



MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M. Graveley, President
DATE: September 2, 2025
SUBJECT: Public Hearing Notice and Agenda for the South Texas Water Authority

A public hearing of the STWA Board of Directors is scheduled for:

Tuesday, September 9, 2025

5:30 p.m.

Courthouse Annex Law Enforcement Center

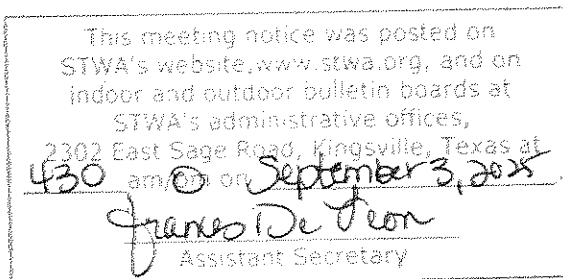
1500 E. King

Kingsville TX 78363

Agenda

1. Call to order.
2. Public Hearing on **proposed** \$0.059699 per \$100 valuation tax rate for Fiscal Year 2026/Tax Year 2025.
3. Public Comment.
4. Adjournment.

JG/JM/fdl





MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M Graveley, President
DATE: September 3, 2025
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

A Regular Meeting of the STWA Board of Directors is scheduled for:

Tuesday, September 9, 2025

Immediately following the 5:30 p.m. STWA Public Hearing
Courthouse Annex Law Enforcement Center
1500 E. King, Kingsville TX 78363

The Board will consider and act upon any lawful subject which may come before it, including among others, the following:

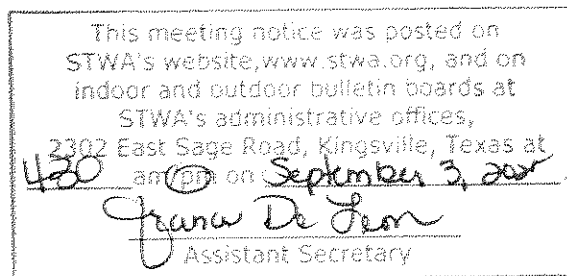
Agenda

1. Call to order.
2. Citizen comments. This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. Comments on the agenda items must be made when the agenda item comes before the Board. The President may place a time limit on all comments. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issue is limited to a proposal to place it on the agenda for a later meeting.
3. Approval of Minutes. (Attachment 1)
4. Treasurer's Report/Payment of Bills. (Attachment 2)
5. Operation and Maintenance Report. (Attachment 3)
6. Fiscal Year 2026 budget, revenues and rates. (Attachment 4)
7. **Resolution 25-25.** Resolution adopting the recommended Fiscal Year 2026 budget. (Attachment 5)
8. **Resolution 25-26.** Resolution adopting the Fiscal Year 2026/Tax Year 2025 tax rate. (Attachment 6)
9. Authorization to solicit bids for Fiscal Year 2026 truck purchase. (Attachment 7)

10. **Resolution 25-27.** Resolution Amending Authorized South Texas Water Authority Representatives for TexPool Accounts. (Attachment 8)
11. Executive Session Agenda Items - In this executive session the Board of Directors will deliberate or receive legal advice regarding (1) each of the following matters pursuant to the Section(s) of the Texas Government Code in parenthesis at the end of such matter, and (2) any other items on today's agenda that the presiding officer of the meeting has announced will be considered in this executive session (collectively, the "Executive Session Agenda Items"). The Board of Directors may take action in open session after the executive session on any of the Executive Session Agenda Items. The Board of Directors will deliberate the purchase, exchange, lease or value of real property in executive session only if deliberation in an open meeting would have a detrimental effect on District's position in negotiations with a third person.
11. a. Receive legal advice from counsel regarding alternate water sources. (§551.071)
12. Open Session Agenda Items for Post-Executive Session Action - The Board of Directors will reconvene in Open Session and take action on (1) the agenda items listed below, (2) any other items on this agenda that were postponed or tabled until after Executive Session, and (3) any of the Executive Session Agenda items.
13. Administration Report.
- Upcoming Board Meeting Dates
14. Adjournment.

The Board may go into closed session at any time when permitted by Chapter 551, Government Code. Before going into closed session, a quorum of the Board must be assembled in the meeting room, the meeting must be convened as an open meeting pursuant to proper notice, and the presiding officer must announce that a closed session will be held and must identify the sections of Chapter 551, Government Code, authorizing the closed session.

JMG/JM/fdl
Attachments



ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
August 5, 2025

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Daniel Morales
Joe Morales
Patsy Rodgers

Board Members Absent:

Tanya Lawhon
Angela Pena
Arturo Rodriguez

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Victor Gutierrez
August Patroelj
Hector Barbosa

Guests Present:

Ivan Luna, I.C.E.
Sergio Luna, I.C.E.
Ansar Palakkal, I.C.E.
Charles W. Zahn
Rogelio Rodriguez, WFX (by Zoom)
Baldemar Garcia, RWSC President
Myra B. Alaniz
Holly Bockholt
Cynthia Mosley
Mark Maddox
Santos Ruiz
Ramon Godinge
Aaron Price

Guests Present:

Taylor Desha
Drew Dreitt
Rocky Goodman
Eric Nielsen

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. No comments were made.

3. Approval of Minutes

Mr. Graveley made a motion to approve the minutes of the July 8, 2025 Regular Meeting as presented. Ms. Garza seconded. The motion passed by unanimous vote.

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

The following reports were presented for Board approval:

STWA Investment Report for Quarter ended June 30, 2025
Treasurer's Report for period ending June 30, 2025

Revenue Fund Income Statement for period ending June 30, 2025
Tax Fund Income Statement for period ending June 30, 2025
Special Services Income Statement for period ending June 30, 2025
STWA Revenue Fund Balance Sheet – June, 2025
STWA Revenue Fund Trial Balance – June, 2025
STWA Debt Service Fund Income Statement for period ending June 30, 2025
STWA Debt Service Fund Balance Sheet – June, 2025
STWA Debt Service Fund Trial Balance – June, 2025
STWA Capital Projects Fund Income Statement for period ending June 30, 2025
STWA Capital Projects Fund Balance Sheet – June, 2025
STWA Capital Projects Fund Trial Balance – June, 2025

No invoices were presented for Board approval. Ms. Wagner reported that the payment from Tesla has been received. Mr. Patroelj added that budget amendments will be presented at the next meeting. Mr. D. Morales requested a more summarized version of the financial reports and explained that he does not feel such a detailed presentation is necessary. Mr. D. Morales made a motion to approve the Quarterly Report and Treasurer's Report as presented. Ms. Rodgers seconded. The motion passed unanimously.

5. Operation and Maintenance Reports.
 - O&M Technical Report
 - Cathodic Protection Report

Mr. Marez presented the O&M Technical Report for the weeks of July 7 through July 28, 2025 and stated that Mr. Sendejo is away at training but Mr. Gutierrez and Mr. Barbosa are present to answer any of the Board's questions. Mr. J. Morales asked if the O&M Budget Wishlist items listed on the report are included in the proposed budget and Ms. Wagner stated they are included.

6. Review of 2025 Certified Appraisal Rolls for the Authority's district in Kleberg and Nueces Counties.

The Board reviewed the Certified Appraisal Rolls from Kleberg County Appraisal District and Nueces County Appraisal District. The KCAD appraisal roll reflects a certified estimated value of \$1,788,035,518 and the NCAD final certified value is \$1,650,661,583. Ms. Wagner stated that Kleberg County values decreased \$191,000,000 from last year and Nueces County values increased \$200,000,000 for an overall increase of about \$10,000,000. She requested approval of Resolutions 25-22 and 25-23 adopting the appraisal rolls.

7. Resolution 25-22. Resolution adopting the appraisal roll for the South Texas Water Authority's district in Kleberg County for tax year 2025.

After reviewing the Kleberg County appraisal roll for tax year 2025, Mr. D. Morales made a motion to approve Resolution 25-22. Ms. Rodgers seconded the motion. The motion carried.

8. Resolution 25-23. Resolution adopting the appraisal roll for the South Texas Water Authority's district in Nueces County for tax year 2025.

Following review of the Nueces County appraisal roll for tax year 2025, Mr. D. Morales made a motion to approve Resolution 25-23. Ms. Rodgers seconded the motion. The motion passed by unanimous vote.

9. Preliminary Fiscal Year 2026 Budget.

Ms. Wagner reported that based on the appraised values, the tax rate will decrease by ½ cent to \$0.059699. She presented four budget scenarios with staff salary increases of 0%, 3%, 4% and 6% and noted that the cost of living for the period of June 2024 to May 2025 is 3%. Also included in all of the scenarios is \$975,474 in capital outlay. She stated that she consulted with the Authority's auditors who stated that a fund balance to cover three months of expenses is recommended but because of current economic volatility, it would be better to maintain a balance for six to 12 months instead. The Board can consider a resolution to set the fund balance at a later meeting. Ms. Wagner added that her salary for the entire year is included in the budget and has not been adjusted for her retirement.

Mr. J. Morales stated that he is in favor of the option with no salary increases. Mr. Graveley stated that he preferred the 3% option. Mr. Marez noted that the salary study illustrated where STWA stands among other similar companies in the industry. STWA is currently at full staff and he is hopeful that the robust benefit package will keep employees from leaving for other jobs. He added that staff has tried to keep spending conservative and fund balances have remained in good standing the past few years so this might be the year to dip into reserve funds. Mr. Graveley made a motion to select the preliminary FY 2026 Budget with the 3% salary increase and Ms. Garza seconded. Ms. Rodgers, Ms. Garza, Ms. Garcia and Mr. Graveley voted in favor and Mr. D. Morales and Mr. J. Morales voted against. After discussion, another vote followed and the motion passed with Ms. Rodgers, Ms. Garza, Ms. Garcia, Mr. Graveley and Mr. D. Morales voting in favor and Mr. J. Morales voting against. Mr. J. Morales explained that his reason for voting against the motion is because of where STWA sits financially as of today. Mr. Marez stated that the preliminary budget will be sent to STWA's wholesale customers as stipulated in the Water Supply Contracts.

10. Proposed Fiscal Year 2026/Tax Year 2025 tax rate and authorization to publish notice of public hearing.

Ms. Wagner presented the Water District Notice of Public Hearing on Tax Rate reflecting a proposed total tax rate of \$0.059699/\$100 valuation comprised of a Maintenance & Operation tax rate of \$0.049557/\$100 and an Interest & Sinking tax rate of \$0.010142/\$100. The proposed total tax rate is \$0.000001 lower than the tax rate calculated on the average home value in order to remain below the 3.5% allowed increase. Mr. J. Morales made a motion to authorize staff to publish the Water District Notice of Public Hearing on Tax Rate. Ms. Garcia seconded. All members present voted in favor.

11. Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2025.

The Board reviewed the Letter of Engagement from John Womack and Company for the fiscal year ending September 30, 2025. The estimated cost is \$11,950 which is a \$1,000 increase from

last year's cost. Ms. Garza made a motion to approve the Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2025. Ms. Garcia seconded. All voted in favor.

12. Bids for Uniforms for field staff.

Mr. Marez presented information from three uniform companies – Unifirst, Cintas and Vestis. He stated all three companies are Buy Board vendors. He added that Unifirst is STWA's current vendor but the other two companies offer additional options for jackets and other outerwear which Unifirst does not. Mr. D. Morales asked which company was preferred by the field staff and Mr. Marez responded Cintas.

13. Resolution 25-24. Resolution awarding the bid for uniform contract.

Mr. D. Morales made a motion to select Cintas, Ms. Garza seconded and all voted in favor.

14. STWA Master Plan.

Mr. Ivan Luna, International Consulting Engineers (I.C.E.), provided a brief presentation on the STWA 2025 Master Plan. He explained that the 2023 Master Plan was updated to include population growth and STWA's 5-year and 50-year water demand projections, the Brackish Desalination project in Nueces County, the Ricardo Well project in Kleberg County, external water management strategy projects, the Groundwater Feasibility Study, the Cathodic Protection Study and asset management strategies for future development.

Mr. Luna also reviewed the Texas Water Development Board funding and RWSC and NWSC Pump Station Rehabilitation projects. He reported that the Engineering Feasibility Report has been signed and submitted to the TWDB. In response to Mr. D. Morales, Mr. Luna stated that TWDB expects funds to be used within 3 to 5 years. Mr. Rogelio Rodriguez, Water Finance Exchange, added that STWA has received a \$250,000 grant to study the use of solar power within the system. Another round of funding for \$1,000,000 will be made available for engineering, planning and design.

15. Executive Session Agenda Items - In this executive session the board of Directors will deliberate or receive legal advice regarding (1) each of the following matters pursuant to the Section(s) of the Texas Government Code in parenthesis at the end of such matter, and (2) any other agenda items on today's agenda that the presiding officer of the meeting has announced will be considered in this executive session (collectively, the "Executive Session Agenda Items"). The Board of Directors may take action in open session after the executive session on any of the Executive Session Agenda items. The Board of Directors will deliberate the purchase, exchange, lease or value of real property in executive session only if deliberation in an open meeting would have a detrimental effect on South Texas Water Authority's position in negotiations with a third person.

15.a. Receive legal advice from counsel regarding alternate water sources.

Mr. Graveley announced that the Board would convene in Closed Session at 6:56 p.m. pursuant to Section 551.071 of the Government Code to receive legal advice from counsel regarding an alternate source of water for the Authority.

16. Open Session Items for Post Executive Session Action – The Board of Directors will convene in Open Session and take action on (1) the agenda items listed below, (2) any other items on this agenda that were postponed or tabled until after Executive Session, and (3) any Executive Session Agenda Items

The Board reconvened in Open Session at 7:31 p.m. No action was taken during Closed Session.


17. Administration Report.
- Upcoming Board Meeting Dates

Mr. Marez stated that a special meeting is scheduled for August 19th to discuss a few items. The next two regular meetings are scheduled for September 9th and September 23rd. He reported that he has been involved in several meetings recently with Corpus Christi and other stakeholders. He thanked the Board for their support on all ongoing issues.

18. Adjournment.

With no further business to discuss, Mr. J. Morales moved to adjourn the meeting at 7:32 p.m. Ms. Garcia seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Minutes – Special Board of Directors Meeting
August 19, 2025

Board Members Present:

Jose Graveley
Frances Garcia
Tanya Lawhon
Daniel Morales
Joe Morales
Patsy Rodgers
Angela Pena

Board Members Absent:

Imelda Garza
Arturo Rodriguez

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo
August Patroelj
Victor Gutierrez
Clarissa Vargas

Guests Present:

Ivan Luna, I.C.E.
Ansar Palakkal, I.C.E.
Charles W. Zahn
Rob Williamson, Evergreen
Baldemar Garcia, RWSC President
Dr. Tonoy Das – TAMU-Kingsville
Dr. David Ramirez – TAMU-Kingsville
Adam La Rosa
Holly Bockholt
Steven Unterbrink
Mark Maddox
Phyllis Unterbrink
Jeryn Sealy
Aaron Price
John Thornberry
Elizabeth Ramos
Mario Alejo Munoz
Lizette Gonzales
Kleberg County Judge Rudy Madrid
Esteban Ramos – Corpus Christi Water

Guests Present:

Julia Guido
Ross Irby
Kay Irby
Michael Wetz
Dallas Beken
Colton Beken
Gary Moravits
Chris Moravits
Andrew Mendez

1. Call to Order.

Mr. Jose Graveley, Board President, called the Special 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. Discussion and Possible Action – Discharge Options: Brackish Desalination Project.

Mr. Graveley addressed the audience. He said negative comments have been received from the public regarding the Brackish Desalination Project. He said that Kleberg County Judge Rudy Madrid has been involved in the project but has made it clear that he does not want water discharged into Baffin Bay without scientific studies. Mr. Graveley gave the Board members the opportunity to express their comments on the project. Mr. Daniel Morales said there is no doubt

that other water sources are needed but discharging brine into creeks, Baffin Bay or any body of water is not something he wants to explore. Mr. Joe Morales stated that he wants to take the public's interests into consideration. He does not want an environmental disaster and he is not in favor of discharging waste water into the creeks or Baffin Bay. Ms. Pena said she understands the frustration but noted that all meetings have been posted publicly and not kept a secret. Dr. Lawhon stated that she is new to the STWA Board and welcomes the public's comments. She said she is learning and wants to maintain transparency and will be open and listen to the public.

Mr. Graveley made a motion to remove the option of any discharge into Baffin Bay from the Seven Seas project. Ms. Pena seconded and all voted in favor.

Mr. Graveley announced, "No discharge into Baffin Bay."

Mr. Kasy Stinson of Seven Seas stated that Seven Seas and STWA have heard the concerns of the public. Based on the Board's decision, Seven Seas will no longer pursue the creeks and Baffin Bay as a discharge option and has already commissioned a study for deep-well disposal. He added that he would remain outside for anyone who has questions.

Mr. Graveley invited the public to comment on this item.

Mr. John Thornberry of Riviera Beach stated that he feels like the motion was made and it becomes something that the public should not be concerned about any longer although there has been a lack of transparency. He said that the Board should have a scientifically based study conducted. He noted that a credible committee was created to guide the discharge process with the least impact on the environment but nothing has come of it. An environmental impact study is being done locally and does not include the institutions that are best suited for this type of analysis. He added that the cost published is a fraction of what a true impact assessment costs and this study will merely measure the chemistry of the discharge water. He asked for transparency and that the Board use real science-based data to make informed decisions and to do the right thing.

Adam La Rosa, Riviera, said he is concerned that repeatedly county representatives have said that lies are being told and actually it is just that a lot of questions are being asked. He stated that this project is in Nueces County and besides reverse osmosis, it is unknown what other type of filtering will be done. He questions what is being done to ensure that the salinity is not affected, what the chemical makeup of the potable water will be, and how much this is influenced by the Tesla plant. He said he wants to know what the plan is such as deep-well injection, and if so, then is it fracking, selling it or something else and how will the brine be handled.

Elizabeth Ramos, Kingsville, said she has received social media messages about the project. She is not in favor of or against the project but questions what will be dumped. She strives for the community to work together. She feels there has been no transparency and noted that there have been no town halls. She feels that the STWA agendas are not informational for the community to understand and STWA needs to communicate in layman's terms. She also suggested that STWA form a better relationship with the Kingsville Record and pointed out that the only article she saw was when Rudy Madrid approached Corpus Christi and questioned why there has been no follow up. Judge Madrid responded that there had been follow up. After an exchange between the two,

Ms. Ramos told the Board to do better on transparency and communicate with the community in order to avoid the backlash and left the meeting.

Kleberg County Judge Rudy Madrid said that as things got started, it had nothing to do with Baffin Bay and went over the history. The area is being faced with a drought. STWA has a forty-year agreement with the City of Corpus Christi and can turn off the water at any time. If CCW does not renew the contract, Ricardo loses water. He added that this is STWA's deal with Seven Seas but Kleberg County got involved because he saw an emergency. Then he heard that they can discharge excess water into Baffin Bay, so he thought it was ok after hearing scientists and researchers saying that it was good to go but then there were community concerns. He said that from the beginning he expressed that he will not do anything that will negatively impact Baffin Bay. He felt that the research would need to be done. He also met with President Graveley, and STWA Board Members F. Garcia and D. Morales and expressed that there should be no water discharge into Baffin Bay if it is going to damage it. His first goal was to secure an available, reliable resource of water for Ricardo, Driscoll, and Bishop and this has been done. His second goal was to satisfy concerned citizens by taking out the option of discharge to Baffin Bay which has also been done. The next thing is that the water will now cost more because of deep well injection, but if we sell water to CCW, they will resell it and big manufacturers will pay for it instead of the tax payers.

Mr. Drew Mendez, Kingsville, commended the Board for asking questions and taking this action.

Dr. Lawhon stated that 52 days ago she requested a copy of the Seven Seas contract and has still not received it. She stated that if a vote is expected on September 9th, she cannot vote without reading the contract. Mr. Marez said he would provide the contract to the Board by morning but reminded the Board that they are subject to the non-disclosure agreement. Dr. Lawhon also asked for the rates in order to know what the constituents will need to pay. Mr. Graveley said that would change because the environmental study needs to be done. Mr. Marez added that Seven Seas says that more than likely there will be a notable increase to the rate user.

Dr. Lawhon also asked about the Seven Seas town hall meeting. Mr. Stinson said that one of Seven Seas' representatives mentioned a town hall but this has not been authorized by Seven Seas; however, he is making himself available to anyone who has questions.

Dr. Lawhon also asked about the size of the project. Mr. Stinson said the plant is being designed as a 3 MGD plant. Mr. Marez added that it was the City of Corpus Christi that initiated discussions on scaling up the plant – not South Texas Water Authority.

3. Citizen Comments.

Mr. Graveley opened the floor to citizen's comments.

Aaron Price, Ingleside, said that Judge Madrid is on video at the June 24, 2025 Corpus Christi Council meeting saying that the project will freshen Baffin Bay. Mr. Price added that there needs to be transparency. He keeps hearing that Baffin is too salty but disagrees. It does not need fresh water. He has 50 years of data from TPWD showing that the average salinity is 39.18 ppt. He also said that the study that is being considered is only a water analysis study but does not analyze

the effect of the discharge on the Bay. He added that deep well injection costs more than surface water disposal but it is the right thing to do for the environment.

Mark Maddox, Riviera Beach, stated that he is glad the Board voted the way they did and it is the right thing to do. He stressed that dumping any type of water into the bay is not good because it is not natural. Water from sewer treatment is already going into the bay and needs to be cleaned up. He thanked the Board for voting the way they did and noted that the public will still keep an eye on it. Everyone is just trying to be a good steward. He urged the Board to continue looking for other options such as drying lakes or other means where brine is used. If pipelines are considered for deep-well or off-shore it should include looking into taking sewage out of being dumped into bay and put into the pipelines which will have a great environmental impact.

Drew Mendez, Kingsville, operator of Brine and Blood, commended the Board for asking questions and taking time to address this issue.

4. Benefits Study Presentation by Evergreen Solutions, LLC.

Mr. Rob Williamson of Evergreen Solutions, LLC. reviewed the benefits study conducted by his organization. He noted that the analysis showed that STWA's benefits package excels in health coverage, long-term disability protection and paid leave which provides a competitive advantage in recruiting and retaining talented staff. However, compared to other organizations, gaps remain in areas such as health plan diversity, vision coverage cost-sharing and the absence of EAP and tuition reimbursement. He noted that the compensation study presented in May showed that on average, STWA is 11% behind the market on minimum comparative salaries and stressed that any advantages on the STWA's benefits package should be used as a recruitment and retention tool – not as a reason for maintaining below market salaries.

Mr. Williamson summarized that after conducting the compensation study and benefits survey, he recommends placing employees within the recommended pay grades with a 15% cap in year one to maintain fiscal responsibility followed by moving employees to pay ranges to align with market average in year 2.

No action was taken by the Board.

5. Discussion and Action Proposed: Environmental Impact Study by Texas A&M University – Kingsville Engineering Department.

Mr. Ivan Luna of International Consulting Engineers (I.C.E.) stated that at the request of Mr. Marez, he is helping to find options for an environmental impact study and requested a proposal from the Texas A&M University-Kingsville Engineering Department. Mr. Marez explained that STWA will be financing this study in order to perform a study that is independent of Seven Seas. The study will be conducted in two phases over a six-month period at a cost of \$22,064. After several questions from the Board, Mr. J. Morales made a motion to table the item until after discussion on the Executive Session Items. Ms. Rodgers seconded and the motion passed unanimously.

6. Fiscal Year 2025 Budget Amendments.

Ms. Wagner reported a \$129,000 increase in Total Revenues, a \$16,497 increase in Personnel Expenses, \$110,000 increase in Total Supplies and Materials, \$420,580 in Total Professional Fees \$7,300 decrease in Total Consumable Supplies and Materials and \$2,421 decrease in Total Recurring Operating Costs. Additionally the amended budget shows a \$25,000 decrease in Total Capital Outlay resulting in a Net Income of -\$335,561. Mr. D. Morales made a motion to approve the 2025 Amended Budget. Ms. Garcia seconded. All voted in favor.

7. Executive Session Agenda Items - In this executive session the board of Directors will deliberate or receive legal advice regarding (1) each of the following matters pursuant to the Section(s) of the Texas Government Code in parenthesis at the end of such matter, and (2) any other agenda items on today's agenda that the presiding officer of the meeting has announced will be considered in this executive session (collectively, the "Executive Session Agenda Items"). The Board of Directors may take action in open session after the executive session on any of the Executive Session Agenda items. The Board of Directors will deliberate the purchase, exchange, lease or value of real property in executive session only if deliberation in an open meeting would have a detrimental effect on South Texas Water Authority's position in negotiations with a third person.

7.a. Receive legal advice from counsel regarding alternate water sources.

Mr. Graveley announced that the Board would convene in Closed Session at 7:21 p.m. pursuant to Section 551.071 of the Government Code to receive legal advice from counsel regarding an alternate source of water for the Authority.

8. Open Session Items for Post Executive Session Action -- The Board of Directors will convene in Open Session and take action on (1) the agenda items listed below, (2) any other items on this agenda that were postponed or tabled until after Executive Session, and (3) any Executive Session Agenda Items.

The Board reconvened in Open Session at 8:13 p.m. No action was taken during Closed Session.

5. Discussion and Action Proposed: Environmental Impact Study by Texas A&M University -- Kingsville Engineering Department

Mr. Graveley reopened discussion on this item. Mr. J. Morales made a motion to approve the proposal from Texas A&M University-Kingsville Engineering Department for the Environmental Impact Study at a total cost of \$22,064. Ms. Garcia seconded the motion. Dr. Lawhon, Mr. J. Morales, Mr. Graveley, Ms. Garcia, Mr. D. Morales and Ms. Rodgers voted in favor. Ms. Pena voted against. The motion passed.

9. Receive legal advice from Counsel regarding notice of meetings of the Board of Directors pursuant to the Texas Open Meetings Act.

Mr. Zahn informed the Board that a recent legislative change effective September 1st, requires agendas to be posted three business days before the meeting. He further explained that the day of

the posting and the day of the meeting are not included in the three days. Therefore, Tuesday meetings will need to be posted on Wednesday of the previous week but this will need to be adjusted for holidays to allow three business days.

10. Administration Report.

Mr. Marez stated that information has been received on addressing the mold issue at STWA's office building and the cost could be around \$100,000. More information will be included on the September 9th agenda.

11. Adjournment.

With no further business to discuss, Mr. D. Morales moved to adjourn the meeting at 8:23 p.m. Ms. Rodgers seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary

ATTACHMENT 2

Treasurer's Report/Payment of Bills

SOUTH TEXAS WATER AUTHORITY
Treasurer's Report
For Period Ending July 31, 2025

STWA Water Sales:

<u>Entity</u>	<u>Water Usage (1,000 g)</u>	<u>Cost of Water from City of Corpus Christi \$3.285047 per 1000 g</u>	<u>Handling Charge @ \$0.50/1000g</u>	<u>Incremental Increase @ \$0.50/1000g</u>	<u>Out of District Surcharge and Pass- Thru Credit</u>	<u>Total Due</u>
Kingsville	6,723	\$22,086.93	\$3,361.74	\$0.00	\$0.00	\$25,448.67
Bishop	3,732	\$12,259.80	\$1,866.00	\$0.00	\$0.00	\$14,125.80
Agua Dulce	2,251	\$7,393.94	\$1,125.39	\$0.00	\$0.00	\$8,519.34
RWSC	10,310	\$33,868.83	\$5,155.00	\$0.00	\$0.00	\$39,023.83
Driscoll	2,574	\$8,455.71	\$1,287.00	\$0.00	\$0.00	\$9,742.71
NCWCID #5	1,728	\$5,677.68	\$864.17	\$864.17	\$1,020.39	\$8,426.42
NWSC	14,980	\$49,209.62	\$7,489.94	\$0.00	\$0.00	\$56,699.56
TOTAL	42,298	\$138,952.52	\$21,149.24	\$864.17	\$1,020.39	\$161,986.33

Water Cost and Usage for Period of:

City of Corpus Christi Invoice for Cost of Water Purchased:

Gallons of Water Recorded by City of Corpus Christi:

Gallons of Water Recorded by STWA from Customer's Master Meters:

Water Loss Percentage:

06/30/25

07/31/25

\$141,454.12

43,060,000

42,298,488

1.77%

Annual Usage for FY25

Gallons of Water Recorded by City of Corpus Christi:

Gallons of Water Recorded by STWA from Customer's Master Meters:

Water Loss Percentage: (year to date)

Annual

452,860,000

450,503,738

0.52%

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SOUTH TEXAS WATER AUTHORITY
Income Statement - Comparison to Prior Year
For the Accounting Period: 7 / 25

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Combined Funds

Account Object	Description	----- Current Year -----				----- Last Year -----	
		Current Month	Current YTD	Budget	Variance	Prior Year Month	Prior Year YTD
Revenue							
41100	Tax Revenue	9,904.30	1,997,190.11	2,033,123.00	-35,932.89	12,357.08	2,025,700.89
41120	Delinquent Tax Revenue	7,541.46	47,814.80	47,615.00	199.80	3,238.97	40,597.58
41150	Penalties & Interest - Tax	3,271.96	28,718.29	32,845.00	-4,126.71	2,954.29	31,185.25
41950	Miscellaneous - Taxes	-0.45	-25.57		-25.57	-2.00	313.85
44100	Water Service Revenue	138,952.53	1,417,735.43	1,730,677.00	-312,941.57	119,232.10	1,166,483.15
44210	Handling Charge Revenue	21,149.24	225,252.32	272,771.00	-47,518.68	20,973.55	217,741.27
44230	Premium Incremental	864.17	8,422.15	10,750.00	-2,327.85	746.79	8,004.04
44240	Surcharge - Out-of-District	1,020.39	10,078.01	12,640.00	-2,561.99	1,071.99	10,719.89
44600	Operations & Maint Fees	48,473.92	580,082.02	933,479.00	-353,396.98	57,816.70	604,767.47
46000	MISCELLANEOUS REVENUE	4,301.78	6,884.29	135,000.00	-128,115.71		
46100	Miscellaneous Income		107,824.01		107,824.01	2,962.59	28,930.91
47100	Interest income	19,425.26	201,955.26	203,200.00	-1,244.74	25,634.76	244,249.28
47110	Interest-Note		165.36	175.00	-9.64		
47300	Industrial Income	659,940.66	659,940.66		659,940.66		
	Total	914,845.22	5,292,037.14	5,412,275.00	-120,237.86	246,986.82	4,378,693.58
Expenses							
601000	STWA						
50200	Purchased water	141,454.12	1,423,932.78	1,730,677.00	306,744.22	100,110.72	1,221,429.13
51100	Salaries/Wages	59,497.22	476,682.57	429,690.00	-46,992.57	53,285.27	449,495.02
51110	Salaries/Part-Time					120.00	509.00
51120	Overtime	2,480.83	23,732.31	30,000.00	6,267.69	1,821.82	21,620.86
51130	Stand-by	120.00	1,340.00	1,560.00	220.00	100.00	1,075.00
51160	Vacation Buyback		5,831.69	5,850.00	18.31		5,884.50
51200	Employee Retirement	7,928.46	103,568.93	75,000.00	-28,568.93	7,136.71	98,799.68
51201	Group Ins - Health	45,769.02	420,700.42	235,000.00	-185,700.42	33,727.98	312,928.32
51202	Group Ins - Life	703.37	6,641.18		-6,641.18	617.64	6,268.60
51203	Group Ins - Dental	677.49	6,234.01		-6,234.01	618.56	5,846.16
51300	Unemployment Ins	214.95	1,375.78	1,450.00	74.22		-116.48
51400	Workers Compensation	-118.36	16,700.47	8,500.00	-8,200.47		16,928.24
51700	Medicare	1,022.70	10,613.45	6,247.00	-4,366.45	922.48	10,119.40
52110	Postage	33.00	4,091.90	8,500.00	4,408.10		6,032.30
52120	Printing/Office Supplies	2,672.71	27,484.95	37,500.00	10,015.05	2,701.33	28,907.94
52130	Janitorial/Site Maint	1,311.14	19,702.85	24,200.00	4,497.15	695.00	10,221.68
52160	Small Tools	118.59	1,371.35	3,500.00	2,128.65	19.99	5,024.09
52380	Safety Equipment		5,042.09	6,000.00	957.91		1,244.85
53110	Legal	3,260.75	88,345.50	165,000.00	76,654.50	4,275.60	16,728.20
53120	Auditing		12,570.00	12,580.00	10.00		10,390.00
53130	Engineering		309,381.22	420,000.00	110,618.78		13,616.01
53140	Management & Consulting	17,333.33	132,975.80	152,000.00	19,024.20	15,153.33	136,575.10
53150	GIS Mapping					3,328.30	3,328.30
53210	Inspection Services		1,759.11	5,000.00	3,240.89		913.00
53260	Tax Collector Fees		52,396.78	68,980.00	16,583.22		
53,951.83							

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SOUTH TEXAS WATER AUTHORITY
Income Statement - Comparison to Prior Year
For the Accounting Period: 7 / 25

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Combined Funds

Account Object	Description	Current Year				Last Year	
		Current Month	Current YTD	Budget	Variance	Prior Year Month	Prior Year YTD
53270	Appraisal District Fees		22,074.84	31,651.00	9,576.16		22,026.93
54110	General Repairs &	7,318.63	80,590.91	125,000.00	44,409.09	17,776.83	92,115.07
54111	General R&M - Central Tank		129,925.67	135,000.00	5,074.33		
54140	Fuel/Lubricants/Repairs	6,908.24	84,318.50	60,000.00	-24,318.50	5,752.62	81,927.02
54150	Chemicals/Water Samples	2,368.42	22,229.48	45,000.00	22,770.52	4,451.00	27,391.81
54250	Meter Expense	1,200.00	1,200.00	5,000.00	3,800.00		3,760.00
54260	Tank Repairs			35,000.00	35,000.00		7,000.00
54291	Major Repairs			25,000.00	25,000.00		
54720	Cathodic Protect Materials						2,078.03
55110	Telephone/Communications	2,806.29	29,252.96	40,000.00	10,747.04	2,772.60	30,393.23
55120	Utilities	9,021.25	80,089.60	122,500.00	42,410.40	7,421.42	91,483.44
55130	D & O Liability Insurance		3,332.03	4,500.00	1,167.97		2,082.70
55140	Property Insurance		61,492.06	61,600.00	107.94		52,133.06
55150	General Liability Ins		4,446.05	6,000.00	1,553.95		4,045.63
55160	Auto Insurance		4,717.72	4,750.00	32.28		4,770.06
55180	Travel/Training/Meetings	3,863.80	21,520.54	31,500.00	9,979.46	2,472.25	19,490.41
55610	Rental-Equip/Uniforms	290.05	8,173.32	11,000.00	2,826.68	610.45	16,376.73
55620	Dues/Subscriptions/Advert	21.31	14,964.40	20,000.00	5,035.60	409.98	16,192.57
55999	Bad Debt Expense		-5,771.27		5,771.27		
58130	Pass Through Costs		0.76	250.00	249.24	115.16	116.78
58790	Misc Expenditures	909.34	6,999.00	15,000.00	8,001.00	393.89	5,071.53
59600	Capital Acquisition	36,804.06	151,377.97	227,500.00	76,122.03	1,168.86	264,744.06
59700	Engineering-Capital			25,000.00	25,000.00		
Total Account		355,990.71	3,873,409.68	4,458,485.00	585,075.32	267,979.79	3,180,919.79
601200 NWSC							
51100	Salaries/Wages	9,803.47	104,627.81		-104,627.81	5,793.88	92,643.81
51120	Overtime	908.72	26,188.59	15,000.00	-11,188.59	2,276.16	26,362.39
51130	Stand-by	120.00	1,340.00	3,900.00	2,560.00	100.00	1,075.00
Total Account		10,832.19	132,156.40	18,900.00	-113,256.40	8,170.04	120,081.20
601300 RWSC							
51100	Salaries/Wages	7,038.41	80,264.24		-80,264.24	6,950.26	76,057.22
51120	Overtime	526.21	16,344.58	15,000.00	-1,344.58	2,009.28	17,697.48
51130	Stand-by	120.00	1,340.00	3,900.00	2,560.00	100.00	1,075.00
Total Account		7,684.62	97,948.82	18,900.00	-79,048.82	9,059.54	94,829.70
603000 Debt Services							
53260	Tax Collector Fees		11,032.98	14,650.00	3,617.02		7,341.01
53270	Appraisal District Fees		4,648.23	6,723.00	2,074.77		7,611.88
56110	Bond Principal			260,000.00	260,000.00		
56120	Bond Interest Expense		43,175.00	86,350.00	43,175.00		47,000.00
56130	Fiscal Agent's Fees		100.00	200.00	100.00		100.00
Total Account			58,956.21	367,923.00	308,966.79		62,052.89
609010 Capital Projects							
51100	Salaries/Wages	7,315.00	63,717.41		-63,717.41	5,052.19	34,606.83
54720	Cathodic Protect Materials		162,802.06		-162,802.06	37,179.68	110,905.87
Total Account		7,315.00	226,519.47		-226,519.47	42,231.87	145,512.70

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SOUTH TEXAS WATER AUTHORITY
Income Statement - Comparison to Prior Year
For the Accounting Period: 7 / 25

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Combined Funds

Account Object	Description	----- Current Year -----				----- Last Year -----	
		Current Month	Current YTD	Budget	Variance	Prior Year Month	Prior Year YTD
	Total	381,822.52	4,388,990.58	4,864,208.00	475,217.42	327,441.24	3,603,396.28
	Net Income from Operations	533,022.70	903,046.56			-80,454.42	775,297.30
	Other Revenue						
48120	Sale of Assets		16,500.60		16,500.60		
	Total Other	0.00	16,500.60	0.00	16,500.60	0.00	0.00
	Net Income	533,022.70	919,547.16			-80,454.42	775,297.30

**REVENUE FUND
INCOME STATEMENT
FOR PERIOD ENDING JULY 31, 2025**

83.33%

	MONTHLY	YEAR TO DATE WITH THIS MONTH	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Water Service Revenue	138,953	1,417,735	1,730,677	82%	1,166,483	1,377,118
Handling Charge Revenue	21,149	225,252	272,771	83%	217,741	298,250
Premium Incremental Increase	864	8,422	10,750	78%	8,004	10,900
Surcharge - Out of District	843	8,658	12,850	67%	8,842	9,972
Interest Income	17,156	183,537	182,000	101%	217,167	215,200
Interest - Note	0	165	0	0%	0	3,750
Other Revenue						
Operating & Maintenance Fees	48,474	6,913	8,250	84%	11,628	10,700
Miscellaneous Revenues	4,302	129,924	12,000	1083%	28,930	46,500
Industry Revenues	659,941	659,941	0	0%	0	625,710
TOTAL REVENUES	891,681	2,640,549	2,229,298	118%	1,658,795	2,598,100
EXPENDITURES						
Water Service Expenditures:						
Bulk Water Purchases	141,454	1,423,933	1,730,677	82%	1,221,429	1,489,786
Payroll Costs						
Salaries & Wages - Perm. Employees	76,339	329,776	429,690	77%	316,226	406,135
Salaries & Wages - Vacation Buyback	0	5,832	5,500	106%	5,885	4,368
Overtime - NWSC	909	0	0	0%	1,429	0
Stand-by Pay - NWSC	120	0	0	0%	0	0
Overtime - RWSC	526	(0)	0	0%	(1,429)	0
Stand-by Pay - RWSC	120	0	0	0%	0	0
Overtime - STWA	2,481	23,732	22,500	105%	21,621	15,000
Stand-by Pay - STWA	120	1,340	1,560	86%	1,075	1,300
Employee Retirement Premiums	7,928	59,895	71,228	84%	59,574	68,713
Group Insurance Premium	47,150	209,267	229,340	91%	126,730	243,522
Unemployment Compensation	215	(1,101)	3,060	-36%	(2,087)	70
Workers' Compensation	(118)	8,762	7,675	114%	11,188	6,436
Medicare	1,023	4,844	6,247	78%	5,058	6,029
Supplies & Materials						
Repairs & Maintenance	7,319	80,591	125,000	64%	94,193	150,000
Meter Expense	1,200	1,200	5,000	24%	3,760	5,000
Tank Repairs	0	0	35,000	0%	7,000	30,000
Major Repairs	0	129,926	25,000	520%	0	25,000
Other Operating Expenditures:						
Professional Fees						
Legal	3,261	88,346	50,000	177%	16,728	40,000
Auditing	0	12,570	11,500	109%	10,390	10,500
Engineering	0	309,381	170,000	182%	13,616	50,000
Management & Consulting	9,000	49,643	25,000	199%	53,242	25,000
JMAR Management Consulting LLC	8,333	58,333	70,000	83%	58,333	70,000
Inspection/GIS Mapping	0	1,759	7,500	23%	4,241	7,500
Consum Supplies/Materials						
Postage	33	915	8,500	11%	1,751	8,500
Printing/Office Supplies	2,673	21,151	37,500	56%	23,215	37,500
Janitorial/Site Maintenance	1,311	19,703	20,000	99%	10,222	19,000
Fuel/Lubricants/Repairs	6,908	44,413	60,000	74%	46,767	85,000

	MONTHLY	YEAR TO	2025	% OF 2025	2024	2024
Chemicals/Water Samples	2,368	22,229	60,000	37%	27,392	60,000
Safety Equipment	0	5,042	3,000	168%	1,245	2,000
Small Tools	119	1,372	3,000	46%	5,024	3,000
Recurring Operating Costs						
Telephone/Communications	2,806	23,966	40,000	60%	25,660	40,000
Utilities	9,021	80,090	122,500	65%	91,485	122,500
D & O Liability Insurance	0	3,332	4,500	74%	2,083	3,500
Property Insurance	0	61,492	55,000	112%	52,133	48,000
General Liability	0	4,446	6,000	74%	4,046	5,500
Auto Insurance	0	4,718	4,000	118%	4,770	3,100
Travel/Training/Meetings-Staff	2,664	16,794	20,000	84%	16,434	15,000
Travel/Training/Meetings-Board of Dir.	1,200	4,725	10,000	47%	3,056	10,000
Travel/Training/Meetings-Legislation		0	10,000	0%	0	0
Rental-Equipment/Uniforms	290	8,173	7,500	109%	16,377	6,000
Dues/Subscriptions/Publication	21	14,964	19,000	79%	16,193	17,500
Pass Through Cost	0	1	250	1%	118	400
Bad Debt Expense	0	(5,771)	0		0	0
Miscellaneous						
Miscellaneous Expenditures	909	6,999	15,000	47%	5,137	15,000
Total Administrative & Operations Exp.	337,704	3,136,782	3,537,227	89%	2,381,310	3,155,859
Capital Outlay						
Capital Acquisition	36,804	151,378	227,500	67%	264,744	230,500
Engineering	0	0	50,000	0%	0	50,000
TOTAL EXPENDITURES (w/o D.S. exp.)	36,804	151,378	3,814,727	4%	2,646,054	3,436,359
Excess (Deficiencies) of Revenue Over Expenditures	517,173	(647,611)	(1,585,429)	41%	(987,259)	(1,402,682)
OTHER FINANCE SOURCE (USES)						
Transfer to Other Funds						
Transfer from Tax Account	0	0	1,630,025	0%	1,549,017	1,650,724
Extra Ordinary Income						
Disposition of Assets (Surplus Sale)	0	0	3,500	0%	0	1,500
TOTAL OTHER FINANCING SOURCES (USES)	0	0	1,633,525	0%	1,549,017	1,652,224
SPECIAL SERVICES						
CATHODIC PROTECTION						
EXCESS (DEFICIENCIES) OF REVENUES OVER OTHER SOURCES (USES)	517,173	(647,611)	48,096		561,758	813,965
NET INCOME	517,173	(647,611)	48,096		561,758	249,542

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SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 7 / 25

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101 Water

		Opening Balance	Change	Closing Balance
Assets				
101. 10100	STWA - Operations	59,513.65 (29,920.64)	29,593.01
101. 10200	STWA - General	79,572.72	828,802.21	908,374.93
101. 10210	STWA - General Money Market	981.01	0.58	981.59
101. 10400	STWA - Payroll	37,131.34 (	28,773.44)	8,357.90
101. 10800	Petty Cash	150.00		150.00
101. 11300	TexPool	4,641,858.44	33,173.82	4,675,032.26
101. 12100	Tax Accounts Receivable	211,473.78		211,473.78
101. 12101	Allowance for Uncollect Taxes	(88,575.35)		(88,575.35)
101. 12102	Allowance for doubtful Accounts	(12,483.96)		(12,483.96)
101. 12120	Interlocal Rec - Tax Assessor	2,205.33	864.57	3,069.90
101. 12201	Agua Dulce-Water	13,727.57	199.75	13,927.32
101. 12202	Bishop - Water	63,270.75 (	49,145.37)	14,125.38
101. 12203	Driscoll - Water	36,832.73 (	580.38)	36,252.35
101. 12204	Kingsville - Water	110,416.51 (	84,967.62)	25,448.69
101. 12205	NCWCID 5 - Water	41,332.29	200.19	41,532.48
101. 12206	Ricardo WSC - Water	73,465.78 (	34,441.96)	39,023.82
101. 12207	Nueces WSC - Water	101,215.08 (	44,515.52)	56,699.56
101. 12208	Ricardo WSC - General & Admin	38,615.39 (	19,528.24)	19,087.15
101. 12209	Nueces WSC - General & Admin	38,569.44 (	19,525.40)	19,044.04
101. 12500	Interlocal Rec-Bishop	(0.03)		(0.03)
101. 12700	Interlocal Rec-Driscoll	4,123.11	721.49	4,844.60
101. 12900	Interlocal Rec-Ricardo	12,142.13 (	7,483.58)	4,658.55
101. 12901	RWSC-Credit Card	482.32	125.00	607.32
101. 13000	Interlocal Rec-Nueces	32,785.65	6,381.63	39,167.28
101. 13001	NWSC Credit Card	692.34	243.93	936.27
101. 13510	Due From Capital Projects Fund	342,585.88	7,372.30	349,958.18
101. 13520	Due from Debt Service Fund	2,621.41		2,621.41
101. 13530	Due from D.S .-Collect Service	16,505.60		16,505.60
101. 13900	Notes Receivable - Current	152.47		152.47
101. 14200	Prepaid Expenses	42,053.92		42,053.92
101. 15500	Inventory	42,276.74		42,276.74
Total Assets		5,945,694.04	559,203.12	6,504,897.16
Liabilities and Fund Equity				
101. 20300	Trade Accounts Payable	227,401.51 (	12,315.49)	215,086.02
101. 20310	Conversion Trade Accounts Payable	333.16		333.16
101. 20400	Salaries & Wages Payable	16,409.60	9,845.76	26,255.36

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SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 7 / 25

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101 Water

		Opening Balance	Change	Closing Balance
101. 20501	Due to NWSC		27,795.00	27,795.00
101. 21051	Federal WH Taxes Payable	150.77		150.77
101. 21052	Medicare Payable	665.32		665.32
101. 21062	Unemployment Ins Payable	9,949.26		9,949.26
101. 21063	Emphy Loan WH Payble (	594.42)		594.42)
101. 21064	Emphy Insurance WH Payble (	19,221.77)	626.00)	19,847.77)
101. 21065	Emphy AFLAC Ins WH Payble (	730.65)	851.59)	120.94)
101. 21067	Emphy Nationwide WH Payble	200.00		200.00
101. 21068	Emphy Advance WH Payble (	539.46)		539.46)
101. 21069	Emphy Other WH Payble	4,069.43		4,069.43
101. 21100	Miscellaneous Payables	30,933.31	995.41	31,928.72
101. 21500	Compensated Absences	13,824.65		13,824.65
101. 21700	Deferred Tax Revenue	122,898.43		122,898.43
101. 24100	Due to Debt Service Fund	3,847.56	177.49	4,025.05
101. 28400	Retained Earnings	5,203,157.19		5,203,157.19
101. 28410	Assigned Fund Bal. - Inventory	41,746.65		41,746.65
101. 28999	Net Income Current Year	289,732.20	534,182.54	823,914.74

Total Liabilities and Fund Equity	5,945,694.04	559,203.12	6,504,897.16
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Revenue

101. 41100	Tax Revenue	1,642,701.86	8,181.65	1,650,883.51
101. 41120	Delinquent Tax Revenue	33,118.16	6,168.06	39,286.22
101. 41150	Penalties & Interest - Tax	20,907.84	2,659.78	23,567.62
101. 41950	Miscellaneous - Taxes (	25.12)	0.45)	25.57)
101. 44100	Water Service Revenue	1,278,782.90	138,952.53	1,417,735.43
101. 44210	Handling Charge Revenue	204,103.08	21,149.24	225,252.32
101. 44230	Premium Incremental Increase	7,557.98	864.17	8,422.15
101. 44240	Surcharge - Out-of-District	7,815.19	842.90	8,658.09
101. 44600	Operations & Maint Fees	531,608.10	48,473.92	580,082.02
101. 46000	MISCELLANEOUS REVENUE	2,582.51	4,301.78	6,884.29
101. 46100	Miscellaneous Income	106,539.58		106,539.58
101. 47100	Interest income	166,381.54	17,155.82	183,537.36
101. 47110	Interest-Note	165.36		165.36
101. 47300	Industrial Income		659,940.66	659,940.66
101. 48120	Sale of Assets	16,500.60		16,500.60

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SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 7 / 25

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101 Water

		Opening Balance	Change	Closing Balance
Total Revenue		4,018,739.58	908,690.06	4,927,429.64
Expenditures				
101.601000.50200	Purchased water	1,282,478.66	141,454.12	1,423,932.78
101.601000.51100	Salaries/Wages	417,185.35	59,497.22	476,682.57
101.601000.51120	Overtime	21,251.48	2,480.83	23,732.31
101.601000.51130	Stand-by	1,220.00	120.00	1,340.00
101.601000.51160	Vacation Buyback	5,831.69		5,831.69
101.601000.51200	Employee Retirement	95,640.47	7,928.46	103,568.93
101.601000.51201	Group Ins - Health	374,931.40	45,769.02	420,700.42
101.601000.51202	Group Ins - Life	5,937.81	703.37	6,641.18
101.601000.51203	Group Ins - Dental	5,556.52	677.49	6,234.01
101.601000.51300	Unemployment Ins	1,160.83	214.95	1,375.78
101.601000.51400	Workers Compensation	16,818.83	118.36	16,937.19
101.601000.51700	Medicare	9,590.75	1,022.70	10,613.45
101.601000.52110	Postage	4,058.90	33.00	4,091.90
101.601000.52120	Printing/Office Supplies	24,812.24	2,672.71	27,484.95
101.601000.52130	Janitorial/Site Maint	18,391.71	1,311.14	19,702.85
101.601000.52160	Small Tools	1,252.76	118.59	1,371.35
101.601000.52380	Safety Equipment	5,042.09		5,042.09
101.601000.53110	Legal	85,084.75	3,260.75	88,345.50
101.601000.53120	Auditing	12,570.00		12,570.00
101.601000.53130	Engineering	309,381.22		309,381.22
101.601000.53140	Management & Consulting	115,642.47	17,333.33	132,975.80
101.601000.53210	Inspection Services	1,759.11		1,759.11
101.601000.53260	Tax Collector Fees	52,396.78		52,396.78
101.601000.53270	Appraisal District Fees	22,074.84		22,074.84
101.601000.54110	General Repairs & Maintenance	73,272.28	7,318.63	80,590.91
101.601000.54111	General R&M - Central Tank	129,925.67		129,925.67
101.601000.54140	Fuel/Lubricants/Repairs	77,410.26	6,908.24	84,318.50
101.601000.54150	Chemicals/Water Samples	19,861.06	2,368.42	22,229.48
101.601000.54250	Meter Expense		1,200.00	1,200.00
101.601000.55110	Telephone/Communications	26,446.67	2,806.29	29,252.96
101.601000.55120	Utilities	71,068.35	9,021.25	80,089.60
101.601000.55130	D & O Liability Insurance	3,332.03		3,332.03
101.601000.55140	Property Insurance	61,492.06		61,492.06
101.601000.55150	General Liability Ins	4,446.05		4,446.05
101.601000.55160	Auto Insurance	4,717.72		4,717.72
101.601000.55180	Travel/Training/Meetings	17,656.74	3,863.80	21,520.54
101.601000.55610	Rental-Equip/Uniforms	7,883.27	290.05	8,173.32
101.601000.55620	Dues/Subscriptions/Advert	14,943.09	21.31	14,964.40
101.601000.55999	Bad Debt Expense	(5,771.27)		(5,771.27)
101.601000.58130	Pass Through Costs	0.76		0.76
101.601000.58790	Misc Expenditures	6,089.66	909.34	6,999.00
101.601000.59600	Capital Acquisition	114,573.91	36,804.06	151,377.97
Total STWA		3,517,418.97	355,990.71	3,873,409.68

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SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 7 / 25

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101 Water

		Opening Balance	Change	Closing Balance
101.601200.51100	Salaries/Wages	94,824.34	9,803.47	104,627.81
101.601200.51120	Overtime	25,279.87	908.72	26,188.59
101.601200.51130	Stand-by	1,220.00	120.00	1,340.00
	Total NWSC	121,324.21	10,832.19	132,156.40
101.601300.51100	Salaries/Wages	73,225.83	7,038.41	80,264.24
101.601300.51120	Overtime	15,818.37	526.21	16,344.58
101.601300.51130	Stand-by	1,220.00	120.00	1,340.00
	Total RWSC	90,264.20	7,684.62	97,948.82
	Total Expenditures	3,729,007.38	374,507.52	4,103,514.90

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SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 7 / 25

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101 Water

Assets

Current Assets

STWA - Operations	29,593.01	
STWA - General	908,374.93	
STWA - General Money Market	981.59	
STWA - Payroll	8,357.90	
Petty Cash	150.00	
TexPool	4,675,032.26	
Tax Accounts Receivable	211,473.78	
Allowance for Uncollect Taxes	(88,575.35)	
Allowance for doubtful Accounts	(12,483.96)	
Interlocal Rec - Tax Assessor	3,069.90	
Agua Dulce-Water	13,927.32	
Bishop - Water	14,125.38	
Driscoll - Water	36,252.35	
Kingsville - Water	25,448.69	
NCWCID 5 - Water	41,532.48	
Ricardo WSC - Water	39,023.82	
Nueces WSC - Water	56,699.56	
Ricardo WSC - General & Admin	19,087.15	
Nueces WSC - General & Admin	19,044.04	
Interlocal Rec-Bishop	(0.03)	
Interlocal Rec-Driscoll	4,844.60	
Interlocal Rec-Ricardo	4,658.55	
RWSC-Credit Card	607.32	
Interlocal Rec-Nueces	39,167.28	
NWSC Credit Card	936.27	
Due From Capital Projects Fund	349,958.18	
Due from Debt Service Fund	2,621.41	
Due from D.S .-Collect Service	16,505.60	
Notes Receivable - Current	152.47	
Prepaid Expenses	42,053.92	
Inventory	42,276.74	

Total Current Assets		6,504,897.16

Total Assets	-----	6,504,897.16
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Liabilities and Equity

Current Liabilities

Trade Accounts Payable	215,086.02
Conversion Trade Accounts Payable	333.16
Salaries & Wages Payable	26,255.36
Due to NWSC	27,795.00

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SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 7 / 25

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101 Water

Federal WH Taxes Payable	150.77
Medicare Payable	665.32
Unemployment Ins Payable	9,949.26
Emphy Loan WH Payble	(594.42)
Emphy Insurance WH Payble	(19,847.77)
Emphy AFLAC Ins WH Payble	(120.94)
Emphy Nationwide WH Payble	200.00
Emphy Advance WH Payble	(539.46)
Emphy Other WH Payble	4,069.43
Miscellaneous Payables	31,928.72
Compensated Absences	13,824.65
Deferred Tax Revenue	122,898.43

Total Current Liabilities	432,053.53
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Other Liabilities

Due to Debt Service Fund	4,025.05
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Total Other Liabilities	4,025.05
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Total Liabilities	436,078.58
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Equity

Retained Earnings	5,203,157.19
Assigned Fund Bal. - Inventory	41,746.65
CURRENT YEAR INCOME/(LOSS)	823,914.74

Total Equity	6,068,818.58
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Total Liabilities & Equity	6,504,897.16
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**SPECIAL SERVICES
INCOME STATEMENT
FOR PERIOD ENDING July 31, 2025**

83.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Ricardo Water Supply Corporation	22,349	266,029	449,088	59%	279,178	463,829
Nueces Water Supply Corporation	25,592	307,140	439,152	70%	313,962	457,150
TOTAL REVENUES	<u>47,941</u>	<u>573,169</u>	<u>888,240</u>	<u>65%</u>	<u>593,140</u>	<u>920,979</u>
EXPENDITURES						
Personnel	42,161	378,164	454,994	83%	348,688	460,842
Administrator	2,500	25,000	30,000	83%	25,000	30,000
Overhead	36,586	337,720	403,246	84%	300,148	408,138
TOTAL EXPENDITURES *	<u>81,248</u>	<u>740,885</u>	<u>888,240</u>	<u>83%</u>	<u>673,836</u>	<u>898,980</u>
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	<u>(33,305)</u>	<u>(167,716)</u>	<u>0</u>		<u>(80,696)</u>	<u>21,999</u>

**TAX FUND
INCOME STATEMENT
FOR PERIOD ENDING July 31, 2025**

83.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	8,182	1,650,884	1,665,196	99.1%	1,670,800	1,659,615
Delinquent Tax Revenue	6,168	39,286	38,115	103.1%	33,199	37,000
Penalty & Interest - Tax Accounts	2,660	23,568	27,345	86.2%	25,648	26,000
Miscellaneous	0	-25	0	0%	314	0
TOTAL TAXES & INTEREST	17,009	1,713,713	1,730,656	99.0%	1,729,961	1,722,615
EXPENDITURES						
Tax Collector Fees	0	52,396	68,980	76%	53,952	60,627.00
Appraisal Districts	0	22,075	31,651	70%	22,027	11,264.00
TOTAL EXPENDITURES	0	74,471	100,631	74.0%	75,979	71,891
 Transfer to General Fund	 0	 0	 1,630,025	 0%	 1,549,017	 1,650,724
 EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	 17,009	 1,639,241	 0		 104,965	 0

**CAPITAL PROJECTS FUND
INCOME STATEMENT
FOR PERIOD ENDING JULY 31, 2025**

83.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	580	5,789	6,000	96%	12,667	15,200
Other Income	0	0	0	0%	0	0
TOTAL REVENUE AND OTHER FINANCE SOURCES	580	5,789	6,000	96%	12,667	15,200
EXPENDITURES						
Right of Way Acquisition	0	0	0	0%	0	0
Engineering Fees	0	0	0	0%	0	0
Construction Costs	0	0	0	0%	0	0
42" Line-Cathodic Protection	7,315	226,520	135,305	167%	145,513	180,000
Pipeline Condition Assessment	0	0	0	0%	0	0
Legal & Administrative Fees	0	0	0	0%	0	0
Cost of Bond Issuance	0	0	0	0%	0	0
Miscellaneous Fees	0	0	0	0%	0	0
TOTAL EXPENDITURES	7,315	226,520	135,305	167%	145,513	180,000
EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES	(6,735)	(220,731)	(129,305)		(132,846)	(164,800)

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SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 7 / 25

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410 Capital Projects

		Opening Balance	Change	Closing Balance
Assets				
410. 11400	TexStar	159,002.78	580.00	159,582.78
Total Assets		159,002.78	580.00	159,582.78
Liabilities and Fund Equity				
410. 24300	Due to General Fund	250,152.68	7,315.00	257,467.68
410. 28300	Fund Balance	122,845.53		122,845.53
410. 28999	Net Income Current, Year	(213,995.43) (	6,735.00) (	220,730.43)
Total Liabilities and Fund Equity		159,002.78	580.00	159,582.78
Revenue				
410. 47100	Interest income	5,209.04	580.00	5,789.04
Total Revenue		5,209.04	580.00	5,789.04
Expenditures				
410.609010.51100	Salaries/Wages	56,402.41	7,315.00	63,717.41
410.609010.54720	Cathodic Protect Materials	162,802.06		162,802.06
Total Capital Projects		219,204.47	7,315.00	226,519.47

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SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 7 / 25

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410 Capital Projects

	Opening Balance	Change	Closing Balance
Total Expenditures	219,204.47	7,315.00	226,519.47

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SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 7 / 25

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410 Capital Projects

Assets			
Current Assets			
TexStar	159,582.78		

Total Current Assets		159,582.78	

Total Assets			159,582.78
Liabilities and Equity			
Other Liabilities			
Due to General Fund	257,467.68		

Total Other Liabilities		257,467.68	

Total Liabilities			257,467.68
Equity			
Fund Balance	122,845.53		
CURRENT YEAR INCOME/(LOSS)	(220,730.43)		

Total Equity		(97,884.90)	

Total Liabilities & Equity			159,582.78

**DEBT SERVICE FUND
INCOME STATEMENT
FOR PERIOD ENDING July 31, 2025**

83.33%

	MONTHLY	YEAR TO DATE	2025 ADOPTED BUDGET	% OF 2025 ADOPTED BUDGET	2024 YEAR TO DATE	2024 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	1,723	346,307	367,927	94%	354,901	369,941
Delinquent Tax Revenue	1,373	8,529	9,500	90%	7,398	9,000
Penalty & Interest - Tax Accounts	612	5,151	2,220	232%	5,538	5,000
Out-of-District Surcharge	177	1,420	5,500	26%	1,878	1,370
Intererest on Temporary Investments	1,689	12,629	13,200	96%	14,416	9,000
Miscellaneous	0	1,285	0	0%	2	0
TOTAL TAXES & INTEREST	5,575	375,320	398,347	94%	384,133	394,311
OTHER FINANCING SOURCES						
Excess Bond Proceeds	0	0	0	0%	0	0
TOTAL OTHER FINANCE SOURCES	0	0	0	0%	0	0
TOTAL REVENUE AND OTHER FINANCE SOURCES	5,575	375,320	398,347	94%	384,133	394,311
EXPENDITURES						
Fiscal Agent Fees	0	100	200	50%	100	200
Bond Interest Expense	0	43,175	86,350	50%	47,000	94,000
Bond Principal Payments	0	0	260,000	0%	0	255,000
Tax Collector Fees	0	11,033	14,650	75%	5,781	14,927
Appraisal District Fees	0	4,648	6,723	69%	9,172	6,014
Miscellaneous	0	0	0	0%	0	0
TOTAL EXPENDITURES	0	58,956	367,923	16%	62,053	370,141
EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES	5,575	316,364	30,424		322,080	24,170

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SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 7 / 25

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310 Debt Service

		Opening Balance	Change	Closing Balance
Assets				
310. 11300	TexPool	459,567.62	5,220.82	464,788.44
310. 12100	Tax Accounts Receivable	55,352.98		55,352.98
310. 12101	Allowance for Uncollect Taxes	(11,370.61)	(	11,370.61)
310. 12120	Interlocal Rec - Tax Assessor	470.78	176.85	647.63
310. 13511	Due from General Fund	3,670.07	177.49	3,847.56
Total Assets		507,690.84	5,575.16	513,266.00
Liabilities and Fund Equity				
310. 21700	Deferred Tax Revenue	43,982.37		43,982.37
310. 24300	Due to General Fund	19,127.01		19,127.01
310. 28300	Fund Balance	133,793.77		133,793.77
310. 28999	Net Income Current Year	310,787.69	5,575.16	316,362.85
Total Liabilities and Fund Equity		507,690.84	5,575.16	513,266.00
Revenue				
310. 41100	Tax Revenue	344,583.95	1,722.65	346,306.60
310. 41120	Delinquent Tax Revenue	7,155.18	1,373.40	8,528.58
310. 41150	Penalties & Interest - Tax	4,538.49	612.18	5,150.67
310. 44240	Surcharge - Out-of-District	1,242.43	177.49	1,419.92
310. 46100	Miscellaneous Income	1,284.43		1,284.43
310. 47100	Interest income	10,939.42	1,689.44	12,628.86
Total Revenue		369,743.90	5,575.16	375,319.06

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SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 7 / 25

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310 Debt Service

		Opening Balance	Change	Closing Balance
Expenditures				
310.603000.53260	Tax Collector Fees	11,032.98		11,032.98
310.603000.53270	Appraisal District Fees	4,648.23		4,648.23
310.603000.56120	Bond Interest Expense	43,175.00		43,175.00
310.603000.56130	Fiscal Agent's Fees	100.00		100.00
Total Debt Services		58,956.21		58,956.21
Total Expenditures		58,956.21		58,956.21

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SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 7 / 25

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310 Debt Service

Assets

Current Assets

TexPool	464,788.44
Tax Accounts Receivable	55,352.98
Allowance for Uncollect Taxes	(11,370.61)
Interlocal Rec - Tax Assessor	647.63
Due from General Fund	3,847.56

Total Current Assets	513,266.00
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Total Assets	513,266.00
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Liabilities and Equity

Current Liabilities

Deferred Tax Revenue	43,982.37
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Total Current Liabilities	43,982.37
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Other Liabilities

Due to General Fund	19,127.01
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Total Other Liabilities	19,127.01
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Total Liabilities	63,109.38
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Equity

Fund Balance	133,793.77
CURRENT YEAR INCOME/(LOSS)	316,362.85

Total Equity	450,156.62
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Total Liabilities & Equity	513,266.00
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ATTACHMENT 3

O&M Report

Memorandum

To: South Texas Water Authority Board of Directors and John Marez, Administrator
From: Patrick Sendejo, O&M Manager / Victor Gutierrez, Field Supervisor
Date: September 2, 2025
Re: O&M Technical Report

During the Week of August 4th 2025:

Admin:

- Review GPS Records
- Update Daily Water Loss
- TRWA Apprenticeship Weekly Hours Update (Noe Moreno).
- Basic Water Training/Locate Training/CSI Training/Standard Operation Procedure Training.
- Schedule testing and courses for field staff. (Class D water license)

Operations:

- Collect/Monitor NAP samples – STWA, RWSC & NWSC
- Monitor residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on the 42" line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run & RWSC Meter Run @ Office
- Weekly CL 17 Verification
- NWSC/RWSC Meter Readings
- Locates – STWA, RWSC & NWSC
- Completed service orders for NWSC & RWSC.
- Completed Taps – (scheduled for 8/11/2025)

Safety & Maintenance:

- Safety Meeting: **(Open Crew discussions on all aspects of preventative maintenance, which includes time for any Q&A.) (JSA preventative hazard safety meeting to address any potential hazard.)**
- Generators – Exercise Transfer Switch
- Weekly/Monthly Preventative Maintenance – Heavy Equipment, Lawn care equipment, Leak equipment, Pump-station equipment, Tap equipment.
- Daily Vehicle Maintenance Report – Interior, Exterior & Under the Hood Inspections.

Cathodic Protection:

- Weekly Monitoring of Rectifiers
- Assist with GIS system updates for 42" line and the Corporations
- Continue to assist with locates for STWA, NWSC, RWSC.
- Updating diamond maps to assist with correcting water line locations for all corps.
- Repair ARV in Driscoll at youth center along S Bus. HWY 77 using KLX.

During the Week of August 11th 2025:

Admin:

Review GPS records
Update Daily Water Loss
TRWA Apprenticeship Weekly Hours Update (Noe Moreno)
Noe Moreno attended the TRWA Conference in Galveston TX (Credit Hours)
Basic Water Training/Locate Training/CSI Training/ Standard Operation
Procedure Training.

Operations:

Collect/Monitor NAP samples – STWA, RWSC & NWSC
Monitor residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on
the 42” line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run & RWSC
Meter Run @ Office
Weekly CL17 Verification
Meter Readings – NWSC, RWSC
Locates – STWA, RWSC, NWSC
Completed Service Orders for NWSC and RWSC
Completed Taps - (scheduled for week of 8/18/2025)

Safety & Maintenance:

Safety Meeting:

**(Open Crew discussions on all aspects of preventative maintenance, which
includes time for any Q&A.) (JSA preventative hazard safety meeting to
address any potential hazard.)**

Generators – Exercise Transfer Switch.

Weekly Preventative Maintenance – Heavy equipment, Lawn care equipment,
Leak equipment, Pump-station equipment, Tap equipment.

Daily Vehicle Maintenance Report - Interior, Exterior & Under the hood
Inspections.

Cathodic Protection:

Weekly Monitoring of Rectifiers

Assist with GIS system updates for 42” line and the Corporations

Continue to assist with locates for STWA

Updating diamond maps to assist with correcting water line locations for all
corps.

Repair ARV in Driscoll at youth center along S Bus. HWY 77 using KLX.

During the Week of August 18th 2025:

Admin:

- Review GPS records
- Update Daily Water Loss
- TRWA Apprenticeship Hour Updates (Noe Moreno)
- Basic Water Training/Locate Training/CSI Training/Standard Operation Procedure Training.

Operations:

- Collect/Monitor NAP samples – STWA, RWSC & NWSC
- Monitor Residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on the 42" line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run & RWSC Meter Run @ Office
- Lockouts NWSC & RWSC
- Weekly CL 17 Verification.
- Locates – STWA, RWSC, NWSC
- Completed service orders for NWSC and RWSC
- Completed Taps – (Scheduled for weekend of 8/22/2025)

Safety & Maintenance:

- Safety Meeting:
 - (Open crew discussion of safety concerns, Crew discussions on all aspects of preventative maintenance, which includes time for any Q&A.) (JSA preventative hazard safety meeting to address any potential hazard.)**
 - Training video on safety during leak repairs (:30 min)**
- Generators – Exercise Transfer Switch
- Weekly Preventative Maintenance – Heavy Equipment, Lawn care equipment, Leak equipment, Pump-station equipment, Tap equipment.
- Daily Vehicle Maintenance Report - Interior, Exterior & Under the Hood Inspections

Cathodic Protection:

- Weekly Monitoring of Rectifiers
- Assist with GIS system updates for 42" line and the Corporations
- Continue to assist with locates for STWA
- Updating diamond maps to assist with correcting water line locations for all corps.
- Completed repair ARV in Driscoll at youth center along S Bus. HWY 77 using KLX.

During the Week of August 25th 2025

Admin:

- Review GPS records
- Update Daily Water Loss
- City Gallons Report
- TRWA Apprenticeship Hour Updates (Noe Moreno)
- Basic Water Training/Locate Training/CSI Training/Standard Operation Procedure Training.

Operations:

- Collect/Monitor NAP samples – STWA, RWSC & NWSC
- Monitor Residuals (Total, Free, Mono, FAA) for the Driscoll Booster Station on the 42" line – Driscoll Before, Ave G, CR 16, Kingsville Meter Run & RWSC Meter Run @ Office
- BACT Samples STWA, NWSC, & RWSC
- Weekly CL 17 Verification
- Lockouts NWSC & RWSC
- Locates – STWA, RWSC, NWSC
- Completed service orders for NWSC and RWSC
- Completed Taps/Extensions – (4)

Safety & Maintenance:

Safety Meeting:

- (Open crew discussion of safety concerns, Crew discussions on all aspects of preventative maintenance, which includes time for any Q&A.) (JSA preventative hazard safety meeting to address any potential hazard.)**
- How to grab a Nitrate and Nitrite sample for NAPS for all entry points.**
- TCEQ request this quarterly and maintain records for 5years.**
- Generators – Exercise Transfer Switch
- Weekly Preventative Maintenance – Heavy Equipment, Lawn care equipment, Leak equipment, Pump-station equipment.
- Daily Vehicle Maintenance Report - Interior, Exterior & Under the Hood Inspections

Cathodic Protection:

- Weekly Monitoring of Rectifiers
- Called in locates for Visual inspection of locations in question that need attention.
- Assist with GIS system updates for 42" line and the Corporations
- Continue to assist with locates for STWA
- Updating diamond maps to assist with correcting water line locations NWSC/RWSC etc.

Current Projects:

- Working with ICE on Master plan surveys and preparations for repairs of Central Bishop East and Ricardo Pumps Stations.
- Continue to revise GIS Digital maps to improve coordinates of water lines, meter locations, valves, ARVs, Dead-end mains and pump stations.
- Working on improvements of SCADA system for quick response time for alerts to address issues before they occur. Pursuing new cellular comms currently using radio comms which is unstable. ETA Update pending as of 10/1/2025
- Completed replacement Meter run sensors for SCADA alert improvements as of 8/1/2025
- Replace check valve at NWSC Central pumpstation (for compliance with TCEQ)
- Place Bishop West and Kingsville CI2 and LAS booster online after 5 years of inactivity due to troubleshooting residuals at booster in Driscoll
- Working on a Field Guide with SOP procedures for field staff in training to have a checklist to help guide them during an emergency situation. (partial complete as of 8/22/2025).
- All field staff are pending water courses or testing
- Noe Moreno – tested CSI on 8/26/2025 tested Class C distribution test on 8/28/2025.
- Victor Deleon – tested Basic water test on 8/29/2025
- Cody Tullos – basic water virtual course on 9/29/2025
- Zack Elliott – basic water virtual course on 9/29/2025
- Daniel Hinojosa – Class C Distribution renewal pending TCEQ approval letter
- David Sendejo – pending TCEQ approval letter
- Joseph Lucas Perez – Schedule Resiliency course first week of September 2025.
- Patrick and Victor Gutierrez Scheduling test after hours are met by TCEQ for approval letter for Class B licenses for O&M and Field Supervisor.
- Scheduling service taps and extensions has been challenging due to weather and staff availability amongst many other tasks TCEQ has continued to add on top of our day-to-day operations. It would be suggestive to consider possibly hiring an additional employee to assist with handling the task that can get backed up or assist our operators in catching up on taps, leaks, and service orders.
- Additional booster at Kingsville Ricardo meter run to help maintain residual south into RWSC would be helpful to reduce TTHMs and to minimize flushing needed to stay in compliance with TCEQ.

CP Report:

After losing Hector Barbosa from resignation, and pursuing a better opportunity He left us with a budget and a scope of work to continue CP along 42" pipeline and ongoing projects which include potential rectifiers and ARV repairs.

Contract bids

50,000 deep well rectifiers

65,000per Repair of ARVs

He also indicated utilizing him for consultation or contract work to assist in our efforts to provide an adequate CP program.

His assistant David Sendejo will continue in his progress to maintain surveys and locates on 42" while also assisting O&M during his downtime.

ATTACHMENT 4

FY 2026 Budget

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Admin
Date: September 3, 2025
Re: Proposed Fiscal Year 2025/26 Budget

Background:

The STWA must set a tax rate and water rate annually to cover debt and operating expenses. Staff reviews prior expenditures and anticipated costs of the upcoming budget year and continues to review until the Board takes action on approving the budget in September.

Enclosed is the Proposed Fiscal Year 2025/2026 Budget.

Analysis:

Enclosed are the Proposed Fiscal Year 2025-26 Budgets. Beginning during May 22nd Regular Board meeting, staff has received necessary information impacting the FY 2026 budget. On July 25th, both counties provided certified values as required by state law, showing an increase of approximately \$200 million over the preliminary values.

We have also received the proposed budgets from the appraisal districts, and the STWA quarterly contributions have been included in this budget. The City of Corpus Christi will decrease the water rate for STWA by approximately \$0.09 per 1,000 gallons overall between an increase in raw water cost and treated water cost.

This proposed budget is based on an increase in Handling Charge rate of \$0.60 per 1,000 gallons, and it assumes a total sales volume of around 545 million gallons. This volume is calculated based on a five-year average for all customers, excluding the City of Kingsville, and would generate approximately \$313,000 in Handling Charge revenues.

Staff Recommendation:

Approve the budget as presented.

Board Action:

Approve the proposed FY 25/26 Budget and corresponding Resolutions.

Summary:

The proposed budgets were sent to the wholesale customers for a 30-day review and comment period. The budget has been posted for review and is now available for the board to take action.

There was no modification to the budget since last presented during the August 5, 2025 meeting.

STWA FY 2026 CHANGES TO FUND BALANCE

PROJECTED BEGINNING BALANCE	REVENUES	EXPENSES	PROJECTED NET INCOME & ENDING BALANCE
General/ Revenue Fund \$5,135,254	Water Revenue (Pass thru) \$1,745,727	Cost of Corpus Christi Water \$1,745,727	FY 2026 Net Income/(Loss) (\$988,592)
Direct Delivery Water Cost \$3.18666	Handling Charge Revenue \$313,248	Water Loss \$0	END FUND BALANCE \$4,146,662
	Premium Incremental Increase/O & M Fees \$20,350		
Handling Charge \$0.600000	Interest Revenue \$165,000	M & O/Administrative \$2,154,359	
	Special Services Fees \$1,121,738	Special Services Expenses \$1,121,738	
	Misc, Tax Sur & Asset Disp \$42,264	Capital Outlay/Acquisition \$975,474	
	Transfer from Tax Fund \$1,600,379		
	Total General Revenues \$5,008,705	Total Expenses \$5,997,298	
M&O Tax Fund \$0	M&OTax Revenues \$1,635,951	Transfer to Revenue Fund \$1,600,379	Tax Fund \$0
Tax Base Value \$3,438,697,101	M&O Delinquent Taxes + P&I \$69,200	Appraisal Districts \$33,730	
Kleberg County \$1,788,035,518	Interest Earned \$0	Tax Collector's Fees \$71,042	
Nueces County \$1,650,661,583	Transfer from Reserve Fund \$0	Miscellaneous \$0	
96.00%	Miscellaneous \$0	Total Expenses \$1,705,151	
M&O Tax Rate @ \$0.049557	Total M&O Tax Fund Revenue \$1,705,151		
I&S Tax Fund \$163,684	I &STax Revenues \$348,750	Transfer to Revenue Fund \$0	I&S Tax Fund Est. Balance \$169,024
Tax Base Value \$3,438,697,101	I&S Delinquent Taxes + P&I \$15,000	Appraisal Districts \$6,910	
Kleberg County \$1,788,035,518	Interest Earned \$10,000	Tax Collector's Fees \$14,550	
Nueces County \$1,650,661,583	Transfer from Reserve Fund \$0	Principal, Interest, Fiscal Fees \$348,750	
100.00%	Fee in Lieu of Taxes \$1,800	Total Expenses \$370,210	
I&STax Rate @ \$0.010142	Total I&S Tax Fund Revenue \$375,550	Financing Sources Over (Under) \$5,340	

Water District

Notice of Public Hearing on Tax Rate

The South Texas Water Authority Board of Directors will hold a public hearing on a proposed tax rate for the tax year 2025 on September 9, 2025 at 5:30 p.m. at the Courthouse Annex Law Enforcement Center located at 1500 E. King, Kingsville, Texas 78363. Your individual taxes may increase or decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

FOR the proposal: *Names will be filled in.*

AGAINST the proposal: *Names will be filled in.*

PRESENT and not voting: *Names will be filled in.*

ABSENT: *Names will be filled in.*

The following table compares taxes on an average residence homestead in this taxing unit last year to taxes proposed on the average residence homestead this year.

	Last Year		This Year
Total tax rate (per \$100 of value)	\$0.065695 /\$100		\$0.059699 /\$100
	Adopted		Proposed
Difference in rates per \$100 of value		-\$0.005996	/\$100
Percentage increase/decrease in rates(+/-)		-9.13%	
Average appraised residence homestead value	\$143,860		\$163,153
General exemptions available (excluding 65 years of age or older or disabled person's exemptions)	\$5,000		\$5,000
Average residence homestead taxable value	\$138,860		\$158,153
Tax on average residence homestead	\$91.22		\$94.42
Annual increase/decrease in taxes if proposed tax rate is adopted (+/-)		+ \$3.19	
and percentage of increase (+/-)		+ 3.50%	

NOTICE OF TAXPAYERS' RIGHT TO ROLLBACK ELECTION

If taxes on the average residence homestead increase by more than eight percent, the qualified voters of the water district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the rollback tax rate under Section 49.236(d), Water Code.

THIS LOWER PORTION IS NOT PUBLISHED - FOR INTERNAL INFORMATION ONLY

Total of Debt Service Expenses at % collection below:	\$	348,750.00	Kleberg
	100%		\$ 1,788,035,518
			Nueces
Certified Taxable Value	\$	3,438,697,101	\$ 1,650,661,583
I&S Tax included in Proposed Rate Above		\$0.010142	Total
Actual M&O Tax Rate Proposed		\$0.049557	\$ 3,438,697,101
		\$0.059699	DS Requirement
			\$ 348,750
			Percent Collection 100%

SOUTH TEXAS WATER AUTHORITY
PROPOSED FY 2026 BUDGET
GENERAL FUND

CC Water Cost
\$3.20610
Handling Charge
\$0.600000
M&O Tax Rate
\$0.049557
I&S Tax Rate
\$0.010142

PROPOSED
FY 2026
BUDGET

REVENUES

Water Service Revenues	3% pay increase \$1,745,727
Handling Charge Revenue	\$313,248
Premium Incremental Increase	\$12,500
Fee in Lieu of Taxes	\$12,264
Interest on Temp. Invest.	\$165,000
Other Revenue	
Operations & Maintenance Fees	\$7,850
Miscellaneous Revenues	\$15,000
 TOTAL REVENUES	 \$2,271,588

EXPENDITURES

Water Service Expenditures:	
Bulk Water Purchases	\$1,745,727
Water Loss	\$0
 TOTAL WATER SERVICE	 \$1,745,727

Payroll Costs

Salaries & Wages -	
Permanent Employees	\$433,906.62
Vacation Buy Back	\$6,000
Part-Time Employee	\$0
Overtime - NWSC	\$0
Stand-by Pay - NWSC	\$0
Overtime - RWSC	\$0
Stand-by Pay - RWSC	\$0
Overtime - STWA	\$24,000
Stand-by Pay - STWA	\$1,560
Employee Retirement Premiums	\$69,044
Group Insurance Premium	\$270,401
Unemployment Compensation	\$515
Workers' Compensation	\$10,189
Hospital Insurance Tax	\$5,994
 TOTAL PERSONNEL	 \$821,609

Supplies & Materials

Repairs & Maintenance	\$125,000
Meter Expense	\$5,000
Tank Repairs	\$35,000
Major Repairs	\$125,000
 TOTAL SUPPLIES & MATERIALS	 \$290,000

Other Operating Expenditures:	
Professional Fees	
Legal	\$125,000
Auditing	\$12,200
Engineering	\$250,000
Management & Consulting	\$80,000
JMAR Management Consulting, LLC	\$70,000
Inspection	\$7,500
TOTAL PROFESSIONAL FEES	\$544,700
Consum Supplies/Materials:	
Postage	\$8,500
Printing/Office Supplies	\$37,500
Janitorial/Site Maintenance	\$22,500
Fuel/Lubricants/Repairs	\$70,000
Chemicals/Water Samples	\$45,000
Safety Equipment	\$5,000
Small Tools	\$3,000
TOTAL CONSUM SUPPLIES/MATERIALS	\$191,500
Recurring Operating Costs:	
Telephone/Communications	\$40,000
Utilities	\$112,500
D & O Liability Insurance	\$4,500
Property Insurance	\$63,000
General Liability	\$6,000
Auto Insurance	\$4,800
Travel/Training/Meetings - Staff	\$20,000
Travel/Training/Meetings - Board of Directors	\$10,000
Travel/Training/Meetings - Legislation	\$2,000
Rental-Equipment/Uniforms	\$9,500
Dues/Subscriptions/Publications	\$19,000
Pass Through Costs	\$250
TOTAL RECURRING OPER. COSTS	\$291,550
Miscellaneous:	
Miscellaneous Expenditures	\$15,000
TOTAL MISCELLANEOUS	\$15,000
Total Administrative & Operations Exp.	\$3,900,086
Capital Outlay:	
Capital Acquisition	\$384,974
Capital Projects - Cathodic Protection	\$590,500
TOTAL CAPITAL OUTLAY	\$975,474
TOTAL EXPENDITURES (w/o D.S. exp.)	\$4,875,560
Excess (Deficiencies) of	
Revenue Over Expenditures	(\$2,603,972)

OTHER FINANCE SOURCES (USES)

Other Financing Sources:

Disposition of Assets (Surplus Sale)

\$15,000

Transfer from Tax Fund

\$1,600,379

TOTAL OTHER FINANCING
SOURCES (USES)

\$1,615,379

EXCESS (DEFICIENCIES)
OF REVENUES OVER OTHER
SOURCES (USED)

(\$988,593)

NET INCOME

(\$988,593)

FY 2025

CAPITAL OUTLAY/ACQUISITION

\$50,000 1 New Truck

\$75,000 1 Haul Truck

\$110,000 Chlorine Analyzer Upgrades

\$62,718 4" pump

\$56,256 Hydro-Vac trailer mount

\$7,500 New Copier

\$6,000 Technology Upgrades

\$13,500 Zero Turn Mower

\$4,000 Mower Trailer

\$384,974

Cathodic Protection

\$590,500

\$975,474 TOTAL CAPITAL OUTLAY

SOUTH TEXAS WATER AUTHORITY
PROPOSED FY 2026 BUDGET
SPECIAL SERVICES

RWSC - 1148 customers - 50.26%
NWSC - 1136 customers - 49.74%
2284 total customers

50.26%
49.74%

CC Water Cost
\$3.18666
Handling Charge
\$0.600000
M&O Tax Rate
\$0.049557
I&S Tax Rate
\$0.010142

PROPOSED
FY 2026
BUDGET

REVENUES

Ricardo Water Supply Corporation
Nueces Water Supply Corporation

3% pay increase
\$563,786
\$557,953

TOTAL SPECIAL SERVICES REVENUE

\$1,121,738

EXPENDITURES

Personnel
Overhead
Administrator

\$527,392
\$564,346
\$30,000

TOTAL EXPENDITURES

\$1,121,738

REVENUES OVER EXPENDITURES

\$0

SOUTH TEXAS WATER AUTHORITY
PROPOSED FY 2026 BUDGET
M & O TAX FUND

CC Water Cost
\$3.18666
Handling Charge
\$0.600000
M&O Tax Rate
\$0.049557
I&S Tax Rate
\$0.010142

PROPOSED
FY 2026
BUDGET

REVENUES

Ad Valorem - Current (M&O)	\$1,635,951
Delinquent Taxes	\$40,000
Penalty & Interest - Tax Accounts (M&O)	\$29,200

TOTAL M&O TAX REVENUES \$1,705,151

EXPENDITURES

Tax Collector Fees	\$71,042
Appraisal Districts	\$33,730
Refunds	\$0

TOTAL EXPENDITURES \$104,772

REVENUES OVER EXPENDITURES \$1,600,379

OTHER USES

Transfer to Revenue Fund (Tax)	\$1,600,379
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TOTAL EXPEND. & OTHER USES \$1,705,151

Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$0
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SOUTH TEXAS WATER AUTHORITY
PROPOSED FY2026 BUDGET
DEBT SERVICE FUND

CC Water Cost
\$3.18666
Handling Charge
\$0.600000
M&O Tax Rate
\$0.049557
I&S Tax Rate
\$0.010142

PROPOSED
FY 2026
BUDGET

REVENUES

Ad Valorem - Current (I & S)	\$348,750
Delinquent Taxes	\$9,500
Out of District - Fee in Lieu of Taxes - NCWCID#5	\$1,800
Penalty & Interest - Tax Accounts (I & S)	\$5,500
Interest on Temporary Investments	\$10,000
 TOTAL M&O TAX REVENUES	 \$375,550

EXPENDITURES

Fiscal Agent Fees	\$200
Bond Interest Expense	\$78,550
Bond Principal Payments	\$270,000
Tax Collector Fees	\$14,550
Appraisal Districts	\$6,910
Refunds	\$0

TOTAL EXPENDITURES	\$370,210
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REVENUES OVER EXPENDITURES	\$5,340
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TOTAL EXPEND. & OTHER USES	\$370,210
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Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	 \$5,340
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**SOUTH TEXAS WATER AUTHORITY
FY 2025 ADOPTED BUDGET
CAPITAL PROJECT FUND**

Cost of Bond Issuance:	\$107,386.40	
Proposition #1: REGIONAL WATERLINE	\$1,900,000.00	36.54%
Proposition #2: KINGSVILLE PUMP STATION	\$2,925,000.00	56.25%
Proposition #3: BISHOP FACILITY	\$375,000.00	7.21%
	\$5,307,386.40	100.00%

	2013 THRU 2020 REVENUE & EXPEND.	2021 REVENUE & EXPEND.	2022 REVENUE & EXPEND.	2023 REVENUE & EXPEND.	2024 REVENUE & EXPEND.	Year to Date 2025 REVENUE & EXPEND. 7/31/2025	2026 PROPOSED BUDGET
REVENUES							
Bond Proceeds	\$5,307,386.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Earnings	\$73,525.59	\$268.66	\$2,540.00	\$18,143.00	\$15,218.00	\$5,789.00	\$0.00
Other Income - STWA General Fund	<u>\$7,167.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$590,500.00</u>
Total Revenue and Other Financing Sources	\$5,388,078.99	\$268.66	\$2,540.00	\$18,143.00	\$15,218.00	\$5,789.00	\$590,500.00
EXPENDITURES							
Right of Way Acquisition	\$57,436.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Engineering Fees	\$696,806.00	\$2,175.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Construction Costs	\$3,349,664.30	\$305,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
42" Line - Cathodic Protection	\$149,872.34	\$120,910.00	\$9,172.10	\$26,899.00	\$171,089.00	\$226,520.00	\$590,500.00
Pipeline Condition Assessment	\$100,605.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Legal & Administrative Fees	\$61,988.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cost of Bond Issuance	\$98,669.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Fees	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL EXPENDITURES	\$4,515,040.64	\$428,085.00	\$9,172.10	\$26,899.00	\$171,089.00	\$226,520.00	\$590,500.00
TOTAL EXPEND. & OTHER USES	\$4,515,040.64	\$428,085.00	\$9,172.10	\$26,899.00	\$171,089.00	\$226,520.00	\$590,500.00
Excess Bond Proceeds/ Transfer to Debt Service to use toward first Debt Service payment.	\$8,717.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Financing Expenditures	\$4,523,758.14	\$428,085.00	\$9,172.10	\$26,899.00	\$171,089.00	\$226,520.00	\$590,500.00
Excess Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$864,320.85	-\$427,816.34	-\$6,632.10	-\$8,756.00	-\$155,871.00	-\$220,731.00	\$0.00
FUND BALANCE	\$864,320.85	\$294,105.09	\$287,472.99	\$278,716.99	\$122,845.99	-\$97,885.01	\$0.00

ATTACHMENT 5

Resolution 25-25

SOUTH TEXAS WATER AUTHORITY
Resolution 25-25

RESOLUTION ADOPTING THE RECOMMENDED FISCAL YEAR 2026 BUDGET.

WHEREAS, the South Texas Water Authority is required to adopt a budget for each fiscal year,
and

WHEREAS, with the adoption of this budget, the Authority adopts the following Handling Charge
and *estimated* Water Rate for Customers:

A Handling Charge of 60¢ per thousand gallons PLUS the cost of water purchased from the City of
Corpus Christi which is based on *estimated* monthly sales volume as follows:

Month	ESTIMATED Volume	Corpus Christi Water Cost	Corpus Christi Price Per 1000g
October-25	44,837,249	\$147,199	\$3.282958
November-25	42,076,264	\$138,281	\$3.286433
December-25	43,713,645	\$143,570	\$3.284319
January-26	41,522,302	\$132,552	\$3.192316
February-26	41,294,362	\$131,839	\$3.192660
March-26	45,347,839	\$144,526	\$3.187059
April-26	46,034,180	\$146,674	\$3.186208
May-26	46,102,624	\$146,889	\$3.186125
June-26	47,685,543	\$151,843	\$3.184262
July-26	51,561,116	\$163,974	\$3.180183
August-26	50,355,512	\$160,200	\$3.181385
September-26	43,320,181	\$138,180	\$3.189730

The *estimated* Total Monthly Water Rate per month is as follows:

Month	Handling Charge	Corpus Christi Price Per 1000g	Estimated Total Price Per 1000g
October-25	0.600000	\$3.282958	\$3.882958
November-25	0.600000	\$3.286433	\$3.886433
December-25	0.600000	\$3.284319	\$3.884319
January-26	0.600000	\$3.192316	\$3.792316
February-26	0.600000	\$3.192660	\$3.792660
March-26	0.600000	\$3.187059	\$3.787059
April-26	0.600000	\$3.186208	\$3.786208
May-26	0.600000	\$3.186125	\$3.786125
June-26	0.600000	\$3.184262	\$3.784262
July-26	0.600000	\$3.180183	\$3.780183
August-26	0.600000	\$3.181384	\$3.781384
September-26	0.600000	\$3.189730	\$3.789730

Out of District Customers shall pay an in lieu of taxes monthly charge based on the Customer's taxable
value and the adopted tax rate.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the South Texas Water Authority adopts the attached Fiscal Year 2026 Budget and above stated water rates as reviewed by the Board of Directors.

Duly adopted this 9th day of September, 2025.

JOSE GRAVELEY, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 6

Resolution 25-26

SOUTH TEXAS WATER AUTHORITY

Resolution 25-26

RESOLUTION ADOPTING THE FISCAL YEAR 2026/TAX YEAR 2025 TAX RATE.

WHEREAS, the South Texas Water Authority Board of Directors has determined that it is necessary to levy and collect ad valorem taxes for the 2025 tax year, and

WHEREAS, the combined appraisal rolls of the South Texas Water Authority have been compiled by the Appraisal Districts in Nueces and Kleberg Counties, and

WHEREAS, South Texas Water Authority held a public hearing on a proposed tax rate for the tax year 2025 on September 9, 2025 at 5:30 p.m. at 1500 East King Ave., Kingsville, Texas 78363.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Texas Water Authority that the following tax rate shall be levied for Fiscal Year 2026/Tax Year 2025:

\$0.049557 per \$100 of taxable value for the purposes of maintenance and operation

\$0.010142 per \$100 of taxable value for debt service

\$0.059699 total tax rate per \$100 of taxable value

Duly adopted this 9th day of September, 2025.

JOSE M. GRAVELEY, PRESIDENT

ATTEST:

IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 7

Bids for FY26 Pickup Truck

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Exec Dir/Admin
Date: September 3, 2025
Topic: Specifications for Pickup Truck 4-Door Crew Cab Standard Bed – Gas Engine

Background:

The South Texas Water Authority continues its efforts to modernize and replace its aging vehicle fleet. Beginning in January 2025 after reviewing the original specifications for replacement trucks, our Operations and Maintenance (O&M) Manager identified opportunities to improve bid pricing by making minor adjustments to the engine type. Specifically, the recommendation to modify the specifications from an 8-cylinder to a 6-cylinder engine is expected to result in cost savings while maintaining operational efficiency.

The specifications provided along with this memo offer the Board of Directors clear guidance on the type of trucks best suited for field staff use.

Analysis:

Recent purchases of similar trucks have cost approximately \$60,000 per vehicle. By updating the specifications to include a 6-cylinder engine, we anticipate a reduction in overall purchase costs. These adjustments align with the Authority's fiscal responsibility and operational needs.

Staff Recommendation:

Authorize staff to:

1. Submit a bid proposal for a Pickup Trucks based on the provided specifications.
2. Make minor adjustments to the specifications, as necessary, without requiring additional board votes.

The specifications provided as an attachment detail the updated requirements for the proposed vehicles. This may allow for staff to purchase one or both vehicles without having to bring forward to the board for final approval if any vehicle price comes below procurement laws.

Board Action:

Authorize staff to proceed with submitting a bid proposal to dealerships for a Pickup Truck reflecting the specifications, ensuring flexibility to make necessary adjustments during the procurement process.

Summary:

Following the submission of specifications to the open market, staff will present a recommendation to the Board of Directors during the September 23, 2025 meeting. This recommendation will include pricing, delivery timelines, and make/model options to enable the board to make a well-informed decision.

Attachment: Updated Specifications for Half-Ton Pickup Trucks

SPECIFICATION SHEET
For 2025 - 2026 Work Truck
Mid-size to 1/2 TON 4x2 or 4 x 4 PICKUP TRUCK
4-DOOR CAB STANDARD-BED (GAS ENGINE)

GVWR (lbs.) Gross Vehicle Weight Rating: 4,000 to 6,400 minimum
Payload (lbs.) 1,500 to 1,800 minimum

Transmission: 4 speed automatic minimum
Engine: 4-to-8-cylinder gas engine
Alternator: Standard with 4-to-8-cylinder gas engine
Steering: Power
Battery: Standard with 4-to-8-cylinder gas engine
Brakes: Power or Power vented disc

Wheel Base: 133 min.
Shock Absorbers:
 Front - Heavy duty
 Rear -- Heavy duty
Cooling System: Standard
Parking Brakes: Cable to rear wheels
Fuel Tank: 25 gal. min.

Tire Size: Four (4) Standard size all-terrain for truck with standard size spare

Color: White/Grey

Directional Signals: Factory installed front and rear with warning switch.

Heater: Factory installed with defrosters.

Accessories :

- Towing package.
- Inside upper cab light.
- Cigarette lighter.
- Extra 12V plug.
- Air Conditioner factory installed in dash.
- AM/FM clock/radio.
- Standard mirrors.
- Tinted windows.
- Instrument gauges-Fuel, oil pressure, engine temperature and amp meter.
- Seats – standard.
- Rear view mirror with day/night switch.
- Factory installed cruise control.
- Prefer without automatic stop/start.

**PURCHASING SPECIFICATIONS ON
Mid-size to 1/2 TON TRUCKS**

- A. **CLASSIFICATION:** The vehicles described herein are used by the various departments of the Authority for transportation of personnel and hauling all types of cargo, and towing all types of trailers.
- B. **ORDERING AND BIDDING DATA:** The following instructions and information are intended to assist bidders in understanding these specifications, and in completing and submitting bids to the Authority.
 - 1. Bid sheets are included with the bid invitation. They are to be considered a part of this specification. The specific vehicle and the quantity required will be indicated on the bid sheet.
 - 2. Bidder shall fill in all the blank spaces provided on the bid sheet and return one copy of each with bid.
 - 3. Vehicles to be supplied shall be in accordance with the requirements stated in this specification and the requirements stated on the bid sheet.
 - 4. All bids shall be delivered by Certified Mail to South Texas Water Authority 2302 E. Sage Road, Kingsville, Texas 78363 or hand delivered to the Authority's office at 2302 E. Sage Road, Kingsville, Texas and clearly marked "Sealed Bid."
 - 5. The vehicles or equipment described herein shall be purchased from the lowest and best responsible bidder submitting a proposal; or, if appropriate, all bids may be rejected. The determination as to which bidder submitted the lowest bid shall rest solely with the Authority. The Authority reserves the right to waive any irregularities in the bids. In making this decision, the initial purchase price will be considered and the following items will also be considered.
 - a. Scheduled delivery times.
 - b. Facilities of the supplier; they must have facilities adequate to service what they sell.
 - c. Past performance of the supplier and manufacturer concerning such things as meeting scheduled delivery times and parts and service support, both before and after warranty.
 - 6. The latest editions of descriptive literature (picture, brochures, etc.) on all equipment the bidder proposed to furnish shall be furnished with each bid. This literature shall include a copy of all applicable standard manufacturer's warranties.

PURCHASING SPECIFICATIONS
PAGE 3

- C. GENERAL REQUIREMENTS: The following general requirements are applicable to each purchase in accordance with this specification, unless otherwise indicated on the bid sheet.
1. Selling dealer, distributor, supplier, and manufacturer shall be responsible for having complied with all Federal and State of Texas standards, regulations and laws concerning vehicles, applicable and effective on the date of manufacture, including safety, noise and emission control standards as apply to both private industry and governmental agencies. This also includes compliance with applicable OSHA requirements indicated in FMVSS No. 108 and Texas Uniform Act Regulating Traffic on Highways. A State Inspection must be included.
 2. Quantities, color, mounting and other requirements for lamps signals and reflectors, on the vehicles described herein, must meet the requirements indicated in FMVSS No. 108 and Texas Uniform Act Regulating on Highways.
 3. **Do not place decals or markings of any type pertaining to advertisement other than trademarks or model designation normally installed by manufacturer on equipment delivered.**
 4. Speedometer drive train must be properly calibrated in relation to axle ratio and tire size to give accurate readings.
 5. Vehicles shall be equipped with steel disc type wheels. RH5 Deg. two piece center locking rim will not be acceptable. Spoke wheels are not acceptable.
 6. All tires shall be new and the tread style furnished shall be the tire manufacturer's standard design for original equipment line of tire, unless otherwise specified on the bid sheet. All tires and wheels shall be properly balanced prior to delivery. All tires on each vehicle will be the same design, size, and load range rating.
 7. Only the factory applied paint will be acceptable. Sectional painting necessary to repair shipping damage is acceptable; however, any other repainting to meet the specification is not acceptable, unless prior approval, in writing, is obtained. Unless otherwise specified, bodies and equipment mounted onto a truck cab and chassis shall have the final coat of paint to match the cab and chassis.
 8. The term "Heavy Duty" as used in this specification shall mean that the item to which the term is applied shall exceed the usual quantity, quality, or capacity supplied with standard production vehicles, and it shall be able to withstand unusual strain, exposure, temperature, wear and use.
 9. All vehicles, including all accessory equipment furnished under this specification, shall be new, the latest model in current production, and shall be in of good quality workmanship and material. The bidder represents that all units offered under this specification shall meet or exceed the minimum requirements specified for each vehicle series listed herein. All like units shall be equipped with the same components throughout. Vehicles that have been driven more that 200 miles at the time of delivery to the original destination point will not be considered new units and will not be

acceptable without prior written approval.

10. At time of delivery, the successful bidder shall furnish the Authority a manufacturer's certificate of origin, and a manufacturer's new vehicle warranty of each unit. The warranty will be at least the same as the offered to commercial trade and shall be honored by any of the manufacturer's authorized dealers. Warranties shall also be supplied covering all accessory equipment and bodies supplied by the vehicle dealer. All warranties shall be effective the date of delivery of the vehicles to the Authority's Kingsville Facilities. Each vehicle shall have a Texas Department of Public Safety inspection sticker attached prior to delivery. All vehicles must be delivered to 2302 E. Sage Road, Kingsville, Texas.
 11. All vehicles shall be completely assembled, serviced, adjusted, clean and all standard equipment, and specified options shall be installed and the unit made ready for continuous, heavy-duty service. Servicing includes the anti-freeze in the cooling system, a thorough condition and specification compliance inspection shall be made by the servicing dealer. Where feasible, an Authority representative may desire to conduct an acceptance inspection at the delivery dealer's facility. All items omitted from the specifications, including manufacturers standard equipment items, and accessory equipment and bodies supplied by the vehicle dealer which are clearly necessary for the complete operation of the vehicle shall be considered a requirement although not directly specified in this specification.
 12. Concurrent to delivery of equipment, the items listed below shall be supplied for each different type of size of vehicle and accessory equipment installed or furnished. Required literature must be delivered with the vehicles and normal delivery cannot be accepted until all items listed are supplied.
 - a. Operating and Servicing (owner's) Manual in written form; one copy of each per vehicle.
 - b. Shop overhaul, part, and repair manuals to cover all components and systems; one copy of each per type and model of vehicle.
 13. Upon receipt, each vehicle shall be inspected for condition and specification compliance by an Authority representative prior to acceptance. If a unit has to be rejected for any reason, the selling dealer shall be required to pick up the vehicle, accomplish necessary repairs, and return the vehicle to the Authority.
- D. ADDITIONAL REQUIREMENTS: In addition to the requirements in the Specification Sheet and the general requirement in Paragraph C, the vehicle to be supplied must also comply with the requirements indicated below except as changed by the Specification Sheet.
1. Cab - Conventional
 - a. Sun visors - Two - padded.
 - b. Seats - Bench type, with foam cushioned seat and back, covered with standard truck vinyl material or stained resistant cloth, for three people. Seats shall be

equipped with seat belts for three persons.

2. Mirror - Standard truck mirrors, chrome, polished aluminum or may be same as truck color.
3. Engine:
 - a. Cooling system - minimum size and capacity offered by manufacturer for 4-to-8-cylinder gasoline engine.
4. Chassis:
 - a. Brakes - heavy duty, largest capacity and lining available. Standing parking brake.
 - b. Shock absorbers - heavy duty, front and rear.
 - c. Steering - power assist.
 - d. Springs - to meet or exceed GVWR.
 - e. Transmission - Automatic.
 - f. Front bumper
 - g. Tires - should a conflict between tire and GVWR specifications exist, the GVWR will take precedence and the larger sized tire will be used. All tires to be steel belted radials. Tubeless.
 - h. Wheels - all wheels shall be steel disc type wheels.
- E. Contractor agrees to indemnify, save harmless and defend the Authority, its agents, servants, and employees, and each of them against and hold it and them harmless from any and all lawsuits, claims, demands, liabilities, losses or expends, including court costs and attorney fees, for or account of any injury to any person, or any death at any time resulting from such injury, or any damage to any property, which may arise or which may be alleged to have arisen out of or in connection with the bid process, delivery or preparation of the vehicle covered by this contract. The foregoing indemnity shall apply except if such injury, death or damage is caused directly by the negligence or other fault of the Authority, its agents, servants, or employees or any other person indemnified hereunder.

ATTACHMENT 8

Resolution 25-27



Resolution Amending Authorized Representatives

Please complete this form to amend or designate Authorized Representatives. *This document supersedes all prior Authorized Representative forms.*

* Required Fields

1. Resolution

WHEREAS,

SOUTH TEXAS WATER AUTHORITY

Participant Name*

77894

Location Number*

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool / Texpool Prime"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. EDWARD JOHN MAREZ EXECUTIVE DIRECTOR
Name Title

3615929323

Phone

Fax

UMAREZ@STWA.ORG

Email

Signature

2. JO ELLA WGNER ASSISTANT EXECUTIVE DIRECTOR
Name Title

3615929323

Phone

Fax

ASSISTANT EXECUTIVE DIRECTOR

Email

Signature

3. FRANCES DE LEON BUSINESS MANAGER
Name Title

3615929323

Phone

Fax

FVROSALES@STWA.ORG

Email

Signature

1. Resolution (continued)

4. AUGUST PATROELJ FINANCE MANAGER
Name Title
3 6 1 5 9 2 9 3 2 3 APATROELJ@STWA.ORG
Phone Fax Email

Signature

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. *This limited representative cannot perform transactions.* If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name Title

Phone Fax Email

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the day of , 2 0.

Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

Name of Participant*

SIGNED

Signature*

Printed Name*

Title*

ATTEST

Signature*

Printed Name*

Title*

2. Delivery Instructions

Please return this document to **TexPool Participant Services:**

Email: texpool@dstsystems.com

Fax: 866-839-3291



Resolution Amending Authorized Representatives

Please complete this form to amend or designate Authorized Representatives. *This document supersedes all prior Authorized Representative forms.*

* Required Fields

1. Resolution

WHEREAS,

SOUTH TEXAS WATER AUTHORITY

Participant Name*

77894

Location Number*

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- That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool Prime account or (2) is no longer employed by the Participant; and
- That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. JOSE M. GRAVELEY

Name

PRESIDENT

Title

3615925125

Phone

Fax

josegraveley@yahoo.com

Email

Signature

2. FRANCES GARCIA

Name

VICE PRESIDENT

Title

3614552840

Phone

Fax

francesagarcia@yahoo.com

Email

Signature

3. IMELDA GARZA

Name

TREASURER/SECRETARY

Title

3612194511

Phone

Fax

igarza@texasfcu.org

Email

Signature

1. Resolution (continued)

4.

Name	Title
Phone	Fax
Email	
Signature	

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

--

Name

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. *This limited representative cannot perform transactions.* If the Participant desires to designate a representative with inquiry rights only, complete the following information.

Name	Title
Phone	Fax
Email	

- D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the

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 day of

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, 20

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Note: Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

--

Name of Participant*

SIGNED

--

Signature*

--

Printed Name*

--

Title*

ATTEST

--

Signature*

--

Printed Name*

--

Title*

2. Delivery Instructions

Please return this document to **TexPool Participant Services:**

Email: texpool@dstsystems.com

Fax: 866-839-3291

Administration Report

Upcoming STWA Board Meetings

- **September 23, 2025**
- **October 28, 2025**
- **December 9, 2025 (tentative date)**