

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
September 6, 2022  
Minutes

Board Members Present:

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

Board Members Absent:

None

Staff Present:

John Marez  
Frances De Leon  
Jo Ella Wagner  
Nigel Gomez  
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 5:40 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. Barrera stated that the January 25, 2022 minutes item pertaining to renewal of the Management Services Contract with JMAR Management Consulting included a statement by Mr. Barrera that the contract would be up for renewal in six months. He said he did not make that comment and asked for a motion to amend the January 25, 2022 minutes to strike that comment. Mr. Graveley made a motion to amend the minutes as requested. Mr. Galvan seconded the motion and all voted in favor.

Ms. Rodgers made a motion to approve the minutes of the August 2, 2022 Regular Meeting as presented. Ms. Garza seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

Ms. Wagner reviewed the April and May 2022 Treasurer's Reports and reported that the June Treasurer's Report is about 90% finished but needs to be reviewed before presentation to the

Board. She added that she will present the remainder of the Treasurer's Reports through August at the next meeting. The following reports were presented for the Board's consideration:

Treasurer's Report for period ending April 30, 2022  
Revenue Fund Income Statement for period ending April 30, 2022  
Tax Fund Income Statement for period ending April 30, 2022  
Special Services Income Statement for period ending April 30, 2022  
STWA Revenue Fund Balance Sheet – April 30, 2022  
STWA Revenue Fund Trial Balance for April, 2022  
STWA Debt Service Fund Income Statement for period ending April 30, 2022  
STWA Debt Service Fund Balance Sheet – April 30, 2022  
STWA Debt Service Fund Trial Balance – April 30, 2022  
STWA Capital Projects Fund Income Statement for period ending April 30, 2022  
STWA Capital Projects Fund Balance Sheet – April 30, 2022  
STWA Capital Projects Fund Trial Balance – April 30, 2022  
Treasurer's Report for period ending May 31, 2022  
Revenue Fund Income Statement for period ending May 31, 2022  
Tax Fund Income Statement for period ending May 31, 2022  
Special Services Income Statement for May 31, 2022  
STWA Revenue Fund Balance Sheet – May 31, 2022  
STWA Revenue Fund Trial Balance for May, 2022  
STWA Debt Service Fund Income Statement for period ending May 31, 2022  
STWA Debt Service Fund Balance Sheet – May 31, 2022  
STWA Debt Service Fund Trial Balance – May 31, 2022  
STWA Capital Projects Fund Income Statement for period ending May 31, 2022  
STWA Capital Projects Fund Balance Sheet – May 31, 2022  
STWA Capital Projects Fund Trial Balance – May 31, 2022  
Anticipated vs Actual Water Rate Charged Worksheet through May, 2022

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

5. Operation and Maintenance Reports.

The O&M and Cathodic Protection Reports were presented to the Board. Mr. Gomez reported that Field Technicians have been set up to take classes for their water licenses later this month. The Board did not have any questions or voice any concerns.

6. Fiscal Year 2023 budget, revenues and rates.

Mr. Morales pointed out that the summary of Mr. Marez's memo refers to a Reserve balance which gives the impression that these funds are restricted. Mr. Marez said he would change the wording on future information to the Board. Ms. Lowman asked for clarification about the cost of water from Corpus Christi since the memo showed a decrease in one area and later mentioned an increase. Mr. Marez clarified that the cost is increasing by 21 cents per thousand gallons. Ms. Wagner presented three general fund budgets which included options for Cost-of-Living increases for management personnel. Mr. Marez explained that managers were not included in

the previous budgets and the information was being provided in case the Board chose to approve these raises. The Board reviewed options for 2%, 3% and 4% increases for managers. Mr. Morales recommended a 3% increase for managers but Mr. Galvan pointed out that if cost of living has increased 7%, then 3% is not much of an offset. Ms. Wagner stated that there is a \$3,000 difference in each of the presented options. Mr. Morales made a motion to include a 4% increase for managers and Ms. Lowman seconded the motion. The motion passed 8 to 1 with Mr. Galvan voting against. Ms. Wagner reviewed the Fiscal Year 2023 Budget. She stated that this budget is almost identical to the budget presented at the last meeting except that it was updated to reflect insurance renewal rates which were lower than expected. She added no feedback was received from the wholesale customers regarding the Handling Charge increase.

7. **Resolution 22-08. Resolution adopting the recommended Fiscal Year 2023 budget.**

Ms. Rodgers made a motion to approve the FY 2023 budget as presented. Mr. Graveley seconded. All voted in favor except Mr. Galvan.

8. **Resolution 22-09. Resolution adopting the Fiscal Year 2023/Tax Year 2022 tax rate.**

Mr. Morales made a motion to approve Resolution 22-09 adopting the Fiscal Year 2023/Tax Year 2022 M&O tax rate of \$0.064912 per \$100 assessed valuation and the I&S tax rate of \$0.013577 per \$100 assessed valuation for a total tax rate of \$0.078489 per \$100 of taxable value. The motion was seconded by Mr. Galvan and passed by unanimous vote.

9. **Authorization to solicit bids for Fiscal Year 2023 pickup truck(s).**

Mr. Marez requested authorization to solicit bids for the FY 2023 truck. He explained that although the fiscal year begins on October 1, STWA's auditor has advised that bids may be gathered and the bid awarded at the late September meeting, provided the purchase is delivered and paid for on or after October 1. Mr. Morales made a motion to authorize staff to solicit bids for the truck purchase. Mr. Graveley seconded. All voted in favor.

10. **Texas Municipal League Intergovernmental Risk Pool Board of Trustees Election.**

The Board reviewed the candidate information on the Official Ballot for the Texas Municipal League Intergovernmental Risk Pool Board of Trustees Election. Mr. Marez stated that he is not familiar with any of the candidates. By general consensus, the Board decided to table this item until the September 27<sup>th</sup> meeting so that they could review the candidates further.

11. **Professional Services Contract with International Consulting Engineers.**

Mr. Marez explained that the Board is currently under a verbal agreement with International Consulting Engineers (I.C.E.) for oversight and planning of current and future STWA projects and he recommended ratification of the agreement. Mr. Morales made a motion to ratify the agreement with I.C.E. Ms. Rodgers seconded. The motion passed unanimously.

12. Expergy proposal for study on proposed City of Christi 2023 Water Rates.

Mr. Marez presented a proposal from Expergy for review of the City of Corpus Christi rate model which was previously performed by Chris Ekrut of NewGen Strategies. Mr. Ekrut is not available to perform the study this year but recommended Expergy. Mr. Marez explained that the cost of the agreement will be shared with San Patricio Municipal Water District at a not to exceed amount of \$2,500 for each entity for a total of \$5,000. San Patricio MWD has approved the agreement. Mr. Morales made a motion to authorize staff to execute the service agreement with Expergy in an amount not to exceed \$2,500. Mr. Galvan seconded. All voted in favor.

13. Administration Report.

Mr. Marez reported that he and Ms. Wagner met with City of Driscoll administrator Paula Wakefield to review the status of the city's past due balance. The city submitted a payment of \$22,000 towards the balance. Copies of the outstanding invoices have been provided to Ms. Wakefield.


Mr. Marez also reported that staff continues working on continuing education courses for maintaining their credentials. He completed his basic water class last year and plans to schedule his second attempt at the Class D water license exam. One of the field technicians is scheduled to take his Class D exam this week.

In addition, he informed the Board that he received notification that approximately \$7,000 in the electricity fees resulting from the outfall of Winter Storm Uri have been forgiven and STWA will not need to pay those fees.

14. Adjournment.

With no further business to discuss, Mr. Galvan made a motion to adjourn the meeting at 6:44 p.m. Ms. Garza seconded. All voted in favor.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary