

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
August 2, 2022  
Minutes

Board Members Present:

Brandon Barrera  
Jose Graveley  
Imelda Garza  
Rudy Galvan, Jr.  
Frances Garcia  
Kathleen Lowman  
Angela Pena (Zoom)  
Patsy Rodgers

Board Members Absent:

Joe Morales

Staff Present:

John Marez  
Jo Ella Wagner  
Nigel Gomez (Zoom)  
Patrick Sendejo

Guests Present:

None

1. Call to Order.

Mr. Brandon Barrera, 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. Barrera 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 June 28, 2022 Regular Meeting as presented. Ms. Lowman seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

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

Treasurer's Report for period ending March 31, 2022  
Revenue Fund Income Statement for period ending March 31, 2022  
Tax Fund Income Statement for period ending March 31, 2022  
Special Services Income Statement for March 31, 2022  
STWA Revenue Fund Balance Sheet – March 31, 2022  
STWA Revenue Fund Trial Balance for March, 2022  
STWA Debt Service Fund Income Statement for period ending March 31, 2022  
STWA Debt Service Fund Balance Sheet – March 31, 2022  
STWA Debt Service Fund Trial Balance – March 31, 2022

STWA Capital Projects Fund Income Statement for period ending March 31, 2022

STWA Capital Projects Fund Balance Sheet – March 31, 2022

STWA Capital Projects Fund Trial Balance – March 31, 2022

No bills were presented for approval. Mr. Galvan made a motion to approve the Treasurer's Report as presented, Ms. Garza seconded and all voted in favor.

5. Operation and Maintenance Reports.

The O&M and Cathodic Protection Reports were presented to the Board. Mr. Marez stated that Patrick Sendejo has returned to work and Nigel Gomez is available by Zoom for any questions. The Board did not have any questions or voice any concerns.

6. Fiscal Year 2022 Budget Amendments.

Ms. Wagner reviewed the proposed amendments to the FY 2022 Budget Amendments. She stated that Total Revenues decreased by \$124,000 due to a decrease in the cost of water from the City of Corpus Christi which resulted in a decrease in water service revenue of \$151,002 but this amount is also reflected as a decrease in water service expenditures. Payroll costs increased by \$29,899 due to payout of leave to a resigning employee, raises provided to managers, and the cost of the Cathodic Protection crew working on field work instead of CP duties. Repairs increased by \$7,500 to include the cost of the July 4<sup>th</sup> repair on the transmission line going to Banquete. The changes resulted in a Net Income of \$444,527 compared to the original budget's ending balance of \$498,629. Ms. Lowman made a motion to approve the FY 2022 Budget Amendments. Ms. Garza seconded. The motion carried.

7. Review of 2022 Certified Appraisal Rolls for the Authority's district in Kleberg and Nueces Counties.

Ms. Wagner presented the Certified Appraisal Rolls from Kleberg County Appraisal District and Nueces County Appraisal District. The KCAD appraisal roll reflects a final certified value of \$1,413,133,575 and the NCAD final certified value is \$1,282,055,274. Ms. Wagner requested approval of Resolutions 22-06 and 22-07 adopting the appraisal rolls.

8. **Resolution 22-06.** Resolution adopting the appraisal roll for the South Texas Water Authority's district in Kleberg County for tax year 2022.

After reviewing the Kleberg County appraisal roll for tax year 2022, Ms. Lowman made a motion to approve Resolution 22-06. Ms. Rodgers seconded the motion. The motion carried.

9. **Resolution 22-07.** Resolution adopting the appraisal roll for the South Texas Water Authority's district in Nueces County for tax year 2022.

Following review of the Nueces County appraisal roll for tax year 2022, Ms. Lowman made a motion to approve Resolution 22-07. Ms. Rodgers seconded the motion. The motion passed by unanimous vote.

10. Preliminary Fiscal Year 2023 Budget.

Ms. Wagner reviewed the preliminary Fiscal Year 2023 Budget. She stated that she and Mr. Marez met with most of the Board members with the exception of Ms. Garcia and Mr. Morales and this budget is based on those discussions. She explained that the budget includes a 5% salary increase for hourly employees, and is based on the current Handling Charge and a \$0.20/1,000 gallon increase in the cost of water. After a discussion on the Handling Charge, Mr. Galvan made a motion to increase the Handling Charge to \$0.50/1,000 gallons. Mr. Graveley seconded. The motion passed 7 to 1. Mr. Graveley made a motion to include the 5% salary increase, transitioning both part-time positions to full-time and adding one additional Field Technician on the preliminary FY 2023 budget to be sent to STWA's wholesale customers. Ms. Garza seconded. All voted in favor.

11. Proposed Fiscal Year 2023/Tax Year 2022 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 \$0.078489/\$100 valuation comprised of a Maintenance & Operation tax rate of \$0.064912/\$100 and an Interest & Sinking tax rate of \$0.013577. 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. Graveley made a motion to authorize staff to publish the Water District Notice of Public Hearing on Tax Rate. Mr. Galvan seconded. All members present voted in favor.

12. Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2022.

The Board reviewed the Letter of Engagement from John Womack and Company for the fiscal year ending September 30, 2022. Ms. Wagner stated that the cost is \$9,500 which is \$425 more than last year's cost. Mr. Galvan made a motion to approve the Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2022. Ms. Garcia seconded. All voted in favor.

13. Discussion and Authorize a Membership with the Kingsville Chamber of Commerce for Economic Development Promotion and Services.

Mr. Marez presented information on Kingsville Chamber of Commerce memberships. He stated that recently several large companies have inquired about water service in Kleberg and Nueces counties and he expects interest in the area to continue to grow. He added that he believes that membership in the Kingsville Chamber of Commerce can help promote the Authority's projects and interests and asked the Board to consider entering into a membership. Mr. Barrera noted that if the Authority participates in Kleberg County, it should also participate in Nueces County. He added that the Authority can join for a year to see if any benefits are received and then reconsider after a year. Mr. Galvan made a motion to enter into a membership at the \$250 level for one year. Ms. Garza seconded. All voted in favor.

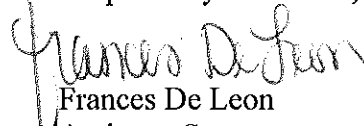
14. Administration Report.

Mr. Marez reported that he spoke with a representative of the Nueces River Authority who informed him that NCWC&ID #5 has approved the water supply contract and only signatures are needed. Mr. Marez has not received that information from the district. He also reported that the City of Driscoll continues trying to catch up on payments on their water service balance. The last report from Caldwell dealership is that the 2023 truck assembly is to begin sometime in August. Finally, he informed the Board that he spoke with the Kenedy County Groundwater Conservation District to inquire about the district serving as a secondary water source for STWA. They declined, but informed him that their boundaries and STWA's overlap and a solution will need to be worked out. He intends to meet with the general manager regarding this issue. He had nothing further to report.

15. Adjournment.

With no further business to discuss, Ms. Garcia made a motion to adjourn the meeting at 6:39 p.m. Ms. Rodgers seconded. All voted in favor.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary