

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
September 24, 2024

Board Members Present:

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

Board Members Absent:

Angela Pena
Arturo Rodriguez

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo
Victor Gutierrez

Guests Present:

Greg Szuman, Willatt & Flickinger (Zoom)
Drew Molly, City of Corpus Christi
Esteban Ramos, City of Corpus Christi
Rogelio Rodriguez, Water Finance Exchange
Marie Lucio
Myra B. Alaniz
Bette Cranford
Holly Bockholt

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:34 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. Ms. Marie Lucio voiced her concerns about new industry locating in the area and their emission of chemicals. She questioned the amount of water that is projected to be used by these companies and urged the Board to keep these issues in mind when considering supplying water to these companies.

Mr. Drew Molly, Corpus Christi Water CEO, acknowledged the City's desire to work with South Texas Water Authority to address regional water challenges. He stated that all of the available surface water is spoken for and groundwater is of poor quality and requires expensive treatment. He believes that sea water is the next affordable source of water for the area. He said he hopes STWA and the City can work together to address these challenges.

3. Approval of Minutes.

Ms. Garza made a motion to approve the minutes of the September 10, 2024 Public Hearing and Regular Meeting as presented. Ms. Garcia seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

The Treasurer's report was not presented and there were no invoices to present. These items will be presented at the next meeting.

5. Operation and Maintenance Reports.

Staff presented the O&M Report for the week of September 16, 2024. Ms. Rodgers asked about water running on FM 70 for about four days. Mr. Sendejo responded that the water lines needed to be flushed. There were no other questions from the Board.

6. Fiscal Year 2024 Budget Amendments.

Ms. Wagner reviewed the amended budget. Total Revenues decreased by \$173,571 and Total Expenditures increased by \$22,827 for a decrease of \$191,398 in Net Income ending at \$24,538. Ms. Garcia made a motion to approve the amended FY 2024 budget. Mr. Galvan seconded and all voted in favor.

7. Fiscal Year 2025 Capital Projects Budget.

Ms. Wagner presented a proposed Fiscal Year 2025 Capital Projects Budget. Mr. Galvan made a motion to approve the FY 2025 Capital Projects Budget as presented. Mr. Graveley seconded. All voted in favor.

8. Tax year 2024 tax roll/levy for the South Texas Water Authority's district in Kleberg County.

Mr. Marez presented the Kleberg County tax roll/levy for Tax Year 2024 reflecting a taxable value of \$1,751,239,648. He recommended approval of Resolution 24-19 adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2024.

9. Resolution 24 19. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2024.

Mr. Morales made a motion to approve Resolution 24-19 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2024. Ms. Lowman seconded the motion and all voted in favor.

10. Tax year 2024 tax roll/levy for the South Texas Water Authority's district in Nueces County.

The 2024 Nueces County tax roll has not been completed and will be presented at the next meeting.

11. Resolution 24-20. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2024.

The Board tabled Resolution 24-20.

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

Mr. Marez informed the Board that review and approval of STWA's Investment Policies is required every year and added that there have been no changes to the Policies since last year. He recommended adoption of Resolutions 24-21, 24-22 and 24-23 approving the STWA General Fund, Debt Service Fund and Capital Project Fund Investment Policies.

13. Resolutions 24-21 through 24-23. Resolutions approving the following South Texas Water Authority Investment Policies:
 - a) South Texas Water Authority General Fund
 - b) South Texas Water Authority Debt Service Fund
 - c) South Texas Water Authority Capital Projects Fund

Ms. Lowman made a motion to adopt Resolutions 24-21, 24-22 and 24-23. Ms. Rodgers seconded. All voted in favor.

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

This item was moved to the end of the meeting.

15. Water Finance Exchange presentation.

Mr. Rogelio Rodriguez of Water Finance Exchange provided an update on the Texas Water Development Board funding application. He said he intends to speak with TWDB for an explanation on why STWA's most recent application was ranked without being invited for funding. TWDB is scheduled to meet on October 17, 2024 and will formally commit funding for the March 2023 State Revolving Fund application. STWA is expected to be awarded approximately \$7,737,207 on behalf of Ricardo Water Supply Corporation and Nueces Water Supply Corporation. Ricardo WSC's portion is \$4,872,640 broken down as \$1,485,000 in loan proceeds and \$3,387,640 loan forgiveness. Nueces WSC's portion is \$2,864,567 with \$875,000 in loan proceeds and \$1,989,567 loan forgiveness. Mr. Rodriguez will continue working with the TWDB to determine a timeline for funding. Additionally Water Finance Exchange is working with STWA and ICE to identify South Texas Water Authority's needs for a new water resource project and will apply to the Bureau of Reclamation for low-cost funding for this project.

16. Administration Report.

Mr. Marez stated that staff continues working on several projects. He has heard of projects coming to the area but STWA has not been approached for service since they are not within STWA's district.

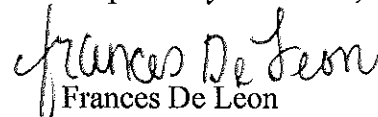
14. Water Supply Contract with the City of Corpus Christi.

Mr. Graveley announced that the Board would convene in Closed Session at 6:20 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 6:58 p.m. No action was taken during Closed Session. There was no further discussion.

17. Adjournment.

With no further business to discuss, Ms. Garza moved to adjourn the meeting at 7:01 p.m. Ms. Rodgers seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary