service Revenue	137,930	137,930	1,730,677	8%	105,175	1,489,786
Handling Charge Revenue	24,476	24,476	272,771	9%	22,553	277,916
Premium Incremental Increase	931	931	10,750	9%	778	10,800
Surcharge - Out of District	895	895	12,850	7%	884	10,500
Interest Income	19,657	19,657	182,000	11%	19,934	220,000
Interest - Note	0	0	0	0%	0	175
Other Revenue						
Operating & Maintenance Fees	672	672	8,250	8%	706	12,500
Miscellaneous Revenues	1,109	1,109	12,000	9%	1,386	12,000
Industry Revenues	0	0	0	0%	0	0
TOTAL REVENUES	185,669	185,669	2,229,298	8%	151,415	2,033,677
EXPENDITURES						
Water Service Expenditures:						
Bulk Water Purchases	141,759	141,759	1,730,677	8%	103,530	1,489,786
Payroll Costs						
Salaries & Wages - Perm. Employees	36,907	36,907	429,690	9%	31,363	406,135
Salaries & Wages - Vacation Buyback	4,904	4,904	5,500	89%	5,885	4,368
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	4,087	4,087	22,500	18%	2,049	15,000
Stand-by Pay - STWA	170	170	1,560	11%	100	1,300
Employee Retirement Premiums	7,607	7,607	71,228	11%	4,102	68,713
Group Insurance Premium	23,692	23,692	229,340	10%	16,584	243,522
Unemployment Compensation	(41)	(41)	3,060	-1%	(0)	70
Workers' Compensation	16,667	16,667	7,675	217%	16,606	6,436
Medicare	952	952	6,247	15%	508	6,029
Supplies & Materials						
Repairs & Maintenance	6,004	6,004	125,000	5%	10,856	150,000
Meter Expense	0	0	5,000	0%	0	5,000
Tank Repairs	0	0	35,000	0%	0	30,000
Major Repairs	127,485	127,485	25,000	510%	0	25,000
Other Operating Expenditures:						
Professional Fees						
Legal	6,349	6,349	50,000	13%	455	40,000
Auditing	725	725	11,500	6%	0	10,500
Engineering	0	0	170,000	0%	0	50,000
Management & Consulting	7,650	7,650	25,000	31%	7,863	25,000
JMAR Management Consulting LLC	5,833	5,833	70,000	8%	5,833	70,000
Inspection/GIS Mapping	0	0	7,500	0%	0	7,500

Consum Supplies/Materials						
Postage	(62)	(62)	8,500	-1%	(44)	8,500
Printing/Office Supplies	2,122	2,122	37,500	6%	2,856	37,500
Janitorial/Site Maintenance	1,494	1,494	20,000	7%	692	19,000
Fuel/Lubricants/Repairs	5,022	5,022	60,000	8%	3,601	85,000
Chemicals/Water Samples	2,033	2,033	60,000	3%	2,132	60,000
Safety Equipment	595	595	3,000	20%	104	2,000
Small Tools	70	70	3,000	2%	742	3,000
Recurring Operating Costs						
Telephone/Communications	2,165	2,165	40,000	5%	2,133	40,000
Utilities	9,504	9,504	122,500	8%	8,717	122,500
D & O Liability Insurance	1,942	1,942	4,500	43%	1,705	3,500
Property Insurance	61,492	61,492	55,000	112%	52,133	48,000
General Liability	3,446	3,446	6,000	57%	2,046	5,500
Auto Insurance	4,718	4,718	4,000	118%	3,770	3,100
Travel/Training/Meetings-Staff	4,289	4,289	20,000	21%	640	15,000
Travel/Training/Meetings-Board of Dir.	300	300	10,000	3%	434	10,000
Travel/Training/Meetings-Legislation	0	0	10,000	0%	0	0
Rental-Equipment/Uniforms	1,034	1,034	7,500	14%	1,012	6,000
Dues/Subscriptions/Publication	216	216	19,000	1%	3,267	17,500
Pass Through Cost	0	0	250	0%	0	400
Miscellaneous						
Miscellaneous Expenditures	139	139	15,000	1%	69	15,000
Total Administrative & Operations Exp.	491,267	491,267	3,537,227	14%	291,744	3,155,859
Capital Outlay						
Capital Acquisition	1,068	1,068	227,500	0%	0	230,500
Engineering	0	0	50,000	0%	0	50,000
TOTAL EXPENDITURES (w/o D.S. exp.)	492,335	492,335	3,814,727	13%	291,744	3,436,359
Excess (Deficiencies) of Revenue Over Expenditures	(306,666)	(306,666)	(1,585,429)	19%	(140,328)	(1,402,682)
OTHER FINANCE SOURCE (USES)						
Transfer to Other Funds						
Transfer from Tax Account	0	0	1,630,025	0%	0	(1,650,724)
Extra Ordinary Income						
Disposition of Assets (Surplus Sale)	0	0	3,500	0%	0	(1,500)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	1,633,525	0%	0	(1,652,224)
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)						
	(306,666)	(306,666)	48,096		(140,328)	249,542
NET INCOME	(306,666)	(306,666)	48,096		(140,328)	249,542

**TAX FUND
INCOME STATEMENT
FOR PERIOD ENDING OCTOBER 31, 2024
CORRECT**

8.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	118,049	118,049	1,665,196	7%	60,274	1,659,615
Delinquent Tax Revenue	3,979	3,979	38,115	10%	2,722	37,000
Penalty & Interest - Tax Accounts	1,533	1,533	27,345	6%	1,822	26,000
Miscellaneous	-2	-2	0	0%	-3	0
TOTAL TAXES & INTEREST	123,558	123,558	1,730,656	7%	64,815	1,722,615
EXPENDITURES						
Tax Collector Fees	0	0	68,980	0%	0	60,627
Appraisal Districts	0	0	31,651	0%	0	11,264
TOTAL EXPENDITURES	0	0	100,631	0%	0	71,891
Transfer to General Fund	0	0	1,630,025	0%	0	1,650,724
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	123,558	123,558	0		64,815	0

**SPECIAL SERVICES
INCOME STATEMENT
FOR PERIOD ENDING OCTOBER 31, 2024
CORRECTED**

8.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Ricardo Water Supply Corporation	27,362	27,362	449,088	6%	32,245	463,829
Nueces Water Supply Corporation	32,939	32,939	439,152	8%	28,780	457,150
TOTAL REVENUES	60,301	60,301	888,240	7%	61,025	920,979
EXPENDITURES						
Personnel	42,244	42,244	454,994	9%	33,548	460,842
Administrator	2,500	2,500	30,000	8%	2,500	30,000
Overhead	30,835	30,835	403,246	8%	28,751	408,138
TOTAL EXPENDITURES *	75,579	75,579	888,240	9%	64,799	898,980
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES						
	(15,278)	(15,278)	0		(3,773)	21,999

101 Water

Account	Beginning	Debit	Credit	Net Change	Ending Balance
ASSETS					
10100 STWA - Operations	11,426.00	50,011.06	39,996.92	10,014.14	21,440.14
10200 STWA - General	221,384.61	568,063.82	704,139.06	(136,075.24)	85,309.37
10210 STWA - General Money Market	33,569.64	220,123.53	90,000.00	130,123.53	163,693.17
10400 STWA - Payroll	8,659.03	164,611.61	123,484.03	41,127.58	49,786.61
10800 Petty Cash	150.00	0.00	0.00	0.00	150.00
11300 TexPool	4,740,887.36	92,307.79	250,000.00	(157,692.21)	4,583,195.15
12100 Tax Accounts Receivable	211,473.78	0.00	0.00	0.00	211,473.78
12101 Allowance for Uncollect Taxes (	88,575.35)	0.00	0.00	0.00	(88,575.35)
12102 Allowance for doubtful Account(	18,255.23)	0.00	0.00	0.00	(18,255.23)
12120 Interlocal Rec - Tax Assessor	1,030.58	66,855.82	1,030.39	65,825.43	66,856.01
12201 Agua Dulce-Water	14,765.85	7,808.19	8,402.21	(594.02)	14,171.83
12202 Bishop - Water	24,883.98	22,686.52	0.00	22,686.52	47,570.50
12203 Driscoll - Water	26,039.94	7,955.88	10,040.69	(2,084.81)	23,955.13
12204 Kingsville - Water	58,005.26	44,719.45	0.00	44,719.45	102,724.71
12205 NCWCID 5 - Water	34,124.06	8,178.85	0.00	8,178.85	42,302.91
12206 Ricardo WSC - Water	30,841.27	33,658.20	30,841.28	2,816.92	33,658.19
12207 Nueces WSC - Water	34,248.31	39,401.34	34,248.31	5,153.03	39,401.34
12208 Ricardo WSC - General & Admin	18,720.49	19,251.22	18,720.49	530.73	19,251.22
12209 Nueces WSC - General & Admin	18,454.03	19,069.61	18,454.03	615.58	19,069.61
12500 Interlocal Rec-Bishop (	0.03)	1,001.11	0.00	1,001.11	1,001.08
12700 Interlocal Rec-Driscoll	2,194.09	672.16	842.02	(169.86)	2,024.23
12900 Interlocal Rec-Ricardo	11,508.67	8,110.88	12,870.41	(4,759.53)	6,749.14
12901 RWSC-Credit Card	1,025.12	120.66	1,025.12	(904.46)	120.66
13000 Interlocal Rec-Nueces	10,076.87	13,869.62	9,255.19	4,614.43	14,691.30
13001 NWSC Credit Card	2,160.53	95.00	2,319.95	(2,224.95)	(64.42)
13510 Due From Capital Projects Fund	171,918.24	30,220.27	140,970.00	(110,749.73)	61,168.51
13520 Due from Debt Service Fund	2,006.08	98.35	0.00	98.35	2,104.43
13530 Due from D.S.-Collect Service	16,505.60	0.00	15,234.00	(15,234.00)	1,271.60
13900 Notes Receivable - Current	152.47	0.00	0.00	0.00	152.47
14200 Prepaid Expenses	32,705.92	41,031.86	41,031.86	0.00	32,705.92
15500 Inventory	42,276.74	0.00	0.00	0.00	42,276.74
18910 Notes Receivable-Not Current	1,395.30	0.00	0.00	0.00	1,395.30
Total ASSETS	5,675,759.21	1,459,922.80	1,552,905.96	(92,983.16)	5,582,776.05
LIABILITIES AND FUND EQUITY					
20300 Trade Accounts Payable	243,851.63	334,067.94	458,422.68	124,354.74	368,206.37
20310 Conversion Trade Accounts Paya	333.16	0.00	0.00	0.00	333.16
20400 Salaries & Wages Payable	23,056.64	23,056.64	3,096.48	(19,960.16)	3,096.48
21051 Federal WH Taxes Payable	150.77	0.00	0.00	0.00	150.77
21052 Medicare Payable	665.32	0.00	0.00	0.00	665.32
21062 Unemployment Ins Payable	9,949.26	175.35	0.00	(175.35)	9,773.91
21063 Emphy Loan WH Payble (	594.42)	0.00	0.00	0.00	(594.42)

02/14/25
10:47:25

SOUTH TEXAS WATER AUTHORITY
Trial Balance
For the Accounting Period: 10 / 24

Page: 2 of 2
Report ID: L120

101 Water

Account	Beginning	Debit	Credit	Net Change	Ending Balance
21064 Empl Insurance WH Payble (	13,797.97)	547.48	0.00	(547.48)	(14,345.45)
21065 Empl AFLAC Ins WH Payble (	29.56)	2,174.82	2,910.64	735.82	706.26
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	5,099.52	469.98	0.00	(469.98)	4,629.54
21100 Miscellaneous Payables	23,359.76	404.44	1,691.76	1,287.32	24,647.08
21500 Compensated Absences	13,824.65	0.00	0.00	0.00	13,824.65
21700 Deferred Tax Revenue	122,898.43	0.00	0.00	0.00	122,898.43
24100 Due to Debt Service Fund	2,427.64	0.00	177.49	177.49	2,605.13
28400 Retained Earnings	5,203,157.19	0.00	0.00	0.00	5,203,157.19
28410 Assigned Fund Bal. - Inventory	41,746.65	0.00	0.00	0.00	41,746.65
28999 Net Income Current Year	0.00	592,389.28	394,003.72	(198,385.56)	(198,385.56)
Total LIABILITIES AND FUND EQUITY	5,675,759.21	953,285.93	860,302.77	(92,983.16)	5,582,776.05

02/14/25
10:48:23

SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 10 / 24

Page: 1 of 2
Report ID: L150

101 Water

Assets

Current Assets

STWA - Operations	21,440.14	
STWA - General	85,309.37	
STWA - General Money Market	163,693.17	
STWA - Payroll	49,786.61	
Petty Cash	150.00	
TexPool	4,583,195.15	
Tax Accounts Receivable	211,473.78	
Allowance for Uncollect Taxes	(88,575.35)	
Allowance for doubtful Accounts	(18,255.23)	
Interlocal Rec - Tax Assessor	66,856.01	
Agua Dulce-Water	14,171.83	
Bishop - Water	47,570.50	
Driscoll - Water	23,955.13	
Kingsville - Water	102,724.71	
NCWCID 5 - Water	42,302.91	
Ricardo WSC - Water	33,658.19	
Nueces WSC - Water	39,401.34	
Ricardo WSC - General & Admin	19,251.22	
Nueces WSC - General & Admin	19,069.61	
Interlocal Rec-Bishop	1,001.08	
Interlocal Rec-Driscoll	2,024.23	
Interlocal Rec-Ricardo	6,749.14	
RWSC-Credit Card	120.66	
Interlocal Rec-Nueces	14,691.30	
NWSC Credit Card	(64.42)	
Due From Capital Projects Fund	61,168.51	
Due from Debt Service Fund	2,104.43	
Due from D.S .-Collect Service	1,271.60	
Notes Receivable - Current	152.47	
Prepaid Expenses	32,705.92	
Inventory	42,276.74	

Total Current Assets		5,581,380.75

Other Assets

Notes Receivable-Not Current	1,395.30	

Total Other Assets		1,395.30

Total Assets ----- **5,582,776.05**

02/14/25
10:48:23

SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 10 / 24

Page: 2 of 2
Report ID: L150

101 Water

Liabilities and Equity

Current Liabilities

Trade Accounts Payable	368,206.37
Conversion Trade Accounts Payable	333.16
Salaries & Wages Payable	3,096.48
Federal WH Taxes Payable	150.77
Medicare Payable	665.32
Unemployment Ins Payable	9,773.91
Empley Loan WH Payble	(594.42)
Empley Insurance WH Payble	(14,345.45)
Empley AFLAC Ins WH Payble	706.26
Empley Nationwide WH Payble	200.00
Empley Advance WH Payble	(539.46)
Empley Other WH Payble	4,629.54
Miscellaneous Payables	24,647.08
Compensated Absences	13,824.65
Deferred Tax Revenue	122,898.43

Total Current Liabilities

533,652.64

Other Liabilities

Due to Debt Service Fund	2,605.13
--------------------------	----------

Total Other Liabilities

2,605.13

Total Liabilities

536,257.77

Equity

Retained Earnings	5,203,157.19
Assigned Fund Bal. - Inventory	41,746.65
CURRENT YEAR INCOME/(LOSS)	(198,385.56)

Total Equity

5,046,518.28

Total Liabilities & Equity

5,582,776.05

**DEBT SERVICE FUND
INCOME STATEMENT
FOR PERIOD ENDING OCTOBER 31, 2024**

8.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	24,857	24,857	367,927	7%	12,795	369,941
Delinquent Tax Revenue	866	866	9,500	9%	629	9,000
Penalty & Interest - Tax Accounts	306	306	2,220	14%	416	5,000
Out-of-District Surcharge	177	177	5,500	3%	188	1,370
Interest on Temporary Investments	574	574	13,200	4%	516	9,000
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL TAXES & INTEREST	26,781	26,781	398,347	7%	14,544	394,311
OTHER FINANCING SOURCES						
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	26,781	26,781	398,347	7%	14,544	394,311
EXPENDITURES						
Fiscal Agent Fees	0	0	200	0%	0	200
Bond Interest Expense	0	0	86,350	0%	0	94,000
Bond Principal Payments	0	0	260,000	0%	0	255,000
Tax Collector Fees	0	0	14,650	0%	0	14,927
Appraisal District Fees	0	0	6,723	0%	0	6,014
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	0	0	367,923	0%	0	370,141
EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES						
	26,781	26,781	30,424		14,544	24,170

02/14/25
10:53:56

SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 10 / 24

Page: 1 of 1
Report ID: L150

310 Debt Service

Assets

Current Assets

TexPool	147,258.04
Tax Accounts Receivable	55,352.98
Allowance for Uncollect Taxes	(11,370.61)
Interlocal Rec - Tax Assessor	14,087.98
Due from General Fund	2,605.13

Total Current Assets ----- **207,933.52**

Total Assets ----- **207,933.52**

Liabilities and Equity

Current Liabilities

Deferred Tax Revenue	43,982.37
----------------------	-----------

Total Current Liabilities ----- **43,982.37**

Other Liabilities

Due to General Fund	3,376.03
---------------------	----------

Total Other Liabilities ----- **3,376.03**

Total Liabilities ----- **47,358.40**

Equity

Fund Balance	133,793.77
CURRENT YEAR INCOME/(LOSS)	26,781.35

Total Equity ----- **160,575.12**

Total Liabilities & Equity ----- **207,933.52**

02/14/25
10:54:38

SOUTH TEXAS WATER AUTHORITY
Trial Balance
For the Accounting Period: 10 / 24

Page: 1 of 1
Report ID: L120

310 Debt Service

Account	Beginning	Debit	Credit	Net Change	Ending Balance
ASSETS					
11300 TexPool	149,649.79	12,842.25	15,234.00 (	2,391.75)	147,258.04
12100 Tax Accounts Receivable	55,352.98	0.00	0.00	0.00	55,352.98
12101 Allowance for Uncollect Taxes (	11,370.61)	0.00	0.00	0.00 (	11,370.61)
12120 Interlocal Rec - Tax Assessor	228.02	14,087.99	228.03	13,859.96	14,087.98
13511 Due from General Fund	2,427.64	177.49	0.00	177.49	2,605.13
Total ASSETS	196,287.82	27,107.73	15,462.03	11,645.70	207,933.52
LIABILITIES AND FUND EQUITY					
21700 Deferred Tax Revenue	43,982.37	0.00	0.00	0.00	43,982.37
24300 Due to General Fund	18,511.68	15,234.00	98.35 (	15,135.65)	3,376.03
28300 Fund Balance	133,793.77	0.00	0.00	0.00	133,793.77
28999 Net Income Current Year	0.00	98.35	26,879.70	26,781.35	26,781.35
Total LIABILITIES AND FUND EQUITY	196,287.82	15,332.35	26,978.05	11,645.70	207,933.52

**CAPITAL PROJECTS FUND
INCOME STATEMENT
FOR PERIOD ENDING OCTOBER 31, 2024**

8.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	636	636	6,000	11%	1,264	15,200
Other Income	0	0	0	0%	0	0
TOTAL REVENUE AND OTHER FINANCE SOURCES	636	636	6,000	11%	1,264	15,200
 EXPENDITURES						
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	36,269	36,269	135,305	27%	0	180,000
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	36,269	36,269	135,305	27%	0	180,000
 EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES						
	(35,633)	(35,633)	(129,305)		1,264	(164,800)

02/14/25
10:57:27

SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 10 / 24

Page: 1 of 1
Report ID: L150

410 Capital Projects

Assets

Current Assets
TexStar

154,430.13

Total Current Assets

154,430.13

Total Assets

154,430.13

Liabilities and Equity

Other Liabilities
Due to General Fund

67,217.63

Total Other Liabilities

67,217.63

Total Liabilities

67,217.63

Equity

Fund Balance
CURRENT YEAR INCOME/(LOSS)

122,845.53
(35,633.03)

Total Equity

87,212.50

Total Liabilities & Equity

154,430.13

02/14/25
10:56:27

SOUTH TEXAS WATER AUTHORITY
Trial Balance
For the Accounting Period: 10 / 24

Page: 1 of 1
Report ID: L120

410 Capital Projects

Account	Beginning	Debit	Credit	Net Change	Ending Balance
ASSETS					
11400 TexStar	294,763.74	636.39	140,970.00 (	140,333.61)	154,430.13
Total ASSETS	294,763.74	636.39	140,970.00 (	140,333.61)	154,430.13
LIABILITIES AND FUND EQUITY					
24300 Due to General Fund	171,918.21	140,970.00	36,269.42 (	104,700.58)	67,217.63
28300 Fund Balance	122,845.53	0.00	0.00	0.00	122,845.53
28999 Net Income Current Year	0.00	36,269.42	636.39 (	35,633.03) (	35,633.03)
Total LIABILITIES AND FUND EQUITY	294,763.74	177,239.42	36,905.81 (	140,333.61)	154,430.13

ATTACHMENT 3

Field Reports

Memo

To: South Texas Water Authority, Board of Directors
From: John Marez, Executive Director/Administrator
Date: February 14, 2025
Topic: Cathodic Protection and Soil Corrosion Presentation

Background:

The STWA 42" transmission line, constructed in 1980, is a steel-reinforced concrete pipeline spanning 28 miles from the Kingsville Pump Station to the O.N. Stevens Water Treatment Plant. While designed for an 80–100-year lifespan, historical failures and ongoing assessments indicate the potential for significant corrosion risks, particularly in areas with aggressive soil conditions.

In the past, corrosion has impacted critical components such as air relief valves (ARVs) and block valves, with over 15 ARVs showing severe corrosion and five block valves submerged in water. In addition, the area near San Fernando Creek presents a high-risk zone due to sulfate-rich soil interactions with the pipeline's concrete and metal reinforcements.

Analysis:

To mitigate corrosion-related failures, STWA utilizes a cathodic protection (CP) system that applies an external DC power source to prevent metal loss. The current CP system includes:

- Four Active Rectifiers: Converting AC to DC power to maintain protection.
- 115 Testing Stations: Used to monitor the efficiency of the CP system.
- Ground Anode Bed Installations: Designed to enhance CP performance in high-risk areas.

Despite these measures, recent evaluations identified areas requiring additional modifications, including:

- Electrical isolation of pipe sections due to rubber gasket separation.
- The need for exothermic welded jumper bonds to ensure electrical continuity.
- Corrosion-related mechanical failures at ARVs and block valves requiring urgent attention.

Staff Recommendation:

As a result, a phased approach is recommended to enhance corrosion protection efforts and maintain the long-term integrity of the pipeline:

- Phase 1: Immediate Actions
 - Conduct a comprehensive soil testing program in the San Fernando Creek area to evaluate sulfate concentrations and their impact.
 - Implement vegetation clearing and right-of-way maintenance to improve access to critical pipeline components.

- Inspect and repair submerged block valves and corroded ARVs.
- Phase 2: Intermediate Solutions
 - Install heat-releasing welded jumper bonds to ensure electrical continuity along the 42" pipeline.
 - Evaluate the feasibility of adding additional rectifiers to strengthen CP effectiveness.
 - Recoat exposed mechanical components to prevent further degradation.
- Phase 3: Long-Term Prevention
 - Ensure that all testing stations are within the required polarity range for CP efficiency.
 - Implement rectifier-based CP measures in high-risk zones, particularly in sulfate-prone areas.
 - Develop an ongoing maintenance schedule to monitor and address emerging corrosion risks.

Board Action:

Receive presentation on the 42" Transmission Line regarding Cathodic Protection and Soil Corrosion.

These steps will likely lead to action items approved by the board to authorize a proactive approach to respond to the health of the Transmission Line and to ensure a stable water source is continually provided to our wholesale customers.

Summary:

The integrity of the 42" transmission line is vital to STWA's operations, and proactive corrosion management is essential to extending its service life. Immediate steps must be taken to reinforce the cathodic protection system, address existing corrosion damage, and implement long-term preventive measures.

Staff will continue monitoring the situation and provide updates on a mitigation plan.

Attachments: Corrosion Protection Report by International Consulting Engineers

CORROSION PROTECTION CONCERNS-STWA



DATE: 01/07/2025

PREPARED BY: INTERNATIONAL CONSULTING ENGINEERS UNDER THE GUIDANCE OF HECTOR
BARBOSA, NACE CORROSION TECHNOLOGIST (CERTIFICATION #186086)- STWA.





LAREDO, Tex. (KGNS) - The City of Laredo Utilities Department has faced around 800 water line breaks between 2021 and 2023, leading to costly repairs and replacements. To improve water services, the city announced plans on Thursday, May 9, for a new waterline in central Laredo, aiming to address infrastructure issues.

LARGE WATER LINE BREAKS IN TEXAS-2024

City of Houston working to fix more than 1,300 water leaks across town



HOUSTON - The city of Houston is working overtime to fix more than 1,300 leaks across town. The problem is a big concern for residents who told KPRC 2 they have been reporting some leaks in or around their neighborhood for several weeks, sometimes even months.



FORT WORTH WATER

Fort Worth Water said the break to the 33-inch line along Trinity Blvd. is isolated and repairs should begin soon.

Fort Worth Water said it does not anticipate any customers will be without water while the repair is made. Customers in the area may see a slight reduction in water pressure until the line is placed back in service.

The water line break has forced Hurst to ask residents to stop outdoor watering for the next 24 hours and limit water usage to essential business and personal needs.

ATX Transportation and Public Works 
@austinmobility · Follow

A watermain break near Loop 360 & Spicewood has all lanes closed on Spicewood. Consider alternate routes and expect delays. #ATXtraffic

09-23-2024 09:51:03 Loop 360 & Spicewood (EAST)

9:53 AM · Sep 23, 2024

SAWS crews work to repair water leak at North Side intersection

Leak expected to be fixed by Tuesday



SAN ANTONIO - Crews with San Antonio Water System are working to repair a pipe leak on the North Side. The water leak is located at the Bitters Road and West Avenue intersection. Crews are fixing a 30-inch concrete steel pipe installed in 1986, SAWS told KSAT. SAWS noted that the repair has been complicated since the water pipe is 20 feet deep with multiple utility capabilities, including a high-pressure gas main.

INDEX

Sections

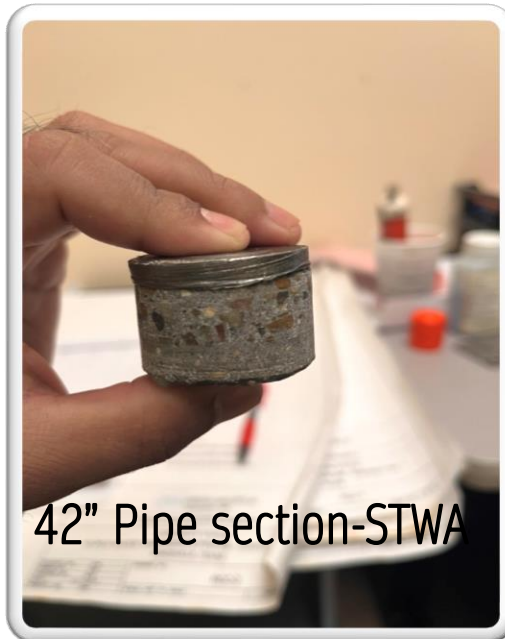
1. General information 42" transmission line.
2. CP System and its operation on 42" transmission line.
3. Existing condition of ARV and block valves on the 42" transmission line.
4. Testing station data analysis and cathodic protection.
5. Importance of cathodic protection in the vicinity of San Fernando creek and the interaction between sulfur and reinforced concrete on the 42-inch pipeline.
6. Conclusion and recommendations

WHAT IS CORROSION PROTECTION ?

:Process that prevents or reduces the degradation of materials caused by chemical reactions with their environment.

PROTECTION METHODS:

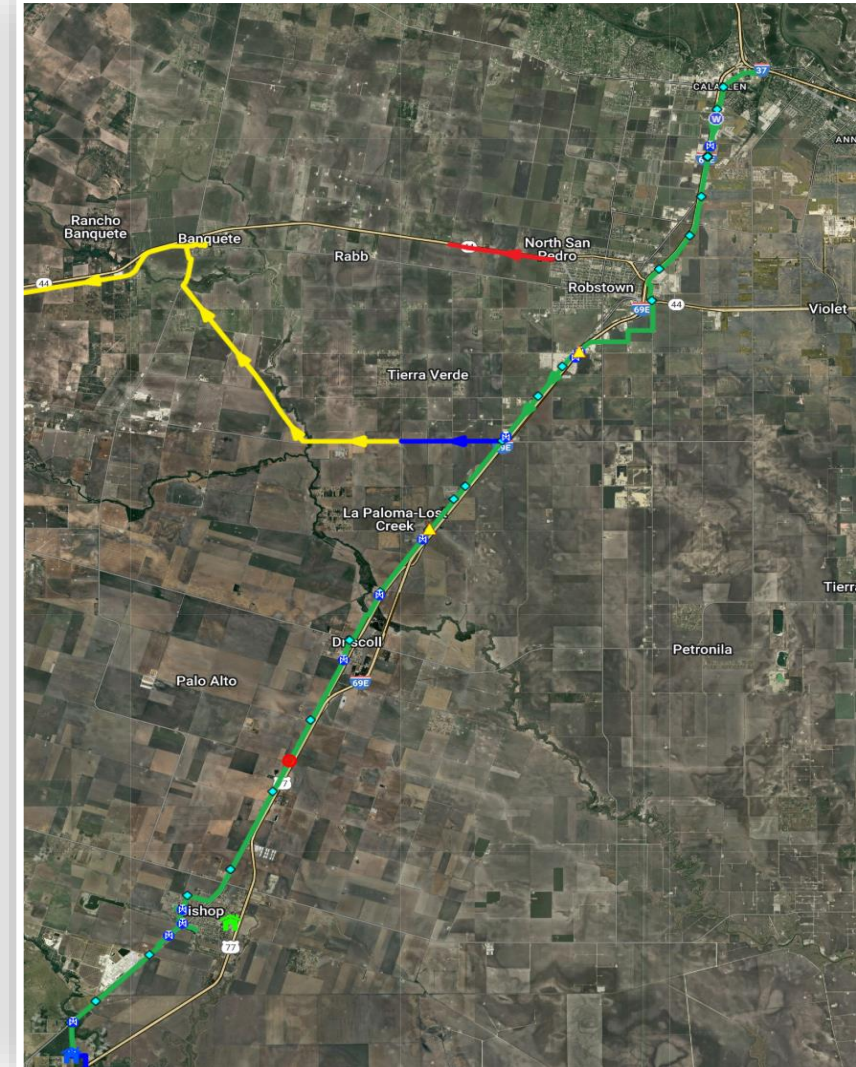
- Using corrosion inhibitors
- Using pipe insulators
- Industrial coating
- Cathodic protection



Section 1

STWA WATER TRANSMISSION LINE

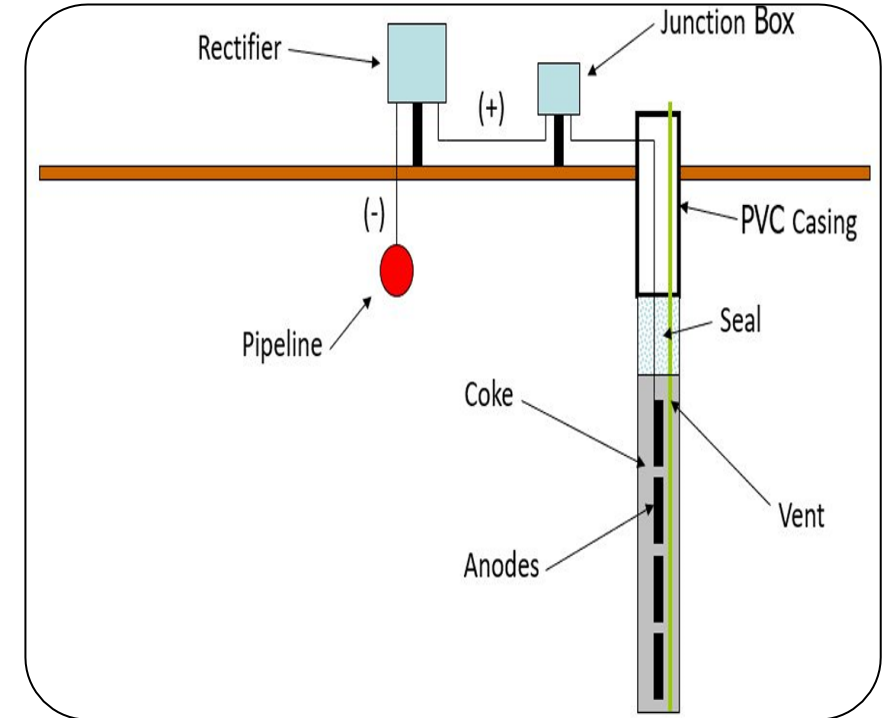
- Size: 42"
- Material: Steel Reinforced Concrete (AWWA-C303-78)
- Average Life: 80-100 Years.
- Pressure ratings: 400 psi(max)
- Length: 28 Miles. (Contract 1- ends at STA 523+00 , Contract 2- ends at STA 1033+00, Contract 3- ends at STA 1460+00)
- Start and End Point : Kingsville pump station (STA 0+00) to ON Stevens WTP (STA 1496+41)
- Year of Construction: 1980
- Number of Testing Stations: 115
- Active Rectifiers in line: 4
- Number of ARV'S:19
- Number of Gate Valve (42"): 5
- Line Break History: Pipeline failure at 1994 on contract 1 (Due to aggressive soil reaction)



Section 2

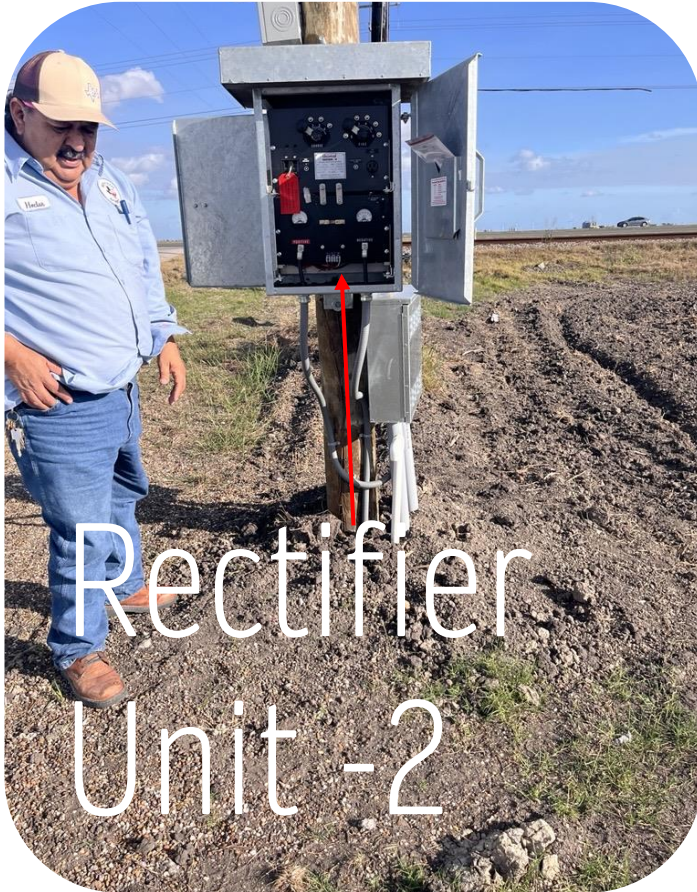
CP SYSTEM AND ITS OPERATION ON 42" TRANSMISSION LINE.

- Cathodic protection system that utilizes an external source of DC power in order to force current flow onto a pipeline (or other structure).
 - Mitigate the discharge of corrosion current from the structure to the electrolyte.
 - Reducing loss of metal from the structure.



Section 2

RECTIFIERS



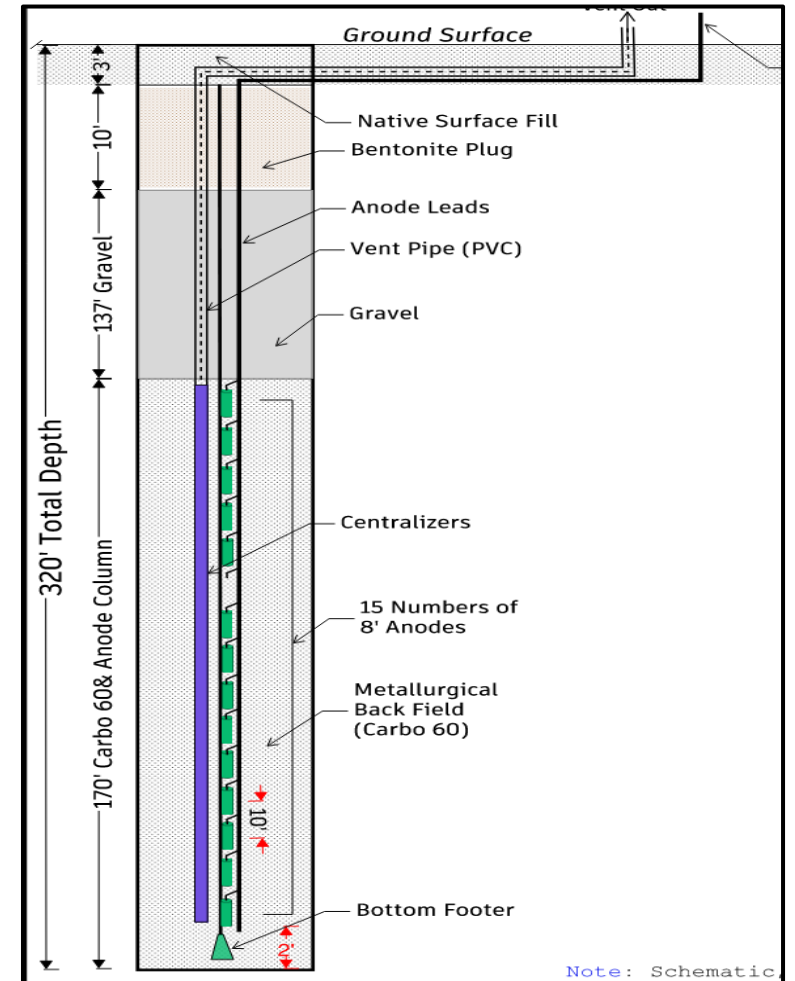
- Converts AC to DC
 1. Transformer to step down the AC Reducing loss of metal from the structure.
 2. Rectifying element to convert the AC to DC.
 3. Cabinet
 4. Constant voltage (230V)

Section 2

INSTALLATION OF DEEP ANODE BED

For the STWA Cathodic protection system on the 42" line, deep anode bed method is used, following are the key factors;

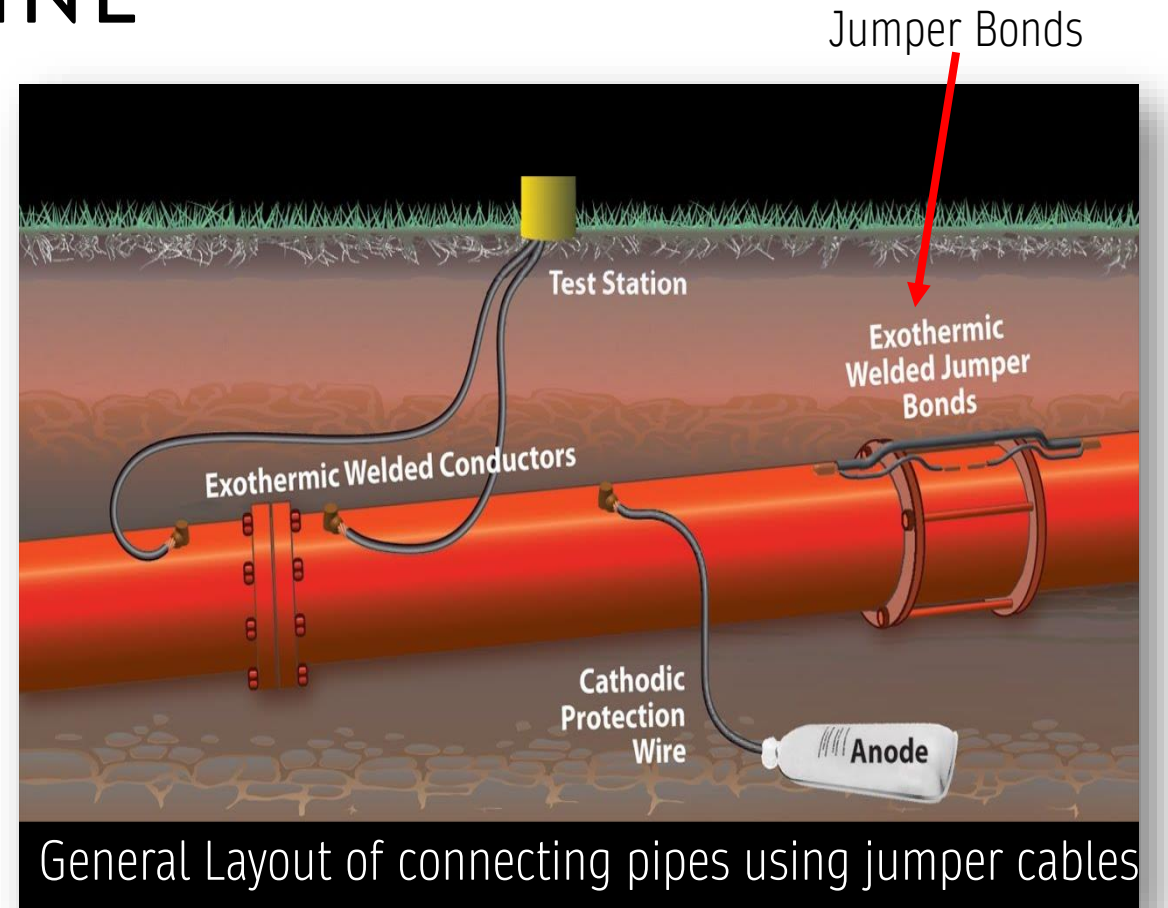
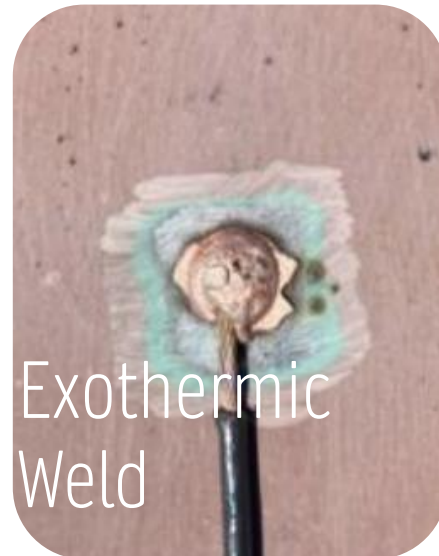
- Requires Drill Rig
- 15 Numbers of individual anode leads
- Anode strapped to pipe support
- Vent line is connected using PVC Pipe.
- Coke is pumped to the bed bottom layer.
- Combined anode leads connected to junction box.



Section 2

REQUIRED MODIFICATION FOR CATHODIC PROTECTION ON 42" LINE

- The 42" pipe has electrical separation due to rubber gaskets on each 34' length
- Exothermic welded jumper cable connections are required to connect pipe lines electrically.

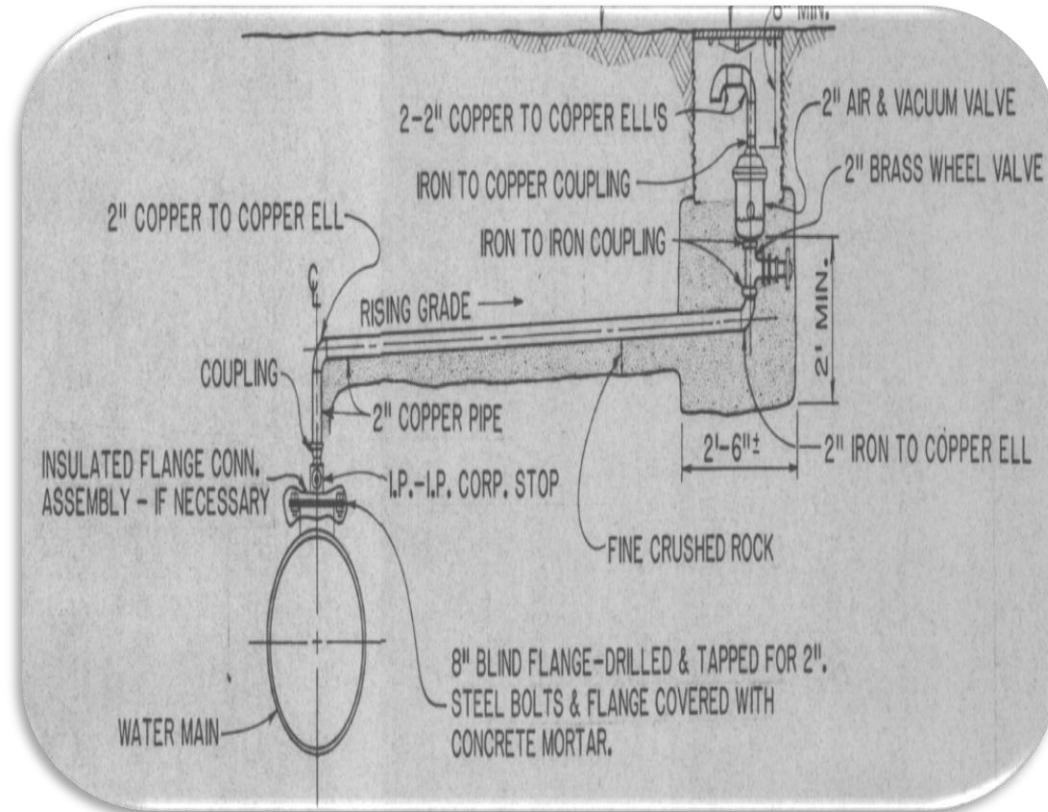


EXISTING CONDITION OF ARV AND BLOCK VALVES

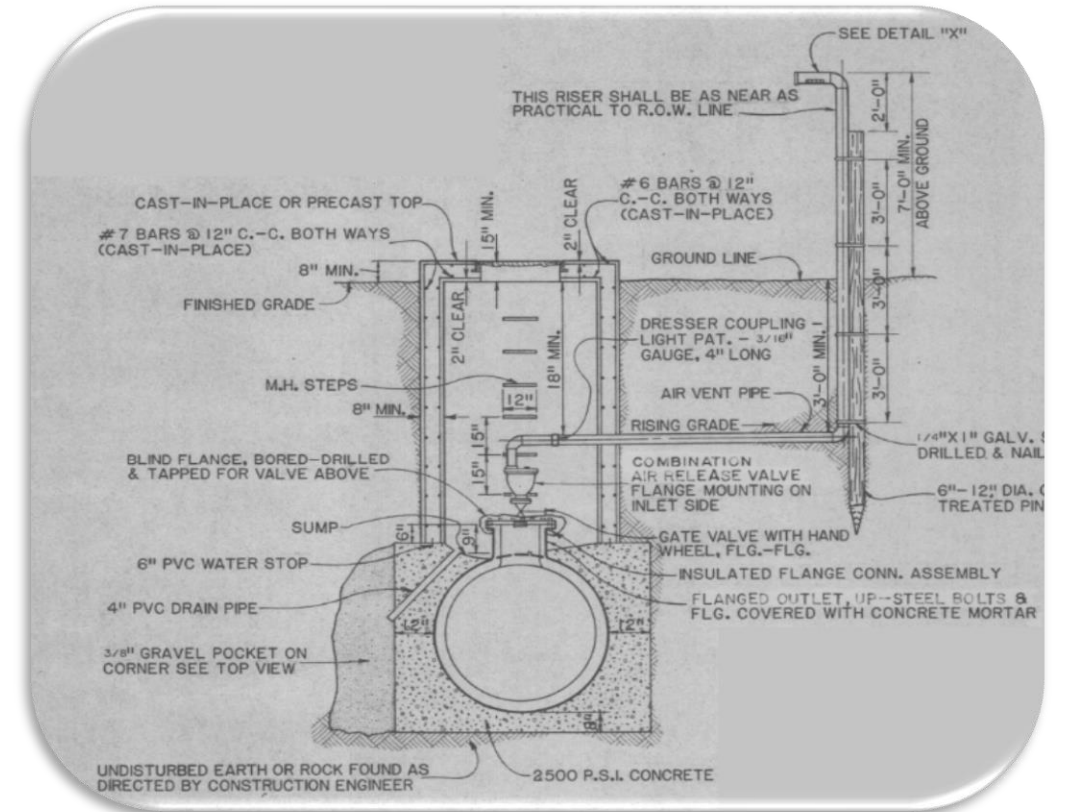
- Above Ground ARV Section: Over 15 units are in corroded condition.
- Block Valves: 5 valves (42") are submerged in water, with corroded joints.
- The sample points and testing station require servicing and maintenance.



GENERAL LAYOUT OF ARV'S ON 42" LINE



Type-1 ARV



Type-2 ARV

Note: The majority of the ARV's on the 42" line are Type 2 by design.

Section 4

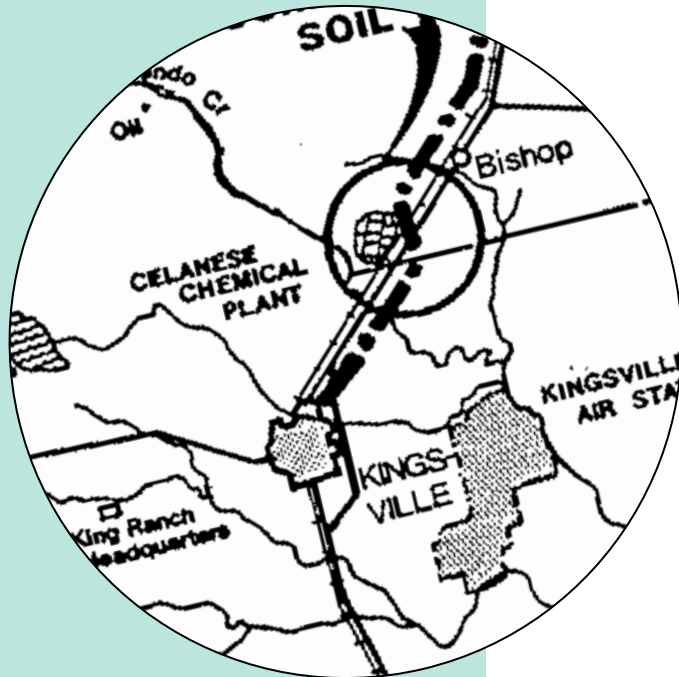
TESTING STATION DATA ANALYSIS AND CATHODIC PROTECTION.

- To be added
 1. Testing station readings table
 2. Data comparison graph
 3. Station testing procedure.

Section 5

CONCERNS OF 42" LINE PROTECTION NEAR SAN FERNANDO CREEK

Potential Area Identified



- **1984 Discovery:** Henningson, Durham & Richardson identified unusual sulfate presence in the soil.
- **1994 Pipe failure:** Pipe failure occurs due to aggressive soil.
- **Sulfate reactivity:** Sulfate reacts with concrete and metals, sulfur produce H_2SO_4 in the soil.
- **Recommendation:** Soil testing program advised by professional engineer during pipeline construction.
- **Pipeline zone:** Identified area between bishop and Kingsville.
- **Corrosive soil extent:** The report indicates that the corrosive soil extend from San Fernando creek north to carreta creek (approx. 3 miles)

Section 5

42" Pipe Line Soil Corrosivity History & Line Failure

HDR Engineering conducted a "Corrosive Soil Investigation," and submitted to STWA August, 1984. The report details a near 3-mile long section of the Contract 1 alignment having severely corrosive soils. Gulf Coast Testing Laboratory collected the chemistry of the soil and determined that extremely high concentrations of sulfates ranging from 700 – 32,500 parts per million (ppm) were present in this stretch of the alignment.

Ductile Iron Pipe Research Association soil analysis performed in 1982. The data indicated the soil to be severely corrosive with both high sulfate and chloride concentrations along the proposed route of the alignment. The sulfate concentrations ranged from 480 to 12,000 parts per million (ppm) with a mean value of 2,800 ppm. The chloride concentrations ranged from 700 to 4,800 ppm with a mean value of 1,950 ppm.

Following the 1994 pipeline failure, Corpro was contracted to perform a failure analysis investigation, which concluded that the cause of the pipeline failure was due to aggressive soil along the alignment resulting in severe corrosion of the pipeline. Corpro recommended that two rectifiers be installed to provide an impressed current cathodic protection (ICCP) to mitigate corrosion. Following the installation of the rectifiers it was determined that much of Contract 1 was electrically discontinuous. RCC was contracted to oversee the joint bonding and EC testing of Contract 1. The work allowed for the activation of the two rectifiers.

Section 5

SULFUR REACTIVITY ON 42" PIPE LINE

1. Sulfur in the soil is usually in the form of sulfate ions (SO_4^{2-})
2. Summary of Chemical Reactions:

- Sulfate Attack on Concrete:



- Formation of Sulfuric Acid (via Bacterial Activity):



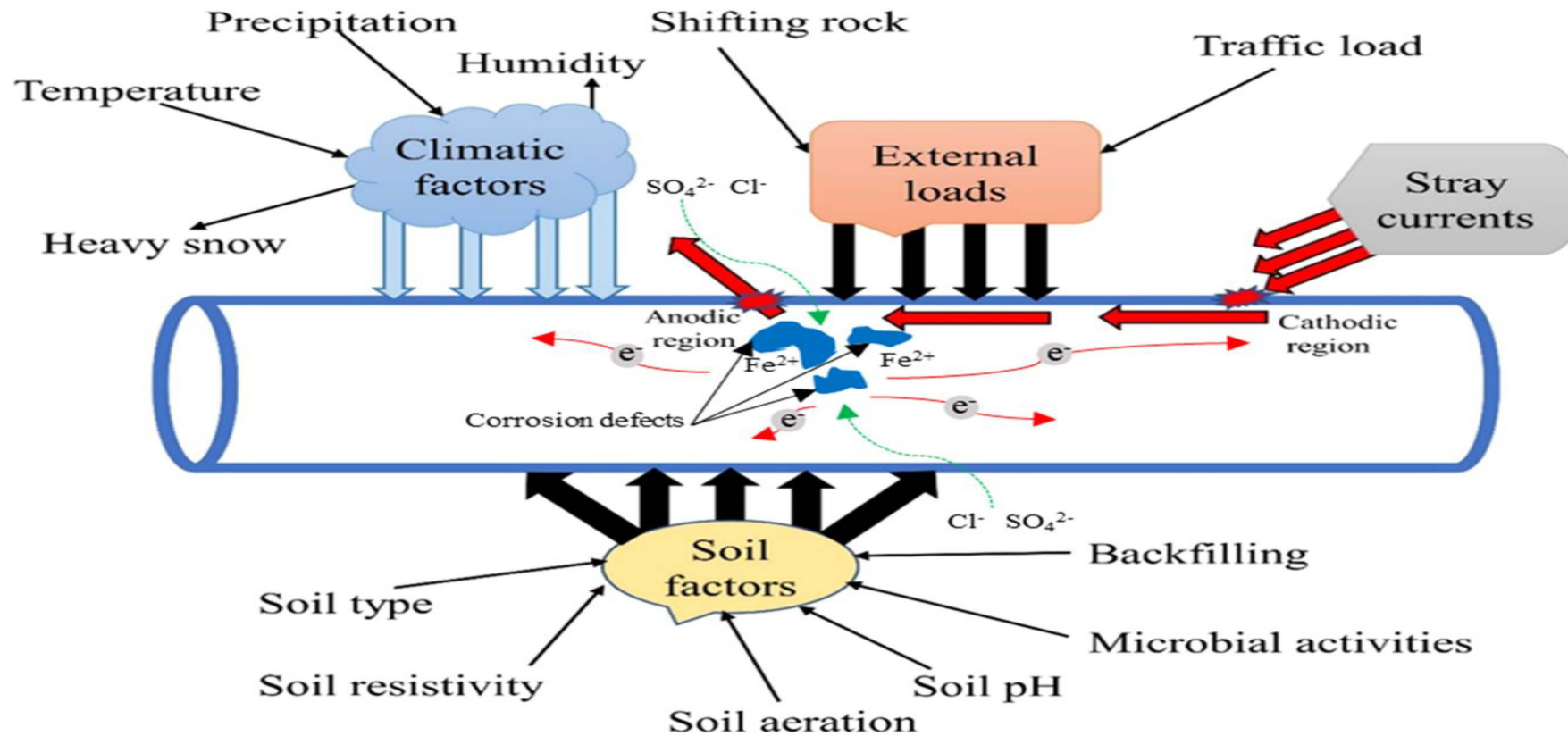
- Corrosion of Steel Reinforcement:



Note : 40 years of exposure to sulfur-rich soil, the concrete and steel would have been significantly degraded.

Section 5

- To be added



Section 5

RECOMMENDED SOLUTION FOR SULFUR ATTACK

- Recommended solutions for the identified zone and their feasibility.

Recommendations	Practicality
Application of protective coating.	This option is not feasible for a 3-mile-long pipe.
Use sulfate-resistant concrete for the pipe.	The pipe was constructed 40 years ago.
Proper drainage to prevent the buildup of H_2SO_4	Practically impossible in this terrain due to the flow of two creeks.
Install a sacrificial concrete layer.	It is feasible in practice, but expensive for a 3-mile-long section.
Cathodic protection.	To be practically viable, it is essential to conduct proper testing and implement rectifier-based cathodic protection (CP).

Section 5

STEPS FOR CLEARING OF ROW AT SAN FERNANDO CREEK.

1. Line tracing & Clearance

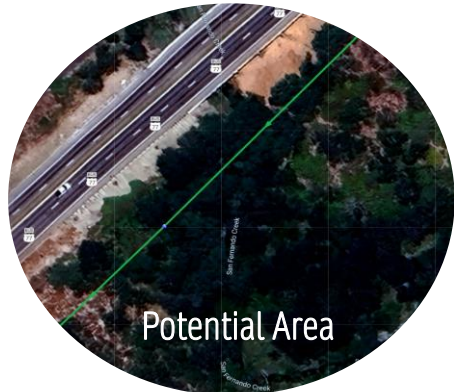
- Trace out the 42" line and clearing out the grass and tree for easy access

3. Inspect the 12" valve

- Ensure the valve at the location is coated against corrosion.

5. Implement Cathodic protection

- Implement standard cathodic protection measures to the identified zone.



2. Soil test & Analysis

- Collect multiple soil sample from the zone, at least 8 foot deep.






4. Investigation & Final analysis

- Analyze the impact soil on the 42" pipeline for the past 42 years, develop mitigation plan for protecting line based on **soil test results**.

CONCLUSION & RECOMENDATIONS

Based on the study, analysis, and initial on-site inspection of the 42" pipeline, it is essential to develop both immediate and scheduled plans to address corrosion and related issues. This will help prevent unexpected complications in the future and ensure the pipeline reaches its maximum service life. The identified problems can be resolved through a phased implementation of the recommended action plan.

Recommended Plan of Action (Priority based)

-  **Phase 1:** Investigate and implement appropriate preventive measures for the 3-mile section of the pipeline with a history of failures.
-  **Phase 2:** Identify all mechanical components along the 42" pipeline and ensure that all exposed parts are properly coated to prevent corrosion.
-  **Phase 3:** Verify that all test stations are within the standard range of electric polarity to ensure effective cathodic protection along the entire 28-mile pipeline.

THANK YOU

References:-

* Cathodic Protection Wells: TAC-Tittle 16 , Part 1, Chapter 3, Rule §3.99

* Corrosion Protection: TAC-Tittle 30 , Part 1, Chapter 334(Sub C), Rule §334.49

* Corrosion Control Requirements: TAC-Tittle 16 , Part 1, Chapter 8 (Sub D), Rule §8.305

* Water Distribution: TAC-Tittle 30 , Part 1, Chapter 290 (Sub D), Rule §290.44

ATTACHMENT 4

Annexation Petitions

Memo

To: South Texas Water Authority, Board of Directors
From: John Marez, Exec Dir/Admin
Date: February 14, 2025
Re: Annexation Petition - Set Time and Date for Public Hearing:
Resolution 25-04 – Maria Cecilia Lazo – Situated in the Casa Blanca Survey, Being Lot 2 Block F, The Ranch, an unrecorded subdivision, Nueces County, Texas also recognized as 6303 Branding Iron, Robstown, Texas and Lot 3 Block F of the Ranch Subdivision as recorded in the map records of Nueces County also recognized as 6297 Branding Iron, Robstown.

Resolution 25-05 – Antonio Perez and Gloria Hernandez Perez – The East One-Half (E. 1/2) of Tract 2, Tierra Verde Unit Number 2, a subdivision in Nueces County, Texas according to map or plat thereof recorded in Volume 50, Pages 92-93, of the map records of Nueces County.

Background:

On January 21, 2025 the South Texas Water Authority approved holding an Annexation hearing set for its February 18, 2025 Board Meeting. Property owners requesting retail water service from the Nueces Water Supply Corporation are required to be annexed into STWA's district boundaries. This results in the new NWSC member paying the same costs as all other NWSC customers, specifically, a retail water bill from NWSC and property taxes to STWA.

Two accounts requests (Resolution 25-04 & 25-05) retail water service from the Nueces Water Supply Corporation and annexation into the STWA's boundary. This brings in the new NWSC members paying the same costs (NWSC retail water bill and STWA property taxes) as all other NWSC customers.

Analysis:

The annexation petition and properties described are owned by Maria Cecilia Lazo (25-04) and Antonio Perez and Gloria Hernandez Perez (25-05) and seeks entry into the STWA's district boundary. This is similar request to previous petitioners that the Board has approved admittance into the STWA area and as a NWSC retail customer.

Staff Recommendation:

Adopt Resolution 25-04 & 25-05.

Board Action:

Determine whether to adopt Resolutions.

Summary:

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

11/15/2011

11/15/2011
11/15/2011
11/15/2011

11/15/2011
11/15/2011
11/15/2011

ATTACHMENT 5

Resolution 25-04

Chapter 551, Texas Government Code.

SIGNED AND SEALED the 18th day of February, 2025.

Imelda Garza, Secretary
Board of Directors

Jose M. Graveley, President
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 25-04

THE STATE OF TEXAS §
COUNTIES OF KLEBERG AND NUECES §
SOUTH TEXAS WATER AUTHORITY §

WHEREAS, the Board of Directors conducted a hearing on this date in reference to the annexation of the territory described in Exhibit A attached hereto; and

WHEREAS, it was deemed advisable by the Board to approve the annexation of such territory to the Authority; and

WHEREAS, it is officially found and determined: that a case of emergency or urgent public necessity exists which required the holding of the meeting at which this Resolution was adopted and that said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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

1. That the annexation of the territory described in Exhibit A is hereby approved by this Board, and it is hereby found that there will be benefit to the territory as amended.
2. That pursuant to Article 7, Chapter 436, Acts of the 66th Legislature, Regular Session, 1979, no election is required to approve the annexation as the petition was signed by all residents and landowners of the annexed territory.

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

STATE OF TEXAS :
COUNTY OF NUECES :

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

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

I.

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

II.

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

III.

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

IV.

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

V.

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

WHEREFORE, Petitioner prays that this petition be properly filed, as provided by law; that the Board of Directors of South Texas Water Authority hear and consider the petition in keeping with the provisions of Section 11006.052, Special District Local Laws Code and that this petition in all things be granted and that the territory described in Exhibit "A" be added to and become a part of the established South Texas Water Authority; that after this petition is granted the Board's order thereon be filed of record and be recorded in the Deed Records of Nueces County, Texas; and that the area described in Exhibit "A" be thereafter a component part of South Texas Water Authority.

[Signatures and Acknowledgement on following page.]

EXECUTED this 11 day of November, 2024.

Maria C. Lazo
Maria Cecilia Lazo

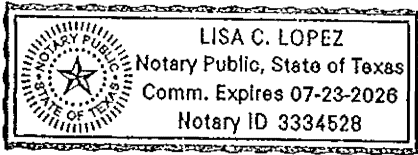
ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Kleberg

Subscribed and sworn to before me Maria Cecilia Lazo on this the

11 day of November, 2024.



Lisa C Lopez
Notary Public

My Commission Expires: 7-23-2026

NOTARY SEAL

Exhibit "A"

To

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

Property Description:

The Ranch – Unrecorded Lot 2 Block F of The Ranch Subdivision, as recorded in the map records of Nueces County, Texas, also recognized as 6303 Branding Iron, Robstown, Texas 78380, and filed as Document No. 2023043752, County Clerk Records of Nueces County, Texas.

The Ranch – Unrecorded Lot 3, Block F of the Ranch Subdivision, as recorded in the map records of Nueces County, Texas, also recognized as 6297 Branding Iron, Robstown, Texas 78380, and filed as Document No. 2023043752, County Clerk Records of Nueces County, Texas.

ATTACHMENT 6

Resolution 25-05

CERTIFICATE FOR
RESOLUTION APPROVING ANNEXATION

THE STATE OF TEXAS §
COUNTIES OF KLEBERG AND NUECES §
SOUTH TEXAS WATER AUTHORITY §

We, the undersigned officers of the Board of Directors of said Authority, hereby certify as follows:

1. The Board of Directors of said Authority convened in REGULAR MEETING ON THE 18TH DAY OF FEBRUARY, 2025, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Board, to-wit:

Jose M. Graveley, President	Kathleen Lowman
Frances Garcia, Vice-President	Joe Morales
Imelda Garza, Secretary/Treasurer	Angela N. Pena
Rudy Galvan, Jr.	Patsy A. Rodgers
	Arturo Rodriguez

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

RESOLUTION APPROVING ANNEXATION

was duly introduced for the consideration of said Board and read in full. It was then moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried by the following vote:

AYES: _____.

NOES: _____.

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

Chapter 551, Texas Government Code.

SIGNED AND SEALED the 18th day of February, 2025.

Imelda Garza, Secretary
Board of Directors

Jose M. Graveley, President
Board of Directors

SOUTH TEXAS WATER AUTHORITY

Resolution 25-05

THE STATE OF TEXAS §
COUNTIES OF KLEBERG AND NUECES §
SOUTH TEXAS WATER AUTHORITY §

WHEREAS, the Board of Directors conducted a hearing on this date in reference to the annexation of the territory described in Exhibit A attached hereto; and

WHEREAS, it was deemed advisable by the Board to approve the annexation of such territory to the Authority; and

WHEREAS, it is officially found and determined: that a case of emergency or urgent public necessity exists which required the holding of the meeting at which this Resolution was adopted and that said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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

1. That the annexation of the territory described in Exhibit A is hereby approved by this Board, and it is hereby found that there will be benefit to the territory as amended.
2. That pursuant to Article 7, Chapter 436, Acts of the 66th Legislature, Regular Session, 1979, no election is required to approve the annexation as the petition was signed by all residents and landowners of the annexed territory.

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

STATE OF TEXAS :
COUNTY OF NUECES :

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

The undersigned (herein called "Petitioner"), holder of title to the territory described by metes and bounds in Exhibit "A" which is attached hereto and incorporated herein for all purposes, being all of the residents and landowners of such territory, as shown by the tax rolls of Nueces County, Texas, and acting pursuant to the provisions of Section 7, Chapter 436, Acts of the 66th Legislature, Regular Session, 1979, 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.

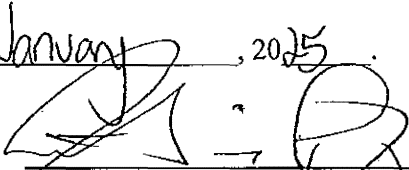
This petition shall constitute an election on the part of the Petitioner, its successors and assigns, for the aforesaid land and any improvements which may be constructed thereon to become liable for all present and future debts of the Authority in the same manner and to the same extent as other lands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

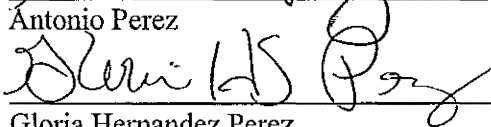
V.

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 7, Chapter 436, Acts of the 66th Legislature, Regular Session, 1979; 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.

EXECUTED this 18th day of January, 2025.



Antonio Perez


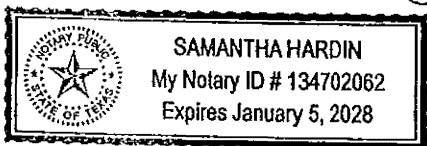
Gloria Hernandez Perez

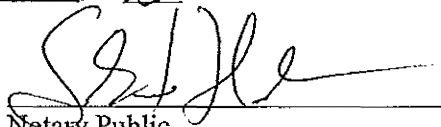
ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY of Nueces

Subscribed and sworn to before me Antonio Perez, and Gloria Hernandez Perez on this the 18th day of January, 2025.





Notary Public

My Commission Expires: 01-05-2028

NOTARY SEAL

Exhibit "A"

To

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

The East One-Half (E. ½) of Tract 2, Tierra Verde Unit Number 2, a subdivision in Nueces County, Texas, according to map or plat thereof recorded in Volume 50, Pages 92-93, of the Map Records of Nueces County, Texas.

ATTACHMENT 7

Tree Trimming Bids

Memo

To: South Texas Water Authority, Board of Directors
From: John Marez, Executive Director/Administrator
Date: February 14, 2025
Topic: Award of Bid for Maintenance Services - Tree Trimming at STWA Facilities

Background:

The South Texas Water Authority (STWA) is seeking to award a contract for tree trimming and maintenance services across all STWA facilities. This project is necessary to maintain the safety and accessibility of our facilities while ensuring compliance with operational and environmental standards. Although the anticipated cost of this service falls below STWA's procurement threshold, the expenditure was not included in the current budget. Therefore, we are bringing this item to the Board for review and approval before proceeding.

Analysis:

STWA sought out bids from qualified vendors to perform tree trimming services at all Authority facilities. To date, we have received one bid and are awaiting a second bid submission. We anticipate receiving the second bid soon, at which point we will provide the Board with a complete summary of the proposals.

This procurement is being expedited due to trees being dormant during this time of year, which provides an optimal window for trimming. Conducting this work while the trees are dormant will help minimize regrowth, improve overall tree health, and reduce long-term maintenance costs. Additionally, completing the project during this period will likely result in more competitive pricing from contractors.

Staff Recommendation:

Staff recommends proceeding with the bid evaluation process and presenting both bids to the Board once all submissions have been received. Given the necessity of this work and its impact on facility maintenance, we request Board approval to move forward with awarding the contract to the lowest responsible bidder.

Board Action:

The Board is requested to:

1. Review and approve the allocation of funds for tree trimming services at STWA facilities.
2. Authorize the Executive Director to award the contract to the lowest responsible bidder once all bids have been reviewed.

Summary:

STWA is seeking Board approval for tree trimming services at all facilities, a non-budgeted but necessary maintenance expense. This procurement is being expedited to take advantage of seasonal dormancy, ensuring cost-effectiveness and operational efficiency. We are awaiting the final bid and will provide the Board with a comprehensive comparison once all submissions are received.

ATTACHMENT 8

Corpus Christi Water Supply Contract

Memo

To: South Texas Water Authority, Board of Directors
From: John Marez, Executive Director/Administrator
Date: February 14, 2025
Topic: Water Supply Contract Negotiations with the City of Corpus Christi

Background:

The South Texas Water Authority (STWA) is currently negotiating a new water supply contract with the City of Corpus Christi. The existing agreement is set to expire, and both parties are working towards finalizing a contract that ensures a stable and cost-effective water supply for STWA's service area. The deadline for completing this agreement is December 31, 2025.

Analysis:

On February 14, 2025, STWA management and legal representatives met with the negotiation team for Corpus Christi Water to discuss key contract terms. While there are several ongoing issues that require further discussion, progress was made in identifying common ground on general terms. Some outstanding matters will necessitate continued dialogue and refinement before reaching a final agreement.

Given the complexity of the negotiations, further details on specific terms and legal considerations will be provided in Executive Session. However, staff remains optimistic that the contract will be finalized by the stated deadline.

Staff Recommendation:

Staff recommends that the Board continue to support the negotiation process and provide input as needed. Regular updates will be provided to ensure transparency and alignment with STWA's strategic goals.

Board Action:

No immediate action is required at this time. The Board is encouraged to review the progress update and be prepared for discussions in Executive Session regarding ongoing negotiation matters.

Summary:

Negotiations with the City of Corpus Christi are progressing, with areas of common ground identified, though some key issues remain unresolved. Staff remains optimistic that the contract will be completed by December 31, 2025. Further details will be discussed in Executive Session.