

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
October 24, 2023  
Minutes

Board Members Present:

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

Board Members Absent:

Rudy Galvan, Jr.  
Patsy Rodgers

Staff Present:

John Marez  
Frances De Leon  
Jo Ella Wagner  
Nigel Gomez

Guests Present:

Gregory Chittum, C.M. Company Auctions  
Ivan Luna, I.C.E.  
Sergio Luna, I.C.E.  
By Zoom:  
Angie Flores, Raftelis  
Rogelio Rodriguez, Water Finance Exchange

1. Call to Order.

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

2. Citizen Comments.

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

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

18. STWA Master Plan.

Mr. Ivan Luna of International Consulting Engineers (I.C.E.) reported that some modifications were made to the STWA Master Plan and the final version is ready and can be accessed online. He explained that the Master Plan is vital in applying for state funding. He asked for the Board's approval of the Master Plan and added that the plan can be further amended if needed. Ms. Pena made a motion to adopt the STWA Master Plan as presented. Ms. Garza seconded the motion which then passed unanimously.

Mr. Morales asked if there had been a response regarding STWA's ranking and not being included in the invite list for Texas Water Development Board funding. Mr. Rogelio Rodriguez, Water Finance Exchange, responded that the TWDB will release all information at once on November 8<sup>th</sup>. At that point they can re-write the application and resubmit it in December or challenge not being included on the list.

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Ivan Luna and Sergio Luna then presented the Board with the framed coupon from the tap on the 42 inch waterline to serve Tesla. Ivan Luna closed by reminding the Board that I.C.E. highly recommends that STWA continue the cathodic protection program on the 42 inch waterline and make a arrangements to have a groundwater study performed. There were no other questions or comment from the Board.

### 10. Raftelis Rate Study.

- Review of Corpus Christi Rate Model
- Phase 3 – Rate and Financial Planning Study

Ms. Angie Flores of Raftelis reviewed the study on the Corpus Christi Rate Model. She stated that the City of Corpus Christi hired another consultant to develop a new rate model which follows the previous version pretty closely. She stated that the increase in operations and maintenance costs was due primarily to chemical costs. She reported that the city's rates have been adopted and are projected to continue increasing through FY 2027.

She then discussed Phase 3 of the rate study which involves examining STWA's overall revenue requirements in addition to what is paid to Corpus Christi to determine proper rates for STWA's wholesale customers. Ms. Pena made a motion to accept the proposal for Phase 3 of the Raftelis Rate Study. Mr. Morales seconded and the motion passed by unanimous vote.

### 13. Selection of auction company for surplus sale.

Mr. Marez presented information on two online auction companies for the Board's consideration – CM Auctions and Public Surplus. Ms. Pena made a motion to accept CM Auctions for online auction of surplus property. Mr. Morales seconded. All voted in favor.

### 11. Declaration of Surplus Property.

### 12. Resolution 23-31. Resolution authorizing the sale of surplus property of the South Texas Water Authority.

Mr. Marez requested that the Board declare a 2013 Chevrolet Silverado truck which is no longer in use as salvage property in order to allow the truck to be sold as surplus. Ms. Lowman made a motion to declare the truck as salvage property and adopt Resolution 23-31 authorizing the sale of the surplus property. Ms. Garza seconded. All voted in favor.

### 3. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the September 26, 2023 Regular Meeting as presented. Mr. Graveley seconded. The motion passed by unanimous vote.

### 4. Payment of Bills.

Ms. Wagner stated that the Treasurer's Report will be presented at the December meeting. She presented Raftelis Invoice No. 29986 in the amount of \$2,377.50 and Invoice No. 30500 in the amount of \$5,485.00 for Board approval. Ms. Pena made a motion to approve payment of the bills as presented. Ms. Garza seconded. All voted in favor.

5. Operation and Maintenance Reports.

Mr. Gomez presented O&M reports for the period of July 3, 2023 through September 25, 2023. He reported that twelve taps were completed during September. He added that no Cathodic Protection work has been done since the CP Technician has resigned. The application process has been started for the two CP positions and the new Field Technician position.

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

Mr. Marez presented the 2023 Nueces County tax roll which reflected a Total Taxable Value of \$1,452,389,302 and a 2023 Total Ad Valorem Tax Levy of \$1,022,974.69.

7. 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. Lowman made a motion to adopt Resolution 23-26 adopting the Nueces County tax year 2023 tax/roll levy. Ms. Garza seconded and the motion passed unanimously.

8. STWA Board of Directors Meeting Schedule for 2024:

Mr. Marez reviewed the proposed 2024 meeting schedule provided in the Board packet. Mr. Morales made a motion to approve recommended dates. Ms. Lowman seconded. All voted in favor. The approved schedule is as follows:

January 23, 2024	May 21, 2024	September 24, 2024
February 27, 2024	June 18, 2024	October 22, 2024
March 19, 2024	August 6, 2024	December 10, 2024
April 23, 2024	September 3, 2024	

9. Request to close office for staff Christmas luncheon and gift exchange.

Mr. Morales made a motion to approve closing of the office for the staff Christmas luncheon and gift exchange. Ms. Lowman seconded. All voted in favor.

14. Bank Depository Agreement.

The Board reviewed the proposed renewal of the depository contract with Prosperity Bank for the period of November 1, 2023 through October 31, 2025. Ms. Wagner explained that all terms would remain except that the interest rate will be slightly higher. She added that Prosperity offers quality service and responds quickly when assistance is needed but if the Board prefers to seek proposals, she is willing to contact other banks. Mr. Morales made a motion to approve the renewal contract with Prosperity. Mr. Rodriguez seconded and all voted in favor.

15. Authorization to create additional checking account for STWA General and authorizing signators.

Ms. Wagner stated that while discussing the depository renewal with Mr. Eddie Garza of Prosperity Bank, he recommended that STWA open a Money Market Account – General to take advantage of the higher interest rates the account pays which is now at 3%. All fees will be waived on this account and all deposits will go into the Money Market Account and then transferred into the checking accounts to cover expenses. Those authorized to sign on for the General Account are the Executive Director, Finance Manager, Business/Risk Manager, Board President, Board Vice-President and Board Secretary/Treasurer.

16. Resolution 23-32. Resolution approving the opening of an additional checking account for STWA General and authorizing signators.

Ms. Lowman made a motion to adopt Resolution 23-32 approving the opening of an additional account for STWA General and authorizing signators. Mr. Morales seconded and the motion passed unanimously.

17. Specifications for two Fiscal Year 2024 pickup trucks.

Mr. Marez presented specifications for purchase of two new trucks authorized by the Board in the FY 2024 budget. After reviewing the specifications, Ms. Pena made a motion to approve the specifications as presented and authorize staff to submit bid packets to interested dealerships. Ms. Lowman seconded. The motion passed by unanimous vote.


19. Administration Report.

Mr. Marez reminded Board members to complete and turn in confirmation letters to STWA's auditors if they had not done so. Mr. Morales requested including replacement of a STWA representative on the Coastal Bend Council of Governments on a future agenda. Ms. Garcia stated that she is willing to serve since she attends those meetings regularly and she is an alternate for Kleberg County. Mr. Marez stated that he plans to travel to Austin for the Texas Water Developments Board's meeting to find out more about their decision to exclude STWA from funding and encouraged anyone to attend if possible.

20. Adjournment.

With no further business to discuss, Mr. Graveley made a motion to adjourn the meeting at 6:37 p.m. Mr. Rodriguez seconded. All voted in favor.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary