

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
February 27, 2024
Minutes

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza.
Kathleen Lowman
Joe Morales
Angela Pena
Patsy Rodgers (Zoom)

Board Members Absent:

Rudy Galvan, Jr
Art Rodriguez

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo
Hector Barbosa

Guests Present:

Rogelio Rodriguez, Water Finance Exchange
Terry Arnold, Seven Seas
Oliver Wiese, Seven Seas
Kleberg County Judge Rudy Madrid
Ivan Luna, I.C.E.
Darrell Brownlow
Christopher Williams, Raftelis
Sarah Wingfield, Raftelis
Joe Ortiz

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. A quorum was present.

2. Citizen Comments.

Mr. Graveley opened the floor to citizen's comments. No comments were made.

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

7. Discussion of Alternative Water Sources.

Mr. Arnold Wiese and Mr. Terry Arnold representing Seven Seas provided an update on the desalination plant in Alice, Texas. They explained that the plant is expected to be operational by the end of April. The project involves no upfront capital through the engineering, building and operation phases. Seven Seas will only get paid if the buyer approves the water. Mr. Marez stated that Mr. Wiese sent documents to him which he will forward to the Board. Mr. Wiese also reported that Seven Seas is in discussions with the City of Mathis and has been reaching out to legislators for their support. He stated that for STWA, they are researching drilling 900-950 feet deep in a plot of land along the 42" waterline. Kleberg County Judge Rudy Madrid voiced concerns about the impact this might have on the 1PointFive Direct Air Capture Project. When

asked about the water rate, Mr. Wiese said it would be higher than the City of Corpus Christi's rate but would be based on the scope of the project.

Mr. Christopher Williams, Raftelis, then provided a presentation on Industrial Customer Negotiations. He noted that the Lynx and Engineering Report provided by Tesla forecasts Tesla's water commitment at an estimated 30,000 gallons per day in January 2024 before plateauing at 1.1 million gallons per day by October 2025. Additionally, Tesla later stated that the daily usage could be as high as 8 million gallons per day. Raftelis recommends a fixed charge for an 8" meter at \$2,520 and a volumetric rate of \$5.21 per thousand gallons. The fixed rate is based on NWSC's 2023 rate for a 5/8" meter escalated by AWWA Meter Capacity Ratios. No action was taken by the Board.

12. Administration Report.

- Update on Corpus Christi Water's relocation of Stevens Plant water meter.

Mr. Ivan Luna, I.C.E., reported that a week ago Corpus Christi Water provided I.C.E. with plans for the meter relocation. In addition, it was discovered that CCW started doing some of the work without notification to STWA. He stated that I.C.E. is looking out for STWA and has concerns about some of the specifications that are not to standard. They are working on providing a list to Mr. Marez to send to CCW.

2. Citizen Comments.

Mr. Joe Ortiz arrived during the meeting to address the Board under Citizen Comments. Mr. Graveley re-opened the floor to citizen's comments in order to provide Mr. Joe Ortiz an opportunity to speak since he arrived after the Citizen Comments period. Mr. Ortiz introduced himself as a citizen of Corpus Christi and asked that Mr. Marez resign from either his position at STWA or as a commissioner because he did not feel it is appropriate for him to be carrying out both duties. He has requested an Attorney General's opinion because he feels if this is not illegal, it is unethical. He asked Mr. Marez to resign within 24 hours or face legal ramifications. There were no other comments.

3. Approval of Minutes.

Ms. Garza made a motion to approve the minutes of the January 23, 2024 Regular Meeting as presented. Ms. Lowman seconded. The motion passed by unanimous vote.

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

No financial reports were presented. The following invoices were presented for Board approval:

- | | |
|--------------------|-------------|
| • Kevin Kieschnick | \$ 3,654.60 |
| • Kevin Kieschnick | \$ 15.35 |

Ms. Garcia made a motion to approve payment of the bills. Ms. Lowman seconded. The motion passed unanimously.

5. Operation and Maintenance Reports.

Mr. Sendejo presented the O&M Report. There were no questions from the Board.

6. Cathodic Protection Report, presentation and update on bids for rectifiers.

Mr. Hector Barbosa provided a brief presentation on Cathodic Protection. He then reviewed cost estimates from five companies for installation of cathodic protection deep well ground beds. The estimates varied from \$38,983 to \$93,685 per ground bed. Four ground beds are needed. Mr. Barbosa provided an estimate of \$110,929.08 to complete all four ground beds in-house. Mr. Morales made a motion to proceed with in-house installation of the ground beds. Ms. Garza seconded. All voted in favor.

8. Declaration of surplus property.

Mr. Marez presented Resolution 24-06 listing surplus property for the Board's approval. The items include a 2012 Chevrolet 1500 pickup, a 2014 Ford F150 pickup, one HP printer, one Acer LCD monitor and 300 17-pound magnesium sacrificial anodes.

9. **Resolution 24-06.** Resolution authorizing the sale of surplus property of the South Texas Water Authority.

Ms. Garcia moved to adopt Resolution 24-06 authorizing sale of the surplus property. Ms. Garza seconded. All voted in favor.

10. Updated STWA Water Conservation and Drought Contingency Plan.

Mr. Marez presented a draft updated STWA Water Conservation and Drought Contingency Plan prepared by I.C.E. Ms. Lowman questioned some of the values in Table 2 on Page 13 and Ms. De Leon responded that the current values were not available when I.C.E. was working on the plan but the information is now available and will be updated.

11. **Resolution 24-07.** Resolution adopting an updated Water Conservation and Drought Contingency Plan for the South Texas Water Authority.

Ms. Lowman made a motion to approve Resolution 24-07 adopting the updated Water Conservation and Drought Contingency Plan for South Texas Water Authority with the changes to Table 2. Ms. Garza seconded. All voted in favor.

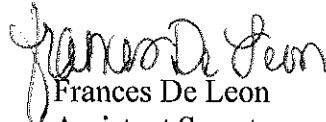
12. Administration Report.

Mr. Marez stated staff will continue working with the City of Corpus Christi on the meter relocation.

13. Adjournment.

Ms. Garza made a motion to adjourn the meeting at 7:27 p.m. Ms. Lowman seconded. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary