

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
April 23, 2024

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Rudy Galvan, Jr
Kathleen Lowman
Patsy Rodgers
Art Rodriguez

Board Members Absent:

Joe Morales
Angela Pena

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo

Guests Present:

Oliver Wiese, Seven Seas
Kasy Stinson, Seven Seas
Robert Mathis, Triton Energy Services
David Leo, Pape-Dawson
Ricardo Gomez, Pape-Dawson
Maria Corona, Corpus Christi Water
Esteban Ramos, Corpus Christi Water
Drew Molly, Corpus Christi Water
Rogelio Rodriguez, WFX
Ivan G. Luna, I.C.E.
Sergio Luna, I.C.E.
Rudy Madrid, Kleberg County Judge
Greg Szuman, Willatt & Flickinger (Zoom)

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. Mr. Drew Molly, Corpus Christi Water Chief Operating Officer, introduced himself, Esteban Ramos and Maria Corona and stated that the city is trying to work with the community and regional water partners. He recognized that water supplies are dwindling and the city is looking forward to being a part of the solution.

Kleberg County Judge Rudy Madrid thanked the STWA Board and stated that the work STWA is doing lines up with Kleberg County's plans. He stated that industry is looking to expand to this area and expressed the need to look at alternative water sources for industry.

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

6. Discussion of Alternative Water Sources.

Mr. Marez reported that at this point, the Board has been presented several options on alternative sources of water and added that Mr. Greg Szuman of Willatt & Flickinger was present by Zoom to discuss the matter with the Board. Mr. Rogelio Rodriguez, Water Finance Exchange, noted that providing an additional water source can be funded by the state and he would like to target December 2024 for a decision from the Board on what to request from the state.

Mr. Graveley announced that the Board would convene in Closed Session at 5:39 p.m. pursuant to Section 551.071 of the Government Code to discuss water sources and the City of Corpus Christi Water Supply Contract with the Authority's attorney. The Board reconvened in Open Session at 6:18 p.m. No action was taken during Closed Session.

Mr. Galvan made a motion to authorize Mr. Marez and management to engage in a water study on behalf of South Texas Water Authority. Mr. Rodriguez seconded. All voted in favor.

3. Approval of Minutes.

Ms. Rodgers made a motion to approve the minutes of the March 19, 2024 Regular Meeting as presented. Ms. Garcia seconded. The motion passed by unanimous vote.

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

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

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

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

STWA Capital Projects Fund Balance Sheet – December 31, 2023

STWA Capital Projects Fund Trial Balance – December, 2023

The following invoices were presented for Board approval:

- International Consulting Engineers \$ 50,331.33

Mr. Rodriguez made a motion to approve the Quarterly Report, November and December 2023 Treasurer's Reports and Payment of Bills as presented. Mr. Galvan seconded. The motion passed unanimously.

5. Operation and Maintenance Reports.

- O&M Report
- CP Update

Mr. Sendejo presented the O&M Report and CP Update. He stated that he is in the process of filling the foreman position and has scheduled training and testing for some members of the field staff. There were no questions from the Board.

7. Authorization to purchase replacement pump for Central Pump Station to feed spurline.

Ms. Wagner presented quotes for a replacement pump for the Central Pump Station. She explained that the entire assembly needs replacing and the pump is needed as soon as possible since it is the lead pump and provides pressure to the west service area including Agua Dulce, Sablatura Park and Banquete Pump Stations. Odessa Pumps (DNOV Process Solutions) provided a quote of \$8,710 with delivery in 14-15 weeks. PS Inc. provided a quote of \$6,409 for the pump only without the entire setup. Smith Pump Company, Inc. provided a quote of \$14,979.69 with a lead time of 4-5 weeks and a 12-month warranty. This option includes the complete setup. Mr. Galvan made a motion to authorize purchase of the replacement pump from Smith Pump Company in the amount of \$14,979.69. Mr. Rodriguez seconded and the motion passed unanimously.

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

- Isaac Lee Felan – 1.31 acres, more or less, situated in the Casa Blanca Survey, Being Lot 16-H, The Ranch, an unrecorded subdivision, Nueces County, Texas

The Board reviewed the Annexation Petition. The property owner recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries and filed an Annexation Petition to begin the process of obtaining water service on the property. Mr. Marez recommended approval of Resolution 24-08 setting the Public Hearing on May 21, 2024 at 5:30 p.m. at the STWA conference room.

9. Resolution 24-08. 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. (Isaac Lee Felan).

Ms. Lowman made a motion to adopt Resolutions 24-08 setting the Public Hearing on May 21, 2024 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Mr. Rodriguez and passed unanimously.

10. Presentation by Triton Energy Services: Project Nobel.

Mr. Robert Mathis of Triton Energy Services stated that he has been working hand in hand with water leaders in the Permian Basin area on a 42-inch waterline project that includes right of way and easements across 480 miles. The company is also in discussions with other interested parties. He stated that he wanted to introduce the project to the Board and will return to visit and provide more in-depth information at a later time.

11. Administration Report.

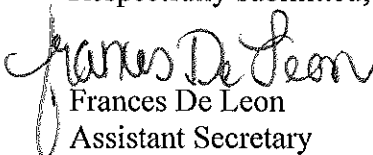
Mr. Marez thanked the Board for the investment in personnel in the Finance Department. With the Accountant Assistant on maternity leave, the new intern has stepped in and been helpful in carrying out the necessary work.

He also reported that the City of Corpus Christi is now in Stage 2 of their Drought Contingency Plan and expects to move to Stage 3 sometime in the summer.

12. Adjournment.

With no further business to discuss, Ms. Garza moved to adjourn the meeting at 6:54 p.m. Mr. Rodriguez seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary