

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
May 21, 2024

Board Members Present:

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

Board Members Absent:

Angela Pena

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Victor Gutierrez

Guests Present:

Oliver Wiese, Seven Seas
Kasy Stinson, Seven Seas
Terry Arnold, Seven Seas
Rogelio Rodriguez, WFX (Zoom)
Ivan G. Luna, I.C.E.
Sergio Luna, I.C.E.
Greg Szuman, Willatt & Flickinger (Zoom)
Maria Lucio

1. Call to Order.

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

2. Citizen Comments.

Mr. Graveley opened the floor to citizen's comments. Ms. Maria Lucio addressed the Board and stated that as a result of the proposed Avina hydrogen ammonia plant in the Robstown area, she is trying to make herself more aware of area water issues. She voiced her concerns about Tesla locating in the area and possibly using 8,000,000 gallons of water daily. She added that the ammonia plant will reportedly produce 3.2 billion gallons of ammonia. She has contacted several government agencies and water suppliers in the area but has not been able to meet with anyone who can address her concerns because the plant is within an extra-territorial jurisdiction and not within those organizations' authority.

Mr. Kasy Stinson of Seven Seas addressed the Board and gave a short summary of Seven Seas services and progress at the Alice plant. He added that he is available to answer any questions.

3. New Board members' oaths of office.

Ms. Wagner administered the Oath of Office to Ms. Garcia and Mr. Rodriguez who were re-appointed to their current positions on the Board by the Kleberg County Commissioner's Court and Mr. Morales and Ms. Rodgers who were re-appointed by Nueces County Commissioner's Court.

4. Election of officers.

Mr. Rodriguez made a motion to re-elect the current slate of officers. Ms. Rodgers seconded and all voted in favor.

The officers remain as follows:

Mr. Graveley – President

Ms. Garcia – Vice-President

Ms. Garza – Secretary/Treasurer

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

8. Alternative Water Source Options.

Mr. Graveley announced that the Board would convene in Closed Session at 5:42 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 6:20 p.m. No action was taken during Closed Session.

17. Ratification of motion to authorize management to engage in groundwater study including scope of work on behalf of South Texas Water Authority.

Mr. Graveley made a motion to table this item. Ms. Garza seconded. All voted in favor.

5. Approval of Minutes.

Ms. Rodgers made a motion to approve the minutes of the April 23, 2024 Regular Meeting as presented. Mr. Rodriguez seconded. The motion passed by unanimous vote.

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

The Quarterly Report was not presented. The following reports were presented for the Board's consideration:

Treasurer's Report for period ending January 31, 2024

Revenue Fund Income Statement for period ending January 31, 2024

Tax Fund Income Statement for period ending January 31, 2024

Special Services Income Statement for period ending January 31, 2024

STWA Revenue Fund Balance Sheet – January 31, 2024

STWA Revenue Fund Trial Balance for January, 2024

STWA Debt Service Fund Income Statement for period ending January 31, 2024

STWA Debt Service Fund Balance Sheet – January 31, 2024

STWA Debt Service Fund Trial Balance – January, 2024

STWA Capital Projects Fund Income Statement for period ending January 31, 2024

STWA Capital Projects Fund Balance Sheet – January 31, 2024

STWA Capital Projects Fund Trial Balance – January, 2024

Treasurer’s Report for period ending February 29, 2024

Revenue Fund Income Statement for period ending February 29, 2024

Tax Fund Income Statement for period ending February 29, 2024

Special Services Income Statement for period ending February 29, 2024

STWA Revenue Fund Balance Sheet – February 29, 2024

STWA Revenue Fund Trial Balance for February, 2024

STWA Debt Service Fund Income Statement for period ending February 29, 2024

STWA Debt Service Fund Balance Sheet – February 29, 2024

STWA Debt Service Fund Trial Balance – February, 2024

STWA Capital Projects Fund Income Statement for period ending February 29, 2024

STWA Capital Projects Fund Balance Sheet – February 29, 2024

STWA Capital Projects Fund Trial Balance – February, 2024

The following invoices were presented for Board approval:

- Nueces County Appraisal District \$ 2,980.00
- Willatt & Flickinger, Attorneys at Law \$ 2,333.40

Ms. Lowman made a motion to approve the Treasurer’s Reports and Payment of Bills as presented. Mr. Galvan seconded. The motion passed unanimously.

7. Operation and Maintenance Reports.

- O&M Report
- CP Update

Mr. Marez presented the O&M Report and CP Update. He reported that Victor Gutierrez has been promoted to the Field Foreman Supervisor position and that applications are being reviewed to fill the current Field Technician vacancy. There were no questions from the Board.

9. Approval of Annexation of Certain Lands to the South Texas Water Authority.

- a. 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 Public Hearing on the Annexation Petition for Isaac Lee Felan in The Ranch subdivision was conducted prior to the Regular meeting.

10. Resolution 24-09. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Isaac Lee Felan).

Mr. Galvan made a motion to adopt Resolution 24-09. The motion was seconded by Mr. Rodriguez and passed by unanimous vote.

11. Fiscal Year 2024 Budget Amendments.

Mr. Galvan made a motion to table the FY 2024 Budget Amendments. Mr. Morales seconded. All voted in favor. Budget amendments will be presented at the next meeting.

12. Resolution 24-10. Resolution appointing Jo Ella Wagner, Assistant Executive Director, to serve as Chief Tax Assessor for South Texas Water Authority and Alternate Frances De Leon in her absence.
13. Resolution 24-11. Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County.
14. Resolution 24-12. Resolution appointing Maria Victoria Valadez, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County.
15. Resolution 24-13. Resolution establishing tax exemptions for residence homesteads, for property owners who are 65 years of age or older, for persons who are disabled, and for disabled veterans.

Mr. Morales made a motion to adopt Resolutions 24-10, 24-11, 24-12 and 24-13. The motion was seconded by Ms. Lowman and passed unanimously.

16. Preliminary Nueces and Kleberg County Appraisal District Values.

Ms. Wagner presented the preliminary values for Nueces and Kleberg Counties and reported that this year's preliminary values reflect an amount of \$1,400,907,434 in Nueces County and \$1,626,193,693 in Kleberg County for a total of \$3,027,101,127. This is an increase compared to last year's certified value total of \$3,000,262,695; however, she noted that the values are preliminary and are being provided for informational purposes. Certified values should be delivered by July 25th. No action was taken on the presented information.

18. Update on Texas Water Development Board Funding.

Mr. Rogelio Rodriguez of Water Finance Exchange reported that Texas Water Development Board has indicated that June is when they want to commit to funding. Another application has been submitted for the Master Plan. He stated that he would provide updates as they become available.

19. Administration Report.

Mr. Marez stated that he is very appreciative of the partnerships STWA has with Water Finance Exchange and I.C.E. and stated that they are now working on an application that includes a third year of funding. Mr. Marez also reported that field supervisors are reviewing applications in order to fill the remaining Field Technician position. There is also an additional Cathodic Protection Technician opening. He also reminded the Board to sign up for alerts on STWA's website and to encourage others to sign up as well.

STWA Regular Meeting Minutes

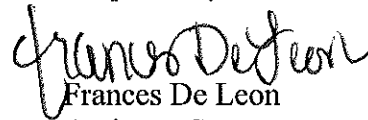
May 21, 2024

Page 5

20. Adjournment.

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

Respectfully submitted,

A handwritten signature in black ink that reads "Frances De Leon". The signature is written in a cursive, flowing style.

Frances De Leon
Assistant Secretary