

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
September 12, 2023
Minutes

Board Members Present:

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

Board Members Absent:

Arturo Rodriguez

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Nigel Gomez
Patrick Sendejo

Guests Present:

Ivan Luna, I.C.E.
Rogelio Rodriguez, Water Finance Exchange

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:31 p.m. A quorum was present.

2. Citizen Comments.

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

3. Presentation from ICE regarding ongoing projects.

Mr. Ivan Luna of International Consulting Engineers (I.C.E.) gave a presentation on the recent tap on STWA's 42" waterline. He stated that the pipe was in good condition at the location of the tap but strongly recommended a cathodic protection survey of the entire waterline to determine the best way to continue protecting the water line. He added that the tap is ready but other items such as the all-weather road and fencing are still needed in order to finish the project.

Mr. Luna then spoke about the STWA Master Plan. He reported that I.C.E. is scheduled to deliver a 100% completed draft and will then provide two weeks or more for STWA's review. I.C.E. will then schedule a meeting to take questions from the Board.

4. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the August 8, 2023 Regular Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

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

The financial reports were not available for presentation. The following invoices were presented for Board approval:

- International Consulting Engineers (Master Plan) \$ 11,274.40
- International Consulting Engineers (42" Tap Engineering/Design) \$ 50,883.80
- International Consulting Engineers (42" Tap Construction) \$ 368,869.86
- Nueces County Appraisal District \$ 2,769.00
- Kleberg County Appraisal District \$ 5,415.96

Ms. Wagner stated that the Board can wait to approve payment of the invoice on the Master Plan until after review of the plan. Mr. Morales made a motion to approve payment of the bills except the Master Plan Invoice from I.C.E. Ms. Garza seconded and all voted in favor.

6. Fiscal Year 2024 budget, revenues and rates.

Ms. Wagner reviewed the proposed budget. The budget is based on a M&O Tax Rate of \$0.058044 per \$100 valuation, an I&S Tax Rate of \$0.012330 for a total Tax Rate of \$0.070374 per \$100 valuation, a Handling Charge of \$0.50 per 1,000 gallons, a \$0.46 increase in the cost of water from the City of Corpus Christi, an overall 4% pay increase for all STWA employees and capital purchases of \$280,500. Nueces Water Supply Corporation and Ricardo Water Supply Corporation will pay \$20,804 and \$21,150 respectively towards the salary increases. Capital purchases include two trucks, technology upgrades, pump station fencing, a mini trackhoe and engineering/architecture of a new office building. No questions or comments were made by the Board.

7. Resolution 23-22. Resolution adopting the recommended Fiscal Year 2024 budget.

Mr. Graveley made a motion to approve the FY 2024 budget as presented. Ms. Garza seconded. All voted in favor.

8. Resolution 23-23. Resolution adopting the Fiscal Year 2024/Tax Year 2023 tax rate.

Mr. Graveley made a motion to approve Resolution 23-23 adopting the Fiscal Year 2024/Tax Year 2023 M&O tax rate of \$0.058044 per \$100 assessed valuation and the I&S tax rate of \$0.012330 per \$100 assessed valuation for a total tax rate of \$0.070374 per \$100 of taxable value. The motion was seconded by Ms. Garza and passed by unanimous vote.

9. Letter of Engagement with John Womack and Company, P.C. for Independent Auditor Services for FY 2023.

The Board reviewed the Letter of Engagement from John Womack and Company for the fiscal year ending September 30, 2023. The estimated cost is \$9,950 which is \$450 more than last year's cost. Ms. Garcia made a motion to approve the Letter of Engagement with John Womack

and Company, P.C. for Independent Auditor Services for FY 2023. Ms. Garza seconded. All voted in favor.

10. Bids for 2023 or 2024 half-ton pickup truck to replace damaged 2019 Ford F-150 4x4 truck.

Mr. Marez reported that only one bid was received for a replacement truck and it did not meet minimum specifications. He recommended that the Board reject the bid and authorize staff to move forward with solicitation of new bids. Ms. Rodgers made a motion to reject the bid and to authorize staff to solicit a new bid for a replacement truck. Ms. Lowman seconded. The motion passed unanimously.

11. Bids for purchase of compact track loader.

Mr. Marez presented three bids for a compact track loader and recommended awarding the bid to the lowest bidder, Nueces Power Equipment, in the amount of \$76,066.56. Ms. Lowman pointed out that the Holt CAT bid included sales tax and without the sales tax, the Holt CAT bid was actually the lowest. Ms. Wagner stated that staff could review the bids further and receive clarification for presentation at the September 26th meeting.

12. Resolution 23-24. Resolution awarding the bid for the purchase of one compact track loader.

Tabled.


13. Administration Report.

Mr. Marez reported that STWA is fully staffed as of August when the two vacancies were filled. He noted that the two Corporations are facing October 2024 deadlines for compliance with Lead and Copper inventory compliance.

18. Adjournment.

With no further business to discuss, Mr. Morales made a motion to adjourn the meeting at 6:53 p.m. Ms. Garza seconded. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary