

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
October 29, 2024

Board Members Present:

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

Board Members Absent:

Rudy Galvan, Jr.
Arturo Rodriguez
Frances Garcia

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo

Guests Present:

Greg Szuman, Willatt & Flickinger (Zoom)
Rogelio Rodriguez, Water Finance
Exchange (Zoom)
Kasy Stinson, Seven Seas
Rosana Ramirez, Seven Seas
Myra B. Alaniz
Holly Bockholt

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:32 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.

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

10. Update on Seven Seas project.

Ms. Rosana Ramirez of Seven Seas introduced herself to the Board. Ms. Ramirez is the new business development director for Texas. Mr. Kasy Stinson of Seven Seas reported that six drilling companies have been solicited for test well proposals and have been given until November 26th to reply. Seven Seas will make a decision on the well driller the following week. They hope well drilling will begin in January 2025 and expect initial clinical results in the first month or so. They are looking at a location in Driscoll. Seven Seas is in the process of contracting with a third-party engineering firm for the design, pricing and feasibility of the project. An engineering report is expected by December and if they determine it is a good location, drilling on the project would follow in June. Mr. Marez stated that this information is being provided as an update and reminded the Board that Seven Seas is doing the legwork and STWA is not responsible for any up-front costs.

Mr. Graveley announced that the Board would convene in Closed Session at 5:38 p.m. pursuant to Section 551.071 of the Government Code to discuss the City of Corpus Christi Water Supply Contract, the CU Construction agreement, Bill of Sale for Nueces Water Supply Corporation for the connection at CR 28 and the Wholesale Water Service Agreement with Nueces Water Supply Corporation with the Authority's attorney. The Board reconvened in Open Session at 6:09 p.m. No action was taken during Closed Session.

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

Mr. Graveley made a motion to authorize South Texas Water Authority staff to request additional capacity from Corpus Christi Water. Ms. Garza seconded. All voted in favor.

13. Return of deposit and termination of agreement with CU Construction.

Mr. Morales made a motion to authorize STWA staff to conduct a search and engage an attorney for collection of STWA's deposit from CU Construction. Ms. Lowman seconded the motion. The motion passed unanimously.

17. Bill of Sale conveyance to Nueces Water Supply Corporation for connection at CR 28.

Mr. Morales made a motion to authorize the Bill of Sale to Nueces Water Supply Corporation contingent upon payment in full from Tesla to South Texas Water Authority. Ms. Lowman seconded. All voted in favor.

18. Wholesale water service agreement with Nueces Water Supply Corporation.

Ms. Lowman made a motion to authorize management to enter into a contractual amendment with Nueces Water Supply Corporation if necessary. Mr. Morales seconded. The motion passed by unanimous vote.

3. Approval of Minutes.

Ms. Rodgers made a motion to approve the minutes of the September 24, 2024 Regular Meeting as presented. Ms. Garza seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

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

- Treasurer's Report for period ending July 31, 2024
- Revenue Fund Income Statement for period ending July 31, 2024
- Tax Fund Income Statement for period ending July 31, 2024
- Special Services Income Statement for period ending July 31, 2024
- STWA Revenue Fund Balance Sheet – July 31, 2024
- STWA Revenue Fund Trial Balance for July, 2024
- STWA Debt Service Fund Income Statement for period ending July 31, 2024
- STWA Debt Service Fund Balance Sheet – July 31, 2024

STWA Debt Service Fund Trial Balance – July, 2024
Treasurer’s Report for period ending August 31, 2024
Revenue Fund Income Statement for period ending August 31, 2024
Tax Fund Income Statement for period ending August 31, 2024
Special Services Income Statement for period ending August 31, 2024
STWA Revenue Fund Balance Sheet – August 31, 2024
STWA Revenue Fund Trial Balance for August, 2024
STWA Debt Service Fund Income Statement for period ending August 31, 2024
STWA Debt Service Fund Balance Sheet – August 31, 2024
STWA Debt Service Fund Trial Balance – August, 2024

Ms. Wagner also presented the following outstanding invoice for Board approval:

- Raftelis \$ 14,367.50

Ms. Lowman made a motion to approve the Treasurer’s Reports as presented. Ms. Rodgers seconded. The motion passed by unanimous vote. Mr. Morales moved to authorize payment of the Raftelis invoice, Ms. Garza seconded and the motion passed unanimously.

5. Operation and Maintenance Reports.

Mr. Sendejo presented the Cathodic Protection Update and the O&M Report through the week of October 21, 2024. He stated that staff is slowly catching up on taps. He also reported that the newest hires are in training and he is in the process of hiring another Field Technician and a Cathodic Protection Technician. He continues to encourage the field staff to work on obtaining and upgrading their operator licenses.

In response to questions from the Board about the rupture of the ground storage tank at the Central Pump Station, Mr. Sendejo stated that there had been corrosion on the tank which was noted on a previous inspection as something to be addressed in the future. Mr. Marez stated that the exact cause of the tank rupture has not been determined but a formal report will be presented to the Board hopefully at the next meeting. Ms. Rodgers commented about notification to the public about the situation. Mr. Marez responded that staff attempted to make notifications as information became available. He added that staff attended an exercise with ICE on staff’s response to the incident in hopes of improving response to other future situations. There were no other questions from the Board.

6. Ratification of Resolution 24-19 adopting the tax roll/levy for the South Texas Water Authority’s district in Kleberg County for tax year 2024.

Ms. Wagner presented an updated Kleberg County tax roll/levy for Tax Year 2024 reflecting a taxable value of \$1,751,239,648 and Total Levy Amount of \$1,151,333.69. He stated that the levy amount was not included in the previous document but all other information is unchanged and recommended ratification of the Board’s approval of Resolution 24-19. Mr. Morales made a motion to ratify approval of Resolution 24-19 adopting the tax roll/levy for South Texas Water Authority’s district in Kleberg County for tax year 2024. Mr. Graveley seconded the motion and all voted in favor.

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

Mr. Marez presented the 2024 Nueces County tax roll which reflected a Total Taxable Value of \$1,518,810,778 and a 2024 Total Ad Valorem Tax Levy of \$998,660.72.

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

Ms. Lowman made a motion to adopt Resolution 24-20 adopting the Nueces County tax year 2024 tax/roll levy. Mr. Morales seconded and the motion passed unanimously.

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

This item was discussed earlier in the meeting.

10. Update on Seven Seas project.

This item was moved to the beginning of the meeting.

11. STWA Board of Directors Meeting Schedule for 2025:

Mr. Marez reviewed the proposed 2025 meeting schedule provided in the Board packet. Ms. Garza made a motion to approve recommended dates. Ms. Rodgers seconded. All voted in favor. The approved schedule is as follows:

January 21, 2025	May 20, 2025	September 23, 2025
February 18, 2025	June 24, 2025	October 28, 2025
March 25, 2025	August 5, 2025	December 9, 2025
April 22, 2025	September 2, 2025	

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

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

13. Return of deposit and termination of agreement with CU Construction.

This item was discussed earlier in the meeting.

14. Request for Proposals for compensation study.

Mr. Marez presented a Request for Proposals for Professional Consultant Services for a Comprehensive Classification and Compensation Study. He stated that if approved, the RFP will be posted online on October 30th and will close on December 2, 2024. He would expect a report by March 31, 2025 in time for the beginning of the FY 2026 budget process. Mr. Marez stated

that he wants to ensure that STWA remains competitive in attracting and retaining employees and he feels that this type of study is necessary in order to do that. He explained that he has reviewed Texas Rural Water Association and American Water Works Association salary studies but found that the job descriptions and duties do not match the duties of STWA's staff. Mr. Morales made a motion to authorize STWA to seek RFPs for the classification and compensation study and Ms. Garza seconded the motion. All voted in favor.

15. Appointment of South Texas Water Authority co-investment officers.

Mr. Marez stated that as a governmental entity, South Texas Water Authority is required to appoint investment officers to manage the Authority's investment portfolio. The Public Funds Investment Act requires appointment of the investment officers and mandates that they complete initial training and meet ongoing training requirements. Since the retirement of the previous Executive Director who also served as a co-investment officer, the Authority has relied on Ms. Wagner as the sole investment officer. Mr. Marez recommended that the Board appoint Ms. Frances De Leon and Ms. Valerie Garcia as co-investment officers effective immediately.

16. Resolution 24-24. Resolution appointing Frances De Leon and Valerie Garcia as STWA's co-investment officers.

Ms. Garza moved to adopt Resolution 24-24 appointing Frances De Leon and Valerie Garcia as STWA's co-investment officers. Ms. Lowman seconded and all voted in favor.

17. Bill of Sales conveyance to Nueces Water Supply Corporation for connection at CR 28.

18. Wholesale water service agreement with Nueces Water Supply Corporation.

Items 17 and 18 were discussed earlier in the meeting.

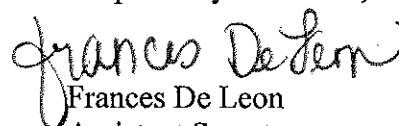
19. Administration Report.

Mr. Marez reminded the Board that the next meeting is on December 10th. He added that the 2025 Water for Texas Conference is January 27 – 29, 2025 in Austin. He added that Texas Rural Water Day at the Capitol is March 26th and Texas Rural Water Con is March 26 – 28th. He asked that anyone interested in attending contact him.

20. Adjournment.

With no further business to discuss, Mr. Morales moved to adjourn the meeting at 7:14 p.m. Ms. Garza seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary