SOUTH TEXAS WATER AUTHORITY
2302 E. SAGE RD.
KINGSVILLE, TEXAS 78363

MEMORANDUM

TO: South Texas Water Authority Board of Directors
FROM: Jose M Graveley, President
DATE: October 21, 2026
SUBJECT: Meeting Notice and Agenda for the South Texas Water Authority

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

Tuesday, October 27, 2026
5:30 p.m.
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. New Board member's oath of office.
4. Approval of Minutes. (Attachment 1)
5. Quarterly Report/Treasurer's Report/Payment of Bills. (Attachment 2)
6. Operation and Maintenance Report. (Attachment 3)
7. Fiscal Year 2026 Budget Amendments. (Attachment 4)
8. Tax year 2026 tax roll/levy for the South Texas Water Authority's district in Kleberg County. (Attachment 5)
9. **Resolution 26-19.** Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2026. (Attachment 6)

Jose M. Graveley, President
Frances Garcia, Vice-President
Imelda Garza, Secretary-Treasurer
Dr. Tanya Lawhon
Daniel Morales

Joe Morales
Arturo Rodriguez
Patsy A. Rodgers
John Marez, Administrator

(361) 592-9323 Or (361) 692-0337 (C.C. line) Fax: (361) 592-5965

10. Tax year 2026 tax roll/levy for the South Texas Water Authority's district in Nueces County. (Attachment 7)

11. **Resolution 26-20.** Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2026. (Attachment 8)

12. STWA Board of Directors Meeting Schedule for 2027. (Attachment 9)

13. Request to close office for staff Christmas luncheon and gift exchange. (Attachment 10)

14. ERCOT 2027 Membership Registration. (Attachment 11)

15. Payment plan agreement for City of Driscoll and Nueces County Water Control and Improvement District #5. (Attachment 12)

16. KorTerra Order Form and Services Agreement. (Attachment 13)

17. Bid for purchase of Case 580NEP Load Backhoe. (Attachment 14)

18. **Resolution 26-25**. Resolution awarding the bid for the purchase of one backhoe. (Attachment 15)

19. 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.

    19. a. Receive legal advice from counsel regarding alternate water sources. (§551.071)
    19. b. Evaluate the performance and duties of the Authority personnel. (§551.074)

20. 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.

    20. a. Consider land lease agreement with the Port of Corpus Christi.

21. Administration Report.
    - Future Board Meeting Dates
    - Project updates

- Mold Remediation Update

22. 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

This meeting notice was posted on STWA's website,www.stwa.org, and on indoor and outdoor bulletin boards at STWA's administrative offices, 2302 East Sage Road, Kingsville, Texas at 500 am/pm on 10/21/2026

Frances De Leon
Assistant Secretary

ATTACHMENT 1

Approval of Minutes

SOUTH TEXAS WATER AUTHORITY
Public Hearing Minutes
September 29, 2026

Board Members Present:	Board Members Absent:
Jose Graveley	Art Rodriguez
Frances Garcia	Tanya Lawhon
Imelda Garza	Patsy Rodgers
Joe Morales	
Daniel Morales	

Staff Present:	Guests Present:
John Marez	Ivan Luna, ICE Engineering
Frances De Leon	Ansar Palakkal, ICE Engineering
Clarissa Vargas	Charles W. Zahn
Victor Gutierrez	Hunter Johnson, 28 Midstream
August Patroelj	Hunter Hudson, Willatt & Flickinger (Zoom)
	Myra Alaniz
	Holly Bockholt

1. Call to Order.

Mr. Jose Graveley, Board President, called the Public Hearing of the STWA Board of Directors to order at 5:47 p.m. at the Courthouse Annex Law Enforcement Center, 1500 E. King, Kingsville, Texas.

2. Petition for Addition of Certain Lands to the South Texas Water Authority.
   a. Nueces County Emergency Services District No. 4, President Geoff Atwood – a 2.905 acre tract being a Borrow Pit Easement described in a deed recorded in Volume 250, Page 567, Deed Records Nueces County, Texas. Said 2.905 acre tract being out of a 23.00 acre tract described in a deed recorded in Volume 747, Page 112, Deed Records Nueces County, Texas. Said 2.905 acre tract also being out of the "Vicente Lopez De Herrera" Survey, Abstract – 2661, Nueces County, Texas.

Nueces County Emergency Services District No. 4 approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries. Approval of the annexation petition enables the landowner to receive service and pay in-district rates to the Nueces Water Supply Corporation, and allows the properties to be placed on STWA tax rolls. A resolution approving annexation will be presented at the Regular Board Meeting.

3. Public Comment.

Mr. Graveley called for public comment. No comments from the public were made.

4. Adjournment.

With no further business to discuss, Ms. Garza made a motion to adjourn the Public Hearing at 5:48 p.m. Ms. Garcia seconded and all voted in favor.

Respectfully submitted,

Frances De Leon
Assistant Secretary

SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
September 29, 2026

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Joe Morales
Daniel Morales

Board Members Absent:

Art Rodriguez
Tanya Lawhon
Patsy Rodgers

Staff Present:

John Marez
Frances De Leon
Clarissa Vargas
Victor Gutierrez
August Patroelj

Guests Present:

Ivan Luna, ICE Engineering
Ansar Palakkal, ICE Engineering
Charles W. Zahn
Hunter Johnson, 28 Midstream
Hunter Hudson, Willatt & Flickinger (Zoom)
Myra Alaniz
Holly Bockholt
Phil Esquivel
Erica Esquivel Scramuzza

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:48 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. Public comment was provided by Mr. Andrew Mendez.

3. Approval of Minutes.

Mr. J. Morales made a motion to approve the minutes of the September 8, 2026 Regular Meeting as presented. Ms. Garza seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

The following reports were presented for Board approval:

Treasurer's Report for period ending August 31, 2026
STWA Income Statement – Comparison to Prior Year for August, 2026
Revenue Fund Income Statement for period ending August 31, 2026
Special Services Income Statement for period ending August 31, 2026
Tax Fund Income Statement for period ending August 31, 2026

STWA Revenue Fund Trial Balance – August, 2026
STWA Revenue Fund Balance Sheet – August, 2026
STWA Debt Service Fund Income Statement for period ending August 31, 2026
STWA Debt Service Fund Trial Balance – August, 2026
STWA Debt Service Fund Balance Sheet – August, 2026
STWA Capital Projects Fund Income Statement for period ending August 31, 2026
STWA Capital Projects Fund Trial Balance – August, 2026
STWA Capital Projects Fund Balance Sheet – August, 2026
Outstanding Water and O&M Invoices – NCWC&ID#5 and City of Driscoll

No invoices were presented for Board approval.

Mr. J. Morales made a motion to approve the Treasurer's Report and payment of bills as presented. Ms. Garza seconded. The motion passed unanimously.

5. Operation and Maintenance Report.

The Board reviewed the Operation and Maintenance Report. There were no questions from the Board.

6. Presentation by Esquivel and Associates.

Mr. Phil Esquivel and Ms. Erica Scramuzza provided a brief presentation on the services and assistance that Esquivel and Associates provides for the Authority. They explained how they provide support to STWA management in selection of employee benefit products and services and provide guidance to employees throughout the year. They worked with management on a renewal plan for the coming year. Blue Cross Blue Shield of Texas was chosen instead of the current provider. Although the deductible increased, copays dropped from $15 for a primary care physician and $100 for specialist visits to $0 for primary care and $40 for specialists. Ms. Scramuzza also stated that they are exploring ways to join larger groups in hopes of making the cost more affordable but another year or two is needed to tweak the process. Mr. J. Morales noted that at some point, employees need to contribute towards the cost of insurance. Mr. D. Morales agreed. Ms. Scramuzza mentioned that staff has considered offering tiered plans which would involve STWA covering a basic plan with the option for the employee to pay the cost to upgrade to a plan with enhanced benefits. Mr. Esquivel noted that it has become more difficult to keep costs down but reminded the Board that employee retention is very important.

7. 28 Midstream Presentation.

Mr. Marez introduced Mr. Hunter Johnston of 28 Midstream, a possible additional source of water for STWA and stressed that having multiple water sources is essential. Mr. Johnston stated that 28 Midstream is interested in supplying up to 20,000 acre feet of water from outside of the region via a pipeline. He wants to work with STWA on issues such as pricing and has ideas for reducing the cost to STWA. Mr. J. Morales asked why 28 Midstream is not working with the Rio Grande Valley since they are experiencing severe issues and Mr. Johnston replied that they have approached members of that area but the problem comes down to the cost and there are other sources that are better suited for that area. Mr. J. Morales also commented that he is skeptical of

the reliability of this source and Mr. Johnston said he will provide more information at a later time but for now he just wanted to introduce himself and make the Board aware of opportunities with 28 Midstream.

8. Fiscal Year 2026 Amendments.

Mr. Patroelj presented the proposed FY 2026 budget amendments and stated that the final amended budget reflects a loss of $477,137 compared to the budgeted loss of $723,743. He reviewed the changes throughout the budget which amount to a variance of $245,605 which will be adjusted after board approval. Mr. J. Morales questioned some of the balances and Mr. Patroelj explained that several additional invoices were received after the amended budget was prepared and will need to be adjusted. Mr. J. Morales made a motion to table the FY 2026 Budget Amendments, Ms. Garcia seconded and all voted in favor.

9. Tax year 2026 tax roll/levy for the South Texas Water Authority's district in Kleberg County.
10. **Resolution 26-19**. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2026.
11. Tax year 2026 tax roll/levy for the South Texas Water Authority's district in Kleberg County.
12. **Resolution 26-20**. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2026.

Mr. Marez stated that the tax rolls have not been received and will be presented at the next meeting. Mr. Graveley made a motion to table items 9, 10, 11 and 12. Ms. Garza seconded. All voted in favor.

13. STWA Investment Policies:
    a) South Texas Water Authority General Fund
    b) South Texas Water Authority Debt Service Fund
    c) South Texas Water Authority Capital Projects Fund

Mr. Marez informed the Board that their review and approval of STWA's Investment Policies is required annually and added that there have been no changes to the Policies since last year. He recommended adoption of Resolutions 26-21, 26-22 and 26-23 approving the STWA General Fund, Debt Service Fund and Capital Project Fund Investment Policies.

14. **Resolutions 26-21 through 26-23**. Resolutions approving the following South Texas Water Authority Investment Policies
    a) South Texas Water Authority General Fund
    b) South Texas Water Authority Debt Service Fund
    c) South Texas Water Authority Capital Projects Fund

Mr. Graveley made a motion to adopt Resolutions 26-21, 26-22 and 26-23. Ms. Garza seconded. All voted in favor.

15. Approval of Annexation of Certain Lands to the South Texas Water Authority.
    a. Nueces County Emergency Services District No. 4, President Geoff Atwood – a 2.905 acre tract being a Borrow Pit Easement described in a deed recorded in Volume 250, Page 567, Deed Records Nueces County, Texas. Said 2.905 acre tract being out of a 23.00 acre tract described in a deed recorded in Volume 747, Page 112, Deed Records Nueces County, Texas. Said 2.905 acre tract also being out of the "Vicente Lopez De Herrera" Survey, Abstract – 2661, Nueces County, Texas.

The Public Hearing on the Annexation Petitions for Nueces County Emergency Services District No. 4 was conducted prior to the Regular meeting.

16. **Resolution 26-24**. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Nueces County Emergency Services District No. 4, President Geoff Atwood).

Ms. Garza made a motion to adopt Resolution 26-24. The motion was seconded by Ms. Garcia and passed by unanimous vote.

17. Payment plan agreement for City of Driscoll and Nueces County Water Control and Improvement District #5.

Mr. Marez presented payment plan schedules for the City of Driscoll and Nueces County Water Control and Improvement District #5 with 10% and 15% interest options over 12 months. He stated that District #5 has three outstanding invoices from October 2022, October 2023 and February 2025 but have paid the current invoices. The City of Driscoll has outstanding invoices for April, May, June and July 2026 for both water usage and operation and maintenance totaling $34,678.54. The City of Driscoll previously entered into a payment plan for outstanding invoices in 2021 and paid off the balance. Mr. Patroelj has communicated with the Banquete District and their staff has indicated that they will work towards paying off the outstanding invoices. Communication with the City of Driscoll has stopped. He recommends sending formal notices for payment arrangements. Mr. J. Morales moved to authorize staff to offer a payment plan to Nueces County Water Control and Improvement District #5 with 10% interest. Ms. Garza seconded. The motion passed unanimously. Mr. Patroelj commented that he will approach the City of Driscoll about a pay plan based on 10% interest.

18. Executive Session Agenda Items - In this executive session the board of Directors will deliberate or receive legal advice regarding (l) 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.

18.a. Receive legal advice from counsel regarding alternate water sources. (§551.071)
18.b. Evaluation of the STWA Executive Director. (§551.074)
18.c. Review of JMAR Management Agreement. (§551.074)

Mr. Graveley announced that the Board would convene in Closed Session at 6:41 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 and Section 551.074 for evaluation of the STWA Executive Director and review of the JMAR Management Agreement.

19. Open Session 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 Executive Session Agenda Items.

19.a. Consider land lease agreement with the Port of Corpus Christi.

The Board reconvened in Open Session at 7:32 p.m. No action was taken during Closed Session.

20. Administration Report.
- Future Board Meeting Dates
- Project Updates
- Mold Remediation Update

Mr. Marez informed the Board that the next meetings are scheduled for October 27th and December 8th. The tabled items will be placed on the October agenda. The mold remediation project is on schedule and he expects to started moving back in about three weeks. He also reported that the Nueces County replacement for a Driscoll board member will be addressed after the November election.

21. Adjournment.

With no further business to discuss, Ms. Garcia moved to adjourn the meeting at 7:36 p.m. Mr. Graveley seconded. The motion carried.

Respectfully submitted,

Frances De Leon
Assistant Secretary

ATTACHMENT 2

Quarterly Report/Treasurers Report/Payment of Bills

SOUTH TEXAS WATER AUTHORITY
INVESTMENT REPORT
FOR QUARTER ENDED September 30, 2026

	BEGINNING BOOK VALUE 30-Jun-26	BEGINNING MARKET VALUE 30-Jun-26	TRANSFERS	REVENUES July,August,September	EXPENSES	INTEREST	ENDING BOOK VALUE 30-Sep-26	ENDING MARKET VALUE 30-Sep-26
CASH ACCOUNTS								
GENERAL ACCT - PROSPERITY BANK	199,672.68	199,672.68	395,000.00	819,987.13	1,194,123.19	214.85	220,751.48	220,751.48
GENERAL ACCT MONEY MKT. - PROSPERITY	41,609.08	41,609.08	0.00	0.00	0.00	94.64	41,703.72	41,703.72
GENERAL ACCT TEXPOOL 1371300002	5,287,167.28	5,287,167.28	(650,000.00)	31,123.73	0.00	46,535.96	4,714,826.97	46,526.65
GENERAL ACCT TEXSTAR 1111-000	165,292.60	165,262.81	0.00	0.00	0.00	1,534.92	166,827.22	165,242.15
PAYROLL ACCT - PROSPERITY BANK	69,823.49	69,823.49	210,000.00	0.00	260,205.79	32.33	19,650.03	19,650.03
OPERATIONS ACCT - PROSPERITY BANK	37,724.61	37,724.61	45,000.00	0.00	68,780.10	25.64	13,970.15	13,970.15
DEBT SERVICE ACCT TEXPOOL 1371300008	478,017.94	478,017.93	0.00	6,323.44	309,375.00	2,921.53	177,887.92	177,852.34
TOTAL CASH ACCOUNTS	**6,279,307.68**	**6,279,277.88**	**0.00**	**857,434.30**	**1,832,484.08**	**51,359.87**	**5,355,617.49**	**685,696.53**

	AVG. MAT. 9/30/2025	July RATE	July EARNING	August RATE	August EARNING	September RATE	September EARNING	TOTALS
GENERAL ACCT - PROSPERITY BANK	immediate	0.3000%	$55.81	0.3000%	$80.34	0.3000%	$78.70	$214.85
GENERAL ACCT MONEY MKT. - PROSPERITY	immediate	0.7000%	$31.81	0.7000%	$31.83	0.7000%	$31.00	$94.64
GENERAL ACCT TEXPOOL 1371300002	41days	3.6800%	$16,062.25	3.6800%	$15,540.02	3.6800%	$14,933.69	$46,535.96
GENERAL ACCT TEXSTAR 1111-000	33 days	3.6208%	$508.30	3.6561%	$514.70	3.7449%	$511.92	$1,534.92
PAYROLL ACCT - PROSPERITY BANK	immediate	0.3000%	$10.56	0.3000%	$11.63	0.3000%	$10.14	$32.33
OPERATIONS ACCT - PROSPERITY BANK	immediate	0.3000%	$9.17	0.3000%	$8.26	0.3000%	$8.21	$25.64
DEBT SERVICE ACCT TEXPOOL 1371300008	41days	3.6800%	$1,487.62	3.6800%	$888.21	3.6800%	$545.70	$2,921.53
TOTALS			**18,165.52**		**17,074.99**		**16,119.36**	**51,359.87**

THIS REPORT IS IN COMPLIANCE WITH THE STRATEGIES AS APPROVED AND THE PUBLIC FUNDS INVESTMENT ACT.

Investment Officer

Investment Officer

SOUTH TEXAS WATER AUTHORITY
Treasurer's Report
For Period Ending September 30, 2026

STWA Water Sales:

Entity	Water Usage (1,000 g)	Cost of Water from City of Corpus Christi $3.170862 per 1000 g	Handling Charge @ $0.60/1000g	Incremental Increase @ $0.60/1000g	Out of District Surcharge and Pass-Thru Credit	Total Due
Kingsville	16,196	$51,355.28	$9,717.60	$0.00	$0.00	$61,076.08
Bishop	3,255	$10,321.16	$1,953.00	$0.00	$0.00	$12,274.16
Agua Dulce	2,582	$8,187.17	$1,549.20	$0.00	$0.00	$9,736.72
RWSC	10,357	$32,840.62	$6,214.20	$0.00	$0.00	$39,054.82
Driscoll	2,743	$8,697.67	$1,645.80	$0.00	$0.00	$10,343.47
NCWCID #5	1,779	$5,640.96	$1,067.61	$1,067.72	$893.17	$8,671.29
NWSC	22,992	$72,904.46	$13,795.41	$0.00	$0.00	$86,700.61
TOTAL	**59,904**	**$189,947.32**	**$35,942.82**	**$1,067.72**	**$893.17**	**$227,857.17**

Water Cost and Usage for Period of:	**08/31/26**	**09/30/26**
City of Corpus Christi Invoice for Cost of Water Purchased:		$185,590.53
Gallons of Water Recorded by City of Corpus Christi:		58,530,000
Gallons of Water Recorded by STWA from Customer's Master Meters:		59,904,000
Water Loss Percentage:		**-2.35%**

Annual Usage for FY26	**Annual**
Gallons of Water Recorded by City of Corpus Christi:	579,560,000
Gallons of Water Recorded by STWA from Customer's Master Meters:	586,275,653
Water Loss Percentage: (year to date)	**-1.16%**

Combined Funds

Account Object	Description	Current Year: Current Month	Current Year: Current YTD	Current Year: Budget	Current Year: Variance	Last Year: Prior Year Month	Last Year: Prior Year YTD
	Revenue						
41100	Tax Revenue	2,770.14	1,968,701.29	1,984,701.00	-15,999.71	14,022.51	2,013,985.47
41120	Delinquent Tax Revenue	4,978.87	39,749.98	49,500.00	-9,750.02	-2,761.47	49,708.84
41150	Penalties & Interest - Tax	2,395.09	35,047.78	34,700.00	347.78	1,597.05	32,981.44
41950	Miscellaneous - Taxes	-1.30	-24.98		-24.98	-0.47	-26.15
44100	Water Service Revenue	189,952.82	1,877,123.85	1,745,727.00	131,396.85	155,875.56	1,722,015.17
44210	Handling Charge Revenue	35,943.44	351,770.95	313,248.00	38,522.95	23,427.21	271,303.74
44230	Premium Incremental	1,067.72	13,781.72	12,500.00	1,281.72	836.16	10,190.10
44240	Surcharge - Out-of-District	893.17	10,718.04	14,064.00	-3,345.96	1,020.39	12,296.28
44600	Operations & Maint Fees	73,841.87	881,711.92	7,850.00	873,861.92	57,665.24	693,437.13
46000	MISCELLANEOUS REVENUE		110,406.04	15,000.00	95,406.04	803.95	4,962.86
46100	Miscellaneous Income		375.94		375.94		107,824.01
47100	Interest income	16,119.36	208,894.85	175,000.00	33,894.85	17,780.70	238,479.31
47110	Interest-Note						165.36
47300	Industrial Income						659,940.66
	Total	**327,961.18**	**5,498,257.38**	**4,352,290.00**	**1,145,967.38**	**270,266.83**	**5,817,264.22**
	Expenses						
601000	STWA						
50200	Purchased water	185,590.53	1,855,809.79	1,745,727.00	-110,082.79	152,952.92	1,733,100.92
51100	Salaries/Wages	60,349.16	629,026.72	543,343.51	-85,683.21	41,779.99	571,582.88
51120	Overtime	1,900.89	27,768.42	34,570.28	6,801.86	1,696.65	27,374.43
51130	Stand-by	180.00	1,626.77	1,560.00	-66.77	120.00	1,580.00
51160	Vacation Buyback		6,671.32	6,224.32	-447.00		5,831.69
51200	Employee Retirement	16,454.47	106,657.67	69,044.00	-37,613.67	15,634.31	128,679.24
51201	Group Ins - Health	33,768.72	418,423.43	249,471.00	-168,952.43	35,635.45	501,804.82
51202	Group Ins - Life	610.47	7,773.09	9,415.00	1,641.91	651.25	7,989.79
51203	Group Ins - Dental	559.08	7,369.90	11,515.00	4,145.10	623.79	7,530.07
51300	Unemployment Ins		3,136.97	515.00	-2,621.97		1,316.86
51400	Workers Compensation		19,004.09	19,003.73	-0.36	-86.31	16,482.01
51700	Medicare	1,392.15	13,723.42	14,697.86	974.44	1,012.45	12,657.65
52110	Postage	101.91	6,600.38	8,500.00	1,899.62	3.43	4,095.33
52120	Printing/Office Supplies	-3,702.85	33,196.54	37,500.00	4,303.46	5,436.86	44,607.89
52130	Janitorial/Site Maint	1,346.45	13,335.13	22,500.00	9,164.87	1,092.27	20,043.28
52160	Small Tools	185.57	4,247.59	3,000.00	-1,247.59	141.79	2,405.64
52380	Safety Equipment	1,076.57	6,571.53	5,000.00	-1,571.53	625.03	5,667.12
53110	Legal	1,485.00	159,029.75	125,000.00	-34,029.75	69,704.00	177,999.25
53120	Auditing		15,950.00	15,200.00	-750.00		12,570.00
53130	Engineering		204,005.50	250,000.00	45,994.50	118,864.75	457,539.59
53140	Management & Consulting	8,333.33	104,999.96	150,000.00	45,000.04	16,078.33	160,147.46
53210	Inspection Services		254.00	7,500.00	7,246.00		1,759.11
53260	Tax Collector Fees		49,644.24	71,042.00	21,397.76		52,396.78
53270	Appraisal District Fees	4,738.77	28,562.16	33,730.00	5,167.84	4,782.68	29,431.17
54000	REPAIRS AND MAINTENANCE					4,118.62	4,118.62

Combined Funds

Account Object	Description	Current Year Current Month	Current Year Current YTD	Current Year Budget	Current Year Variance	Last Year Prior Year Month	Last Year Prior Year YTD
54110	General Repairs &	6,289.75	84,960.14	125,000.00	40,039.86	6,538.47	96,673.28
54111	General R&M - Central Tank					-47,173.32	82,752.35
54140	Fuel/Lubricants/Repairs	9,439.38	93,481.61	70,000.00	-23,481.61	-2,405.83	96,570.41
54150	Chemicals/Water Samples	1,177.89	38,526.30	45,000.00	6,473.70	16,027.05	47,150.56
54250	Meter Expense		4,675.00	5,000.00	325.00		1,200.00
54260	Tank Repairs			35,000.00	35,000.00		
54291	Major Repairs	98,761.00	192,332.00	125,000.00	-67,332.00		
54720	Cathodic Protect Materials			590,500.00	590,500.00		
55110	Telephone/Communications	9,583.19	49,409.15	40,000.00	-9,409.15	2,926.22	34,662.40
55120	Utilities	13,656.20	107,506.55	112,500.00	4,993.45	14,798.79	103,674.16
55130	D & O Liability Insurance		2,278.00	4,500.00	2,222.00		3,332.03
55140	Property Insurance		63,755.82	63,755.82			61,492.06
55150	General Liability Ins		5,035.75	6,000.00	964.25	71.57	4,517.62
55160	Auto Insurance	1,000.00	6,145.00	5,145.00	-1,000.00		4,717.72
55180	Travel/Training/Meetings	1,522.84	28,638.02	32,000.00	3,361.98	7,390.07	29,924.22
55610	Rental-Equip/Uniforms	1,397.48	15,702.29	15,742.82	40.53	1,180.06	11,440.47
55620	Dues/Subscriptions/Advert	953.36	18,047.66	19,000.00	952.34	1,970.52	17,247.92
55999	Bad Debt Expense					5,771.27	
58130	Pass Through Costs			250.00	250.00		0.76
58200	PAYMENT TO SUB-ACCOUNT NWSC		100,842.65		-100,842.65	73,511.35	120,633.85
58300	PAYMENT TO SUB-ACCOUNT RWSC		178,978.40		-178,978.40	130,470.35	214,105.35
58790	Misc Expenditures	5,509.07	54,678.27	15,000.00	-39,678.27	1,232.33	8,287.33
59600	Capital Acquisition	143,454.00	367,496.27	384,974.00	17,477.73	14,616.95	165,994.92
	Total Account	**607,114.38**	**5,135,877.25**	**5,128,426.34**	**-7,450.91**	**697,794.11**	**5,093,089.01**
601200	NWSC						
51100	Salaries/Wages	16,159.45	136,467.75		-136,467.75	10,935.97	127,947.58
51120	Overtime	2,341.81	32,348.25		-32,348.25	2,378.32	30,580.65
51130	Stand-by	180.00	1,620.00		-1,620.00	120.00	1,580.00
51700	Medicare		21.94		-21.94		
	Total Account	**18,681.26**	**170,457.94**		**-170,457.94**	**13,434.29**	**160,108.23**
601300	RWSC						
51100	Salaries/Wages	11,979.28	103,972.80		-103,972.80	7,783.92	97,386.84
51120	Overtime	1,588.86	15,925.63		-15,925.63	874.71	17,767.43
51130	Stand-by	180.00	1,620.00		-1,620.00	120.00	1,580.00
51700	Medicare		105.86		-105.86		
	Total Account	**13,748.14**	**121,624.29**		**-121,624.29**	**8,778.63**	**116,734.27**
603000	Debt Services						
53260	Tax Collector Fees		10,159.86	14,550.00	4,390.14		11,032.98
53270	Appraisal District Fees	969.80	5,845.29	6,910.00	1,064.71	1,007.00	6,197.58
56110	Bond Principal		270,000.00	270,000.00			260,000.00
56120	Bond Interest Expense		78,550.00	78,550.00			86,350.00
56130	Fiscal Agent's Fees		200.00	200.00			200.00
	Total Account	**969.80**	**364,755.15**	**370,210.00**	**5,454.85**	**1,007.00**	**363,780.56**
609010	Capital Projects						
51100	Salaries/Wages		12,825.92		-12,825.92	4,970.44	76,924.34
54720	Cathodic Protect Materials					84,999.83	342,141.99

Combined Funds

Account Object	Description	Current Year Current Month	Current Year Current YTD	Current Year Budget	Current Year Variance	Last Year Prior Year Month	Last Year Prior Year YTD
Total Account			**12,825.92**		**-12,825.92**	**89,970.27**	**419,066.33**
	Total	**640,513.58**	**5,805,540.55**	**5,498,636.34**	**-306,904.21**	**810,984.30**	**6,152,778.40**
	Net Income from Operations	-312,552.40	-307,283.17			-540,717.47	-335,514.18
Other Revenue							
48120	Sale of Assets			15,000.00	-15,000.00		16,500.60
48200	SUB-ACCOUNT NWSC		221,476.50		221,476.50	120,633.85	120,633.85
48300	SUB-ACCOUNT RWSC	10,367.00	403,450.75		403,450.75	214,105.35	214,105.35
	Total Other	**10,367.00**	**624,927.25**	**15,000.00**	**609,927.25**	**334,739.20**	**351,239.80**
	Net Income	-302,185.40	317,644.08			-205,978.27	15,725.62

REVENUE FUND
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2026

100.00%

	MONTHLY	YEAR TO DATE WITH THIS MONTH	2026 ADOPTED BUDGET W/Adjustment	% OF 2026 ADOPTED BUDGET	2025 YEAR TO DATE	2025 Final BUDGET
REVENUES						
Water Service Revenue	$189,953	$1,877,124	$1,745,727	108%	$1,722,015	$1,700,677
Handling Charge Revenue	$35,943	$351,771	$313,248	112%	$271,304	$269,400
Premium Incremental Increase	$1,068	$13,782	$12,500	110%	$10,190	$10,100
Surcharge - Out of District	$741	$8,897	$12,264	73%	$10,166	$10,205
Interest Income	$15,062	$190,032	$165,000	115%	$217,538	$216,150
Interest - Note	$0	$0	$0		$165	$0
Other Revenue						
Operating & Maintenance Fees	$73,842	-$11,014	$7,850	-140%	$3,728	$8,250
Miscellaneous Revenues	$0	$110,782	$15,000	739%	$111,502	$134,500
Industry Revenues	$0	$0	$0		$659,941	$659,941
Sub-Account NWSC	$0	$221,477	$0		$120,634	$0
Sub-Account RWSC	$10,367	$403,451	$0		$214,105	$0
TOTAL REVENUES	**$326,976**	**$3,166,300**	**$2,271,589**	**139%**	**$3,341,288**	**$3,009,223**
EXPENDITURES						
Water Service Expenditures:						
Bulk Water Purchases	$185,591	$1,855,810	$1,764,065	105%	$1,733,101	$1,700,677
Payroll Costs						
Salaries & Wages - Perm. Employees	$88,488	$370,087	$433,907	85%	$383,189	$636,200
Salaries & Wages - Vacation Buyback	$0	$6,671	$6,224	107%	$5,832	$5,850
Overtime - NWSC	$2,342	$0	$0	0%	$0	$0
Stand-by Pay - NWSC	$180	$0	$0	0%	$0	$0
Overtime - RWSC	$1,589	$0	$0	0%	$0	$0
Stand-by Pay - RWSC	$180	$0	$0	0%	$0	$0
Overtime - STWA	$1,901	$27,768	$24,000	116%	$27,374	$30,000
Stand-by Pay - STWA	$180	$1,627	$1,560	104%	$1,580	$1,620
Employee Retirement Premiums	$16,454	$54,325	$69,044	79%	$76,021	$129,072
Group Insurance Premium	$34,938	$170,578	$270,401	63%	$242,179	$526,690
Unemployment Compensation	$0	-$2,425	$515	-471%	-$2,171	$1,769
Workers' Compensation	$0	$9,504	$19,004	50%	$8,270	$16,780
Medicare	$1,392	$5,847	$14,698	40%	$5,609	$14,034
Supplies & Materials						
Repairs & Maintenance	$6,290	$84,960	$125,000	68%	$100,972	$125,000
Meter Expense	$0	$4,675	$5,000	94%	$1,200	$1,200
Tank Repairs	$0	$0	$35,000	0%	$0	$10,000
Major Repairs	$98,761	$192,332	$25,000	769%	$82,753	$135,000
Other Operating Expenditures:						
Professional Fees						
Legal	$1,485	$159,030	$125,000	127%	$177,999	$175,000
Auditing	$0	$15,950	$15,200	105%	$12,570	$12,570
Engineering	$0	$204,005	$250,000	82%	$457,540	$420,000
Management & Consulting	$0	$5,000	$80,000	6%	$60,148	$82,000
JMAR Management Consulting LLC	$8,333	$69,999	$70,000	100%	$69,999	$100,000
Inspection/GIS Mapping	$0	$254	$7,500	3%	$1,759	$2,000
Consum Supplies/Materials						
Postage	$102	$3,030	$8,500	36%	$810	$4,999
Printing/Office Supplies	-$3,703	$27,795	$37,500	74%	$37,483	$42,445
Janitorial/Site Maintenance	$1,346	$13,335	$22,500	59%	$20,043	$22,700
Fuel/Lubricants/Repairs	$9,439	$92,226	$70,000	132%	$54,933	$117,290
Chemicals/Water Samples	$1,178	$38,527	$45,000	86%	$47,151	$39,500
Safety Equipment	$1,077	$6,571	$5,000	131%	$5,667	$6,500
Small Tools	$186	$4,247	$3,000	142%	$2,406	$3,500

	MONTHLY	YEAR TO DATE WITH THIS MONTH	2026 ADOPTED BUDGET W/Adjustment	% OF 2026 ADOPTED BUDGET	2025 YEAR TO DATE	2025 Final BUDGET
Recurring Operating Costs						
Telephone/Communications	$9,583	$38,858	$40,000	97%	$27,618	$36,940
Utilities	$13,656	$107,507	$112,500	96%	$103,674	$105,000
D & O Liability Insurance	$0	$2,278	$4,500	51%	$3,332	$3,750
Property Insurance	$0	$63,756	$63,756	100%	$61,492	$61,600
General Liability	$0	$5,036	$6,000	84%	$4,518	$4,446
Auto Insurance	$1,000	$6,145	$5,145	119%	$4,718	$4,718
Travel/Training/Meetings-Staff	$973	$23,934	$20,000	120%	$23,899	$22,500
Travel/Training/Meetings-Board of Dir.	$550	$4,754	$10,000	48%	$6,025	$6,000
Travel/Training/Meetings-Legislation	$0	$0	$2,000	0%	$0	$0
Rental-Equipment/Uniforms	$1,397	$15,703	$15,743	100%	$11,440	$12,000
Dues/Subscriptions/Publication	$953	$18,048	$19,000	95%	$17,248	$20,000
Pass Through Cost	$0	$0	$250	0%	$1	$50
Bad Debt Expense	$0	$0	$0	0%	$0	$0
Payment to Sub-Account NWSC	$0	$100,842	$0	0%	$120,634	$0
Payment to Sub-Account RWSC	$0	$178,978	$0	0%	$214,105	$0
Miscellaneous						
Miscellaneous Expenditures	$5,509	$54,681	$15,000	365%	$8,287	$15,000
Total Administrative & Operations Exp.	**$491,351**	**$4,042,249**	**$3,848,537**	**105%**	**$4,223,433**	**$4,656,425**
Capital Outlay						
Capital Acquisition	$143,454	$367,497	$384,974	95%	$165,995	$225,000
Cathodic Protection	$0.00	$0	$590,500	0%	$0	$0
Total Expenditures Capital Outlay	**$143,454**	**$367,497**	**$975,474**	**38%**	**$165,995**	**$225,000**
TOTAL EXPENDITURES	**$634,805**	**$4,409,745**	**$4,824,011**	**91%**	**$4,389,428**	**$4,881,425**
Excess (Deficiencies) of Revenue Over Expenditures	**-$307,829**	**-$1,243,443**	**-$2,552,422**		**-$1,048,140**	**-$1,872,202**
OTHER FINANCE SOURCE (USES)						
Transfer to Other Funds						
Transfer from Tax Account	1,617,180	1,617,180	$1,668,498	97%	$1,650,843	$1,630,025
Extra Ordinary Income						
Disposition of Assets (Surplus Sale)	-	0	$5,000	0%	$16,501	$3,500
TOTAL OTHER FINANCING SOURCES (USES)	$1,617,180	$1,617,180	**$1,673,498**	**97%**	**$1,667,344**	**$1,633,525**
EXCESS (DEFICIENCES) OF REVENUES OVER OTHER SOURCES (USES)	**$1,309,351**	**$373,736**	**-$878,924**		**$619,204**	**-$238,677**
rounding error						
NET INCOME	**$1,309,351**	**$373,736**	**-$878,924**		**$619,204**	**-$238,677**

TAX FUND
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2026

100.00%

	MONTHLY	YEAR TO DATE	2026 ADOPTED BUDGET	% OF 2026 ADOPTED BUDGET	2025 YEAR TO DATE	2025 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	2,434	1,634,019	1,635,951	99%	1,657,165	1,665,196
Delinquent Tax Revenue	4,240	32,681	40,000	82%	40,813	38,115
Penalty & Interest - Tax Accounts	2,050	28,711	29,200	98%	26,939	27,345
Miscellaneous	-1	-25	0	0%	-26	0
TOTAL TAXES & INTEREST	**8,723**	**1,695,386**	**1,705,151**	**99%**	**1,724,891**	**1,730,656**
EXPENDITURES						
Tax Collector Fees	0	49,644	71,042	70%	52,396	68,980
Appraisal Districts	4,739	28,562	33,730	85%	29,432	31,651
TOTAL EXPENDITURES	**4,739**	**78,206**	**104,772**	**75%**	**81,828**	**100,631**
Transfer to General Fund	**1,617,180**	**1,617,180**	**1,600,379**	**101%**	**1,650,843**	**1,630,025**
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	**(1,613,196)**	**0**	**0**		**(7,780)**	**0**

Special Services
INCOME STATEMENT
FOR PERIOD ENDING September 30,2026

100.00%

	MONTHLY	YEAR TO DATE	2026 ADOPTED BUDGET	% OF 2026 ADOPTED BUDGET	2025 YEAR TO DATE	2025 FINAL BUDGET
REVENUES						
Ricardo Water Supply Corporation	31,735	398,425	563,786	71%	318,381	449,088
Nueces Water Supply Corporation	41,338	494,510	557,953	89%	371,326	439,152
TOTAL REVENUES	73,073	892,934	1,121,739	80%	689,707	888,240
EXPENDITURES						
Personnel	39,789	550,901	527,392	104%	465,235	454,994
Administrator	2,500	30,000	30,000	100%	30,000	30,000
Overhead	28,851	359,316	564,346	64%	405,642	403,246
TOTAL EXPENDITURES *	71,140	940,217	1,121,738	84%	900,877	888,240
EXCESS REVENUES & OTHER FINANCING SOURCES OVER(UNDER) EXPENDITURES AND OTHER USES	**1,933**	**(47,283)**	**1**		**(211,170)**	**0**

101 Water

		Opening Balance	Change	Closing Balance
Liabilities and Fund Equity				
101. 20300	Trade Accounts Payable	266,987.31	9,580.79	276,568.10
101. 20310	Conversion Trade Accounts Payable	333.16		333.16
101. 20400	Salaries & Wages Payable	30,323.30	(1,420.10)	28,903.20
101. 20501	Due to NWSC	7,270.81		7,270.81
101. 20502	Due to RWSC	6,368.23		6,368.23
101. 21051	Federal WH Taxes Payable	150.77		150.77
101. 21052	Medicare Payable	665.32		665.32
101. 21061	Emply Retire Prem Payable	11,897.82		11,897.82
101. 21062	Unemployment Ins Payable	9,949.26		9,949.26
101. 21063	Emply Loan WH Payble	(671.10)		(671.10)
101. 21064	Emply Insurance WH Payble	(22,891.55)	158.17	(22,733.38)
101. 21065	Emply AFLAC Ins WH Payble	(266.40)	550.98	284.58
101. 21066	Emply Child Support WH Payble	(439.22)		(439.22)
101. 21067	Emply Nationwide WH Payble	200.00		200.00
101. 21068	Emply Advance WH Payble	385.13	40.00	425.13
101. 21069	Emply Other WH Payble	2,033.18		2,033.18
101. 21100	Miscellaneous Payables	24,302.39		24,302.39
101. 21500	Compensated Absences	14,581.89		14,581.89
101. 21700	Deferred Tax Revenue	137,204.87		137,204.87
101. 24100	Due to Debt Service Fund	14,007.54	151.74	14,159.28
101. 24200	Due to Capital Projects Fund	(289,296.25)		(289,296.25)
101. 28300	Fund Balance	(3,588.53)		(3,588.53)
101. 28400	Retained Earnings	5,605,615.32		5,605,615.32
101. 28410	Assigned Fund Bal. - Inventory	45,335.18		45,335.18
101. 28999	Net Income Current Year	630,297.91	(303,845.23)	326,452.68
	Total Liabilities and Fund Equity	**6,490,756.34**	**(294,783.65)**	**6,195,972.69**
Revenue				
101. 41100	Tax Revenue	1,631,585.14	2,433.93	1,634,019.07
101. 41120	Delinquent Tax Revenue	28,441.60	4,239.65	32,681.25
101. 41150	Penalties & Interest - Tax	26,660.28	2,050.25	28,710.53
101. 41950	Miscellaneous - Taxes	(23.68)	(1.30)	(24.98)
101. 44100	Water Service Revenue	1,687,171.03	189,952.82	1,877,123.85
101. 44210	Handling Charge Revenue	315,827.51	35,943.44	351,770.95
101. 44230	Premium Incremental Increase	12,714.00	1,067.72	13,781.72
101. 44240	Surcharge - Out-of-District	8,155.73	741.43	8,897.16
101. 44600	Operations & Maint Fees	807,870.05	73,841.87	881,711.92

SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 9 / 26

101 Water

		Opening Balance	Change	Closing Balance
Assets				
101. 10100	STWA - Operations	11,939.91	2,030.24	13,970.15
101. 10200	STWA - General	240,617.75	(19,866.27)	220,751.48
101. 10210	STWA - General Money Market	41,672.72	31.00	41,703.72
101. 10400	STWA - Payroll	45,774.58	(26,124.55)	19,650.03
101. 10800	Petty Cash	150.00		150.00
101. 11300	TexPool	4,992,601.94	(277,774.97)	4,714,826.97
101. 12100	Tax Accounts Receivable	225,780.22		225,780.22
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	(1,052.31)	1,431.19	378.88
101. 12200	Service Accts Receivable	(5,771.27)		(5,771.27)
101. 12201	Agua Dulce-Water	18,671.19	1,706.14	20,377.33
101. 12202	Bishop - Water	79,443.20	12,274.16	91,717.36
101. 12203	Driscoll - Water	41,500.26	10,343.47	51,843.73
101. 12204	Kingsville - Water	85,635.91	18,981.54	104,617.45
101. 12205	NCWCID 5 - Water	49,350.46	(119.57)	49,230.89
101. 12206	Ricardo WSC - Water	54,337.52	(1,662.04)	52,675.48
101. 12207	Nueces WSC - Water	51,551.52	2,417.97	53,969.49
101. 12208	Ricardo WSC - General & Admin	46,143.22	(1,599.28)	44,543.94
101. 12209	Nueces WSC - General & Admin	27,175.83	(521.55)	26,654.28
101. 12500	Interlocal Rec-Bishop	(35,554.38)	(18,020.48)	(53,574.86)
101. 12700	Interlocal Rec-Driscoll	3,867.19	768.86	4,636.05
101. 12900	Interlocal Rec-Ricardo	(17,587.02)	825.14	(16,761.88)
101. 12901	RWSC-Credit Card	1,532.69		1,532.69
101. 13000	Interlocal Rec-Nueces	11,525.48	(874.45)	10,651.03
101. 13001	NWSC Credit Card	2,906.20		2,906.20
101. 13510	Due From Capital Projects Fund	173,544.21		173,544.21
101. 13520	Due from Debt Service Fund	16,207.20		16,207.20
101. 13530	Due from D.S .-Collect Service	18,458.36	969.80	19,428.16
101. 13900	Notes Receivable - Current	152.47		152.47
101. 14200	Prepaid Expenses	38,343.28		38,343.28
101. 15500	Inventory	38,158.12		38,158.12
101. 16000	Reimbursment Receivable	334,739.20		334,739.20
	Total Assets	**6,490,756.34**	**(294,783.65)**	**6,195,972.69**

101 Water

		Opening Balance	Change	Closing Balance
101. 46000	MISCELLANEOUS REVENUE	110,406.04		110,406.04
101. 46100	Miscellaneous Income	375.95		375.95
101. 47100	Interest income	174,969.71	15,061.74	190,031.45
101. 48200	SUB-ACCOUNT NWSC	221,476.50		221,476.50
101. 48300	SUB-ACCOUNT RWSC	393,083.75	10,367.00	403,450.75
	Total Revenue	**5,418,713.61**	**335,698.55**	**5,754,412.16**

Expenditures

101.601000.50200	Purchased water	1,670,219.26	185,590.53	1,855,809.79
101.601000.51100	Salaries/Wages	568,677.56	60,349.16	629,026.72
101.601000.51120	Overtime	25,867.53	1,900.89	27,768.42
101.601000.51130	Stand-by	1,446.77	180.00	1,626.77
101.601000.51160	Vacation Buyback	6,671.32		6,671.32
101.601000.51200	Employee Retirement	90,203.20	16,454.47	106,657.67
101.601000.51201	Group Ins - Health	384,654.71	33,768.72	418,423.43
101.601000.51202	Group Ins - Life	7,162.62	610.47	7,773.09
101.601000.51203	Group Ins - Dental	6,810.82	559.08	7,369.90
101.601000.51300	Unemployment Ins	3,136.97		3,136.97
101.601000.51400	Workers Compensation	19,004.09		19,004.09
101.601000.51700	Medicare	12,331.27	1,392.15	13,723.42
101.601000.52110	Postage	6,498.47	101.91	6,600.38
101.601000.52120	Printing/Office Supplies	36,899.39	(3,702.85)	33,196.54
101.601000.52130	Janitorial/Site Maint	11,988.68	1,346.45	13,335.13
101.601000.52160	Small Tools	4,062.02	185.57	4,247.59
101.601000.52380	Safety Equipment	5,494.96	1,076.57	6,571.53
101.601000.53110	Legal	157,544.75	1,485.00	159,029.75
101.601000.53120	Auditing	15,950.00		15,950.00
101.601000.53130	Engineering	204,005.50		204,005.50
101.601000.53140	Management & Consulting	96,666.63	8,333.33	104,999.96
101.601000.53210	Inspection Services	254.00		254.00
101.601000.53260	Tax Collector Fees	49,644.24		49,644.24
101.601000.53270	Appraisal District Fees	23,823.39	4,738.77	28,562.16
101.601000.54110	General Repairs & Maintenance	78,670.39	6,289.75	84,960.14
101.601000.54140	Fuel/Lubricants/Repairs	84,042.23	9,439.38	93,481.61
101.601000.54150	Chemicals/Water Samples	37,348.41	1,177.89	38,526.30
101.601000.54250	Meter Expense	4,675.00		4,675.00
101.601000.54291	Major Repairs	93,571.00	98,761.00	192,332.00
101.601000.55110	Telephone/Communications	39,825.96	9,583.19	49,409.15
101.601000.55120	Utilities	93,850.35	13,656.20	107,506.55
101.601000.55130	D & O Liability Insurance	2,278.00		2,278.00

101 Water

		Opening Balance	Change	Closing Balance
101.601000.55140	Property Insurance	63,755.82		63,755.82
101.601000.55150	General Liability Ins	5,035.75		5,035.75
101.601000.55160	Auto Insurance	5,145.00	1,000.00	6,145.00
101.601000.55180	Travel/Training/Meetings	27,115.18	1,522.84	28,638.02
101.601000.55610	Rental-Equip/Uniforms	14,304.81	1,397.48	15,702.29
101.601000.55620	Dues/Subscriptions/Advert	17,094.30	953.36	18,047.66
101.601000.58200	PAYMENT TO SUB-ACCOUNT NWSC	100,842.65		100,842.65
101.601000.58300	PAYMENT TO SUB-ACCOUNT RWSC	178,978.40		178,978.40
101.601000.58790	Misc Expenditures	49,169.20	5,509.07	54,678.27
101.601000.59600	Capital Acquisition	224,042.27	143,454.00	367,496.27
	Total STWA	**4,528,762.87**	**607,114.38**	**5,135,877.25**
101.601200.51100	Salaries/Wages	120,308.30	16,159.45	136,467.75
101.601200.51120	Overtime	30,006.44	2,341.81	32,348.25
101.601200.51130	Stand-by	1,440.00	180.00	1,620.00
101.601200.51700	Medicare	21.94		21.94
	Total NWSC	**151,776.68**	**18,681.26**	**170,457.94**
101.601300.51100	Salaries/Wages	91,993.52	11,979.28	103,972.80
101.601300.51120	Overtime	14,336.77	1,588.86	15,925.63
101.601300.51130	Stand-by	1,440.00	180.00	1,620.00
101.601300.51700	Medicare	105.86		105.86
	Total RWSC	**107,876.15**	**13,748.14**	**121,624.29**
	Total Expenditures	**4,788,415.70**	**639,543.78**	**5,427,959.48**

SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 9 / 26

101 Water

Assets

Current Assets			
STWA - Operations		13,970.15	
STWA - General		220,751.48	
STWA - General Money Market		41,703.72	
STWA - Payroll		19,650.03	
Petty Cash		150.00	
TexPool		4,714,826.97	
Tax Accounts Receivable		225,780.22	
Allowance for Uncollect Taxes	(	88,575.35)	
Allowance for doubtful Accounts	(	12,483.96)	
Interlocal Rec - Tax Assessor		378.88	
Service Accts Receivable	(	5,771.27)	
Agua Dulce-Water		20,377.33	
Bishop - Water		91,717.36	
Driscoll - Water		51,843.73	
Kingsville - Water		104,617.45	
NCWCID 5 - Water		49,230.89	
Ricardo WSC - Water		52,675.48	
Nueces WSC - Water		53,969.49	
Ricardo WSC - General & Admin		44,543.94	
Nueces WSC - General & Admin		26,654.28	
Interlocal Rec-Bishop	(	53,574.86)	
Interlocal Rec-Driscoll		4,636.05	
Interlocal Rec-Ricardo	(	16,761.88)	
RWSC-Credit Card		1,532.69	
Interlocal Rec-Nueces		10,651.03	
NWSC Credit Card		2,906.20	
Due From Capital Projects Fund		173,544.21	
Due from Debt Service Fund		16,207.20	
Due from D.S .-Collect Service		19,428.16	
Notes Receivable - Current		152.47	
Prepaid Expenses		38,343.28	
Inventory		38,158.12	
Reimbursment Receivable		334,739.20	
Total Current Assets			**6,195,972.69**
Total Assets			**6,195,972.69**

SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 9 / 26

101 Water

Liabilities and Equity

Current Liabilities		
Trade Accounts Payable	276,568.10	
Conversion Trade Accounts Payable	333.16	
Salaries & Wages Payable	28,903.20	
Due to NWSC	7,270.81	
Due to RWSC	6,368.23	
Federal WH Taxes Payable	150.77	
Medicare Payable	665.32	
Emply Retire Prem Payable	11,897.82	
Unemployment Ins Payable	9,949.26	
Emply Loan WH Payble	(671.10)	
Emply Insurance WH Payble	(22,733.38)	
Emply AFLAC Ins WH Payble	284.58	
Emply Child Support WH Payble	(439.22)	
Emply Nationwide WH Payble	200.00	
Emply Advance WH Payble	425.13	
Emply Other WH Payble	2,033.18	
Miscellaneous Payables	24,302.39	
Compensated Absences	14,581.89	
Deferred Tax Revenue	137,204.87	
Total Current Liabilities		**497,295.01**
Other Liabilities		
Due to Debt Service Fund	14,159.28	
Due to Capital Projects Fund	(289,296.25)	
Total Other Liabilities		**(275,136.97)**
Total Liabilities		**222,158.04**
Equity		
Fund Balance	(3,588.53)	
Retained Earnings	5,605,615.32	
Assigned Fund Bal. - Inventory	45,335.18	
CURRENT YEAR INCOME/(LOSS)	326,452.68	
Total Equity		**5,973,814.65**
Total Liabilities & Equity		**6,195,972.69**

DEBT SERVICE FUND
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2026

100.00%

	MONTHLY	YEAR TO DATE	2026 ADOPTED BUDGET	% OF 2026 ADOPTED BUDGET	2025 YEAR TO DATE	2025 FINAL BUDGET
REVENUES						
Ad-Valorem - Current	336	334,682	348,750	96%	347,341	367,927
Delinquent Tax Revenue	739	7,069	9,500	74%	10,550	9,500
Penalty & Interest - Tax Accounts	345	6,337	1,800	352%	6,088	2,220
Out-of-District Surcharge	152	1,821	5,500	33%	1,952	5,500
Intererest on Temporary Investments	546	12,754	10,000	128%	14,017	13,200
Miscellaneous	0	0	0	0%	1,285	0
TOTAL TAXES & INTEREST	**2,118**	**362,664**	**375,550**	**97%**	**381,233**	**398,347**
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	**2,118**	**362,664**	**375,550**	**97%**	**381,233**	**398,347**
EXPENDITURES						
Fiscal Agent Fees	0	200	200	100%	200	200
Bond Interest Expense	0	78,550	78,550	100%	86,350	86,350
Bond Principal Payments	0	270,000	270,000	100%	260,000	260,000
Tax Collector Fees	0	10,160	14,550	70%	11,033	14,650
Appraisal District Fees	970	5,845	6,910	85%	6,198	6,723
Miscellaneous	0	0	0	0%	0	0
TOTAL EXPENDITURES	**970**	**364,755**	**370,210**	**99%**	**363,781**	**367,923**
EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES	**1,148**	**(2,092)**	**5,340**		**17,452**	**30,424**

SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 9 / 26

310 Debt Service

		Opening Balance	Change	Closing Balance
Assets				
310. 11300	TexPool	175,952.51	1,935.41	177,887.92
310. 12100	Tax Accounts Receivable	58,893.97		58,893.97
310. 12101	Allowance for Uncollect Taxes	(11,370.61)		(11,370.61)
310. 12120	Interlocal Rec - Tax Assessor	669.20	30.56	699.76
310. 13511	Due from General Fund	14,007.54	151.74	14,159.28
	Total Assets	**238,152.61**	**2,117.71**	**240,270.32**
Liabilities and Fund Equity				
310. 21700	Deferred Tax Revenue	47,523.36		47,523.36
310. 24300	Due to General Fund	34,665.73	969.80	35,635.53
310. 28300	Fund Balance	159,203.04		159,203.04
310. 28999	Net Income Current Year	(3,239.52)	1,147.91	(2,091.61)
	Total Liabilities and Fund Equity	**238,152.61**	**2,117.71**	**240,270.32**
Revenue				
310. 41100	Tax Revenue	334,346.01	336.21	334,682.22
310. 41120	Delinquent Tax Revenue	6,329.51	739.22	7,068.73
310. 41150	Penalties & Interest - Tax	5,992.41	344.84	6,337.25
310. 44240	Surcharge - Out-of-District	1,669.14	151.74	1,820.88
310. 46100	Miscellaneous Income	(0.01)		(0.01)
310. 47100	Interest income	12,208.77	545.70	12,754.47
	Total Revenue	**360,545.83**	**2,117.71**	**362,663.54**

310 Debt Service

		Opening Balance	Change	Closing Balance
Expenditures				
310.603000.53260	Tax Collector Fees	10,159.86		10,159.86
310.603000.53270	Appraisal District Fees	4,875.49	969.80	5,845.29
310.603000.56110	Bond Principal	270,000.00		270,000.00
310.603000.56120	Bond Interest Expense	78,550.00		78,550.00
310.603000.56130	Fiscal Agent's Fees	200.00		200.00
	Total Debt Services	**363,785.35**	**969.80**	**364,755.15**
	Total Expenditures	**363,785.35**	**969.80**	**364,755.15**

17

SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 9 / 26

310 Debt Service

Assets

Current Assets		
TexPool	177,887.92	
Tax Accounts Receivable	58,893.97	
Allowance for Uncollect Taxes	(11,370.61)	
Interlocal Rec - Tax Assessor	699.76	
Due from General Fund	14,159.28	
Total Current Assets		**240,270.32**
Total Assets		**240,270.32**

Liabilities and Equity

Current Liabilities		
Deferred Tax Revenue	47,523.36	
Total Current Liabilities		**47,523.36**
Other Liabilities		
Due to General Fund	35,635.53	
Total Other Liabilities		**35,635.53**
Total Liabilities		**83,158.89**
Equity		
Fund Balance	159,203.04	
CURRENT YEAR INCOME/(LOSS)	(2,091.61)	
Total Equity		**157,111.43**
Total Liabilities & Equity		**240,270.32**

CAPITAL PROJECTS FUND
INCOME STATEMENT
FOR PERIOD ENDING SEPTEMBER 30, 2026

100.00%

	MONTHLY	YEAR TO DATE	2026 ADOPTED BUDGET	% OF 2026 ADOPTED BUDGET	2025 YEAR TO DATE	2025 FINAL BUDGET
REVENUES						
Bond Proceeds	0	0	0	0%	0	0
Interest Income	512	6,109	0	0%	6,925	6,000
Other Income	0	0	0	0%	0	0
TOTAL REVENUE AND OTHER FINANCE SOURCES	**512**	**6,109**	**0**	**0%**	**6,925**	**6,000**
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	0	0	0	0%	419,066	135,305
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
Salary	0	12,826	0	0%	0	0
TOTAL EXPENDITURES	**0**	**12,826**	**0**	**0%**	**419,066**	**135,305**
EXCESS REVENUES OVER(UNDER) EXPENDITURES AND OTHER USES	**512**	**(6,717)**	**0**		**(412,141)**	**(129,305)**

SOUTH TEXAS WATER AUTHORITY
Trial Balance with Revenues and Expenditures
For the Accounting Period: 9 / 26

410 Capital Projects

		Opening Balance	Change	Closing Balance
Assets				
410. 11400	TexStar	166,315.30	511.92	166,827.22
410. 13511	Due from General Fund	(289,296.25)		(289,296.25)
	Total Assets	**(122,980.95)**	**511.92**	**(122,469.03)**
Liabilities and Fund Equity				
410. 24300	Due to General Fund	173,544.21		173,544.21
410. 28300	Fund Balance	(289,296.25)		(289,296.25)
410. 28999	Net Income Current Year	(7,228.91)	511.92	(6,716.99)
	Total Liabilities and Fund Equity	**(122,980.95)**	**511.92**	**(122,469.03)**
Revenue				
410. 47100	Interest income	5,597.01	511.92	6,108.93
	Total Revenue	**5,597.01**	**511.92**	**6,108.93**
Expenditures				
410.609010.51100	Salaries/Wages	12,825.92		12,825.92
	Total Capital Projects	**12,825.92**		**12,825.92**

410 Capital Projects

	Opening Balance	Change	Closing Balance
Total Expenditures	**12,825.92**		**12,825.92**

SOUTH TEXAS WATER AUTHORITY
Balance Sheet
For the Accounting Period: 9 / 26

410 Capital Projects

Assets

Current Assets		
TexStar	166,827.22	
Due from General Fund	(289,296.25)	
Total Current Assets		**(122,469.03)**
Total Assets		**(122,469.03)**

Liabilities and Equity

Other Liabilities		
Due to General Fund	173,544.21	
Total Other Liabilities		**173,544.21**
Total Liabilities		**173,544.21**
Equity		
Fund Balance	(289,296.25)	
CURRENT YEAR INCOME/(LOSS)	(6,716.99)	
Total Equity		**(296,013.24)**
Total Liabilities & Equity		**(122,469.03)**

Outstanding

		NCWCID#5	Payment Plan	Remaining	City of Driscoll	
S22-174	Oct - Water	$6,229.07	$1,800.00	$4,429.07		
S23-186	Oct - Water	$6,254.89		$6,254.89		
S25-034	February -water	$7,735.00		$7,735.00		
S26-074	April - Water				**$7,870.61**	
S26-081	April - O&M				**$582.46**	
S26-089	May - Water				**$8,618.56**	
S26-096	May - O&M				**$639.36**	
S26-104	June - Water				**$7,083.86**	
S26-111	June - O&M				**$578.82**	
S26-123	July - Water				**$8,661.86**	
S26-130	July - O&M				**$643.01**	
S26-140	August - Water	$14,569.42		$14,569.42		
S26-138	August - Water				**$10,021.74**	
S26-145	August - O&M				**$744.76**	
	Totals	**$34,788.38**	**$1,800.00**	**$32,988.38**	**$45,445.04**	**$78,433.42**

23

CHARLES W. ZAHN, JR.
ATTORNEY AT LAW
2106 STATE HIGHWAY 361, SUITE B
P.O. BOX 941
PORT ARANSAS, TEXAS 78373
Telephone: (361) 548-8967 * Fax: (361) 729-2381
Email: cwzjr@zahnlawfirm.com
October 13, 2026

South Texas Water Authority
2302 E. Sage Road
Kingsville, Texas 78363
Attn: Mr. John Marez
Executive Director

Re: Bill for services rendered through September 30, 2026

FOR SERVICES RENDERED AS FOLLOWS:

25.20 hours @ $450.00 per hour = $11,340.00

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: October 21, 2026
Re: O&M Technical Report

During the Week of October 5th 2026:

Admin:

Review GPS records
Update Daily Water Loss
DLQOR Report submitted to TCEQ
Water Operator Training/Locate Training/CSI Training/Standard Operation Procedure Training/Cathodic Protection 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
NWSC, RWSC Meter Readings
Weekly CL 17 Verification.
Locates – STWA, RWSC, NWSC
Completed service orders for NWSC and RWSC
Completed Taps – (1)
Leaks repaired – (0)

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.)
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:

O&M conducting training with Field supervisor on Weekly Monitoring of Rectifiers & Potential readings

During the Week of October 12th 2026:

Admin:

Review GPS records
Update Daily Water Loss
Water Operator Training/Locate Training/CSI Training/Standard Operation Procedure Training/Cathodic Protection Training.
Hydro-Vac 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
NWSC/ RWSC Meter Readings
Weekly CL 17 Verification.
Locates – STWA, RWSC, NWSC
Completed service orders for NWSC and RWSC
Completed Taps – (1)
Leaks Repaired– (2)

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.)
Hydro-Vac Do's and Don'ts – Field SOP Conducted by Central Power.
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:

O&M conducting training with Field supervisor on Weekly Monitoring of Rectifiers & Potential readings

During the Week of October 19th 2026:

Admin:

Review GPS records
Update Daily Water Loss
Scheduled testing for B license for O&M manager and a D license for field staff
Water Operator Training/Locate Training/CSI Training/Standard Operation Procedure Training/Cathodic Protection Training.
Relocate back from mobile building to main office.

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
DR900 Calibrations
Weekly CL 17 Verification.
Locates – STWA, RWSC, NWSC
Flushing – RWSC, NWSC & hydrants
Bacteriological Samples STWA, NWSC, RWSC
Completed service orders for NWSC and RWSC
Completed Taps – (2)
Leaks Repaired – (1)

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.)
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:

O&M conducting training with Field supervisor on Weekly Monitoring of Rectifiers & Potential readings

During the Week of October 26th 2026:

Admin:

Review GPS records
Update Daily Water Loss
Aflac enrollment 10/27/2026
Water Operator Training/Locate Training/CSI Training/Standard Operation Procedure Training/Cathodic Protection 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 CL 17 Verification.
Locates – STWA, RWSC, NWSC
NWSC Lockouts and Unlocks
Flushing – RWSC, NWSC & hydrants
Completed service orders for NWSC and RWSC
Completed Taps – (0)
Leaks Repaired – (0)

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.)
Generators – Exercise Transfer Switch – Monthly Checklist
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:

O&M conducting training with Field supervisor on Weekly Monitoring of Rectifiers & Potential readings

Current Projects:

-Continue to revise GIS Digital maps to improve coordinates of water lines, meter locations, valves, service orders and dead-end mains. – continuous updates
-Work on improvements of - SCADA cellular Radios complete as of 10/9/2026
-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 10/21/2026).
-Started on a plan as of 10/5/2026 to use one field staff to manage all daily meter readings, NAP samples, daily sample sites and distribution sample sites thru the week to assist with freeing up extra field staff to catch up on operations / maintenance which includes taps, leaks, service orders promptly to avoid falling further behind until we can hire more staff to fill in open positions. Overtime may increase slightly for STWA to assure one crew member overlooks all stations. Data is being collected to monitor this crew member is capable of handling this task within a reasonable time.

Field Staff:

-One Field Tech – Working with work force to apply for Class A CDL Course. (Tech has to get approved by workforce thru application process scheduled 10/22/2026)
-One field tech – merging from Workforce program to STWA field staff under probation.
-Two field Tech – Scheduling Customer service inspection course.
-One field Tech – Scheduling D license (basic water) testing
-O&M Manager – Scheduling B license Water Distribution testing on 10/23/2026
-Field Supervisor – Scheduling B License Water Distribution test pending for studying.
-Field staff have been catching up on service taps, although utilizing local contractors to assist with extensions for now.

Pump Stations:

-Working with Global Treat to update chlorine scales at Pump stations needing replacements.
-Additional Chlorine / Las booster is needed at CR 4 between Bishop and Kingsville to help maintain residual on 42in watermain. Driscoll booster back online maintaining a higher residual south of Driscoll. Kingsville entry point has been improving but fails to stay consist a booster south of Bishop would help maintain total chloramine residual at the end of 42" water main. We have maintained Kingsville booster after injection to provide adequate total residual to stay in compliance with TCEQ and provide Kingsville with a sustainable residual.
-Driscoll replacing rural pump #2 due to pump failure. Replacement pending ETA from AAW. Utilizing one pump currently.
-Sablatura Park replacement of - scale ordered pending ETA from Global treat.
-Central Chloramines booster inactive after tank collapse that maintains residuals north east to 4 pumpstations NWSC Banquete, Banquete, Sablatura park, and Agua dulce. Residual at central starting to drop out and adjustments need to be made. O&M are currently putting these chloramine boosters at these pumpstations back online until replacement is complete. Maintaining total residual utilizing what residuals are coming in from ON Stevens in the central area to stay in compliance with TCEQ. Update pending rehab of Central pumpstation.
-Central pumpstation requires 2 new pumps as soon as possible running one pump failed on Corp side – ordered pending ETA from AAW, the other belongs to STWA spur line that's needing repair or replace. - also ordered pending ETA from AAW.
-Ricardo Pump station 2 silent check was replaced as of 10/5/2026.
-Ricardo Pumpstation 3 offline until rehab of pump station. Due to pump failure.

CP Report:

-ICE working on ARV assessment report. Reviewed assessment all looks good pending presentation from ICE for board meeting.
-Field Supervisor will be trained in Cathodic Protection by O&M or any local CP training events. (Started training and obtaining field test to assure CP is still present after install of new rectifiers.) (Training is going well field supervisor has been collecting potential CP readings monthly)

ATTACHMENT 4

FY 2026 Budget Amendments

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Re: FY 2026 Budget Amendments

Background

As part of the South Texas Water Authority's (STWA) annual financial management and budget reconciliation process, staff has completed a review of Fiscal Year 2026 revenues and expenditures and prepared final budget amendments to reflect actual financial activity and year-end adjustments. The proposed amendments reconcile the previously adopted and amended budgets with final fiscal year results, including changes in water service revenues, personnel costs, professional services, operating expenditures, and capital projects. These adjustments are intended to provide an accurate accounting of the Authority's financial position at the conclusion of FY 2026.

Analysis

Revenues. Total revenues increased from the amended budget of approximately $5.10 million to $5.13 million, a favorable adjustment of approximately $28,000. Higher water service revenues, handling charges, and miscellaneous revenues were partially offset by lower operating and maintenance fee revenues and certain tax-related adjustments.

Operating expenditures. Water purchases increased by approximately $110,000, and professional services increased by approximately $99,000, primarily reflecting legal, engineering, and related support. Personnel costs decreased by approximately $107,000 compared with the amended budget. Other adjustments addressed major repairs, fuel, utilities, insurance, and miscellaneous operating expenses.

Capital expenditures. Capital outlay decreased from approximately $975,000 in the amended budget to $500,000 in the final budget, principally reflecting reduced expenditures for cathodic protection projects and adjustments to capital acquisitions. These changes reflect the timing and actual expenditure levels of projects during the fiscal year.

Fiscal Impact

The final budget reflects the following overall financial position:

Category	FY 2026 Final Budget
Total Revenues	$5,126,525
Total Expenditures	$5,546,828
Net Budget Deficiency	($420,303)

The final budget reflects an overall expenditure reduction of approximately $290,000 compared with the previously amended budget. Although expenditures exceeded revenues, the final budget deficiency of $420,303 represents an improvement of approximately $303,000 compared with the previously amended budget. This budget deficiency should not be equated automatically with an operating cash loss.

Staff Recommendation

Staff recommends that the Board approve the proposed FY 2026 Final Budget Amendments as presented. The amendments reconcile budgeted revenues and expenditures with final fiscal year activity, recognize changes in operational and capital expenditures, and maintain transparency and accountability in financial reporting.

Board Action

Approve the FY 2026 Final Budget Amendments as presented and authorize staff to incorporate the approved adjustments into the Authority's final fiscal year financial records and reporting.

Summary

The FY 2026 Budget Amendments reconcile actual financial activity with previously approved appropriations while supporting essential utility operations and infrastructure needs. Despite increased costs in certain operational categories, adjustments to personnel expenditures and capital projects contributed to an improved year-end budget position compared with the amended budget. Approval will complete the fiscal year budget reconciliation process and support ongoing financial management and reporting.

SOUTH TEXAS WATER AUTHORITY
GENERAL FUND
FY 2026 FINAL BUDGET

3.2061 M & O RATE
0.010142 I & S RATE
0.600000 HANDLING CHARGE

REVENUES	2026 ADOPTED BUDGET	2026 AMENDED BUDGET	2026 FINAL BUDGET REVENUE	2026 FINAL BUDGET SPEC. SERV.	2026 FINAL BUDGET TAX FUND	2026 FINAL BUDGET	VARIANCE
Water Service Revenue	$1,745,727	$1,745,727	$1,877,100			$1,877,100	$131,373
Handling Charge Revenue	$313,248	$313,248	$347,827			$347,827	$34,579
Premium Incremental Increase	$12,500	$12,500	$13,009			$13,009	$509
Surcharge - Out of District	$12,264	$12,264	$8,864			$8,864	-$3,400
Ad Valorem (Current)	$1,635,951	$1,635,951			$1,633,900	$1,633,900	-$2,051
Delinquent Taxes	$40,000	$40,000			$32,000	$32,000	-$8,000
Penalty & Interest	$29,200	$29,200			$28,500	$28,500	-$700
Interest Earnings	$165,000	$165,000	$187,174			$187,174	$22,174
Interest Note	$0	$0	$0			$0	$0
Other Revenue							
Operating & Maintenance Fees	$1,129,589	$1,129,589	-$7,427	$895,578		$888,151	-$241,438
Miscellaneous Revenues	$15,000	$15,000	$110,000			$110,000	$95,000
Industry Revenues	$0	$0	$0			$0	$0
TOTAL REVENUES	**$5,098,479**	**$5,098,479**	**$2,536,547**	**$895,578**	**$1,694,400**	**$5,126,525**	**$28,046**

EXPENDITURES	2026 ADOPTED BUDGET	2026 AMENDED BUDGET	2026 FINAL BUDGET EXPENSES	2026 FINAL BUDGET SPEC. SERV.	2026 FINAL BUDGET TAX FUND	2026 FINAL BUDGET	VARIANCE
Water Service Expenditures:							
Bulk Water Purchases	$1,745,727	$1,745,727	$1,855,810			$1,855,810	$110,083
Water Loss	$0	$0	$0			$0	$0
TOTAL WATER SERVICE	**$1,745,727**	**$1,745,727**	**$1,855,810**			**$1,855,810**	**$110,083**
Payroll Costs							
Salaries & Wages -							
Permanent Employees	$961,298	$961,298	$318,566	$550,901		$869,467	-$91,831
Vacation Buy back	$6,000	$6,224	$6,671	$0		$6,671	$447
Overtime - NWSC	$32,000	$32,000		$32,000		$32,000	$0
Stand-by Pay - NWSC	$1,560	$1,560		$1,560		$1,560	$0
Overtime - RWSC	$16,000	$16,000		$16,000		$16,000	$0
Stand-by Pay - RWSC	$1,560	$1,560		$1,560		$1,560	$0
Overtime - STWA	$24,000	$34,570	$28,000			$28,000	-$6,570
Stand-by Pay - STWA	$1,560	$1,560	$1,700			$1,700	$140
Employee Retirement Premiums	$69,044	$69,044	$53,958	$53,389		$107,347	$38,303
Group Insurance Premium	$512,122	$512,122	$172,630	$290,028		$462,658	-$49,464
Unemployment Compensation	$515	$515	$1,255	$1,882		$3,137	$2,622
Workers' Compensation	$10,189	$19,004	$9,519	$9,485		$19,004	$0
Car Allowance	$0	$0				$0	$0
Medicare	$5,994	$14,698	$6,400	$8,100		$14,500	-$198
TOTAL PERSONNEL	**$1,641,842**	**$1,670,155**	**$598,699**	**$964,905**		**$1,563,604**	**-$106,551**
Supplies & Materials							
Repairs & Maintenance	$125,000	$125,000	$85,000			$85,000	-$40,000
Meter Expense	$5,000	$5,000	$5,100			$5,100	$100
Tank Repairs	$35,000	$35,000	$0			$0	-$35,000
Major Repairs	$125,000	$125,000	$207,000			$207,000	$82,000
TOTAL SUPPLIES & MATERIALS	**$290,000**	**$290,000**	**$297,100**			**$297,100**	**$7,100**

Other Operating Expenditures:	2026 ADOPTED BUDGET	2026 AMENDED BUDGET	2026 FINAL BUDGET EXPENSES	2026 FINAL BUDGET SPEC. SERV.	2026 FINAL BUDGET TAX FUND	2026 FINAL BUDGET	VARIANCE
Professional Fees							
Legal	$125,000	$125,000	$190,000			$190,000	$65,000
Auditing	$12,200	$15,200	$15,950			$15,950	$750
Engineering	$250,000	$250,000	$290,000			$290,000	$40,000
Management & Consulting	$150,000	$150,000	$120,000	$30,000		$150,000	$0
Inspections	$7,500	$7,500	$1,000			$1,000	-$6,500
Tax Collector Fees	$71,042	$71,042			$71,042	$71,042	$0
Appraisal District Fees	$33,730	$33,730			$33,730	$33,730	$0
TOTAL PROFESSIONAL FEES	**$649,472**	**$652,472**	**$616,950**	**$30,000**	**$104,772**	**$751,722**	**$99,250**
Consume Supplies/Materials							
Postage	$8,500	$8,500	$4,500	$2,507		$7,007	-$1,493
Printing/Office Supplies/Tech Support	$37,500	$37,500	$34,061	$3,439		$37,500	$0
Janitorial/Site Maintenance	$22,500	$22,500	$14,285			$14,285	-$8,215
Fuel/Lubricants/Repairs	$70,000	$70,000	$93,850	$1,256		$95,106	$25,106
Chemicals/Water Samples	$45,000	$45,000	$43,000			$43,000	-$2,000
Safety Equipment	$5,000	$5,000	$8,000			$8,000	$3,000
Small Tools	$3,000	$3,000	$5,000			$5,000	$2,000
TOTAL CON. SUPPLIES/MATERIALS	**$191,500**	**$191,500**	**$202,696**	**$7,202**		**$209,898**	**$18,398**
Recurring Operating Costs							
Telephone/Communications	$40,000	$40,000	$40,500	$10,542		$51,042	$11,042
Utilities	$112,500	$112,500	$110,000			$110,000	-$2,500
D & O Liability Insurance	$4,500	$4,500	$3,500			$3,500	-$1,000
Property Insurance	$63,000	$63,756	$63,756			$63,756	$0
General Liability	$6,000	$6,000	$6,000			$6,000	$0
Auto Insurance	$4,800	$5,145	$7,145			$7,145	$2,000
Travel/Training/Meetings	$32,000	$32,000	$32,000			$32,000	$0
Rental-Equipment/Uniforms	$7,500	$13,743	$16,000			$16,000	$2,257
Dues/Subscriptions/Publication	$19,000	$19,000	$19,000			$19,000	$0
Pass Through Cost	$250	$250	$250			$250	$0
Educational Materials	$0	$0	$0			$0	$0
TOTAL RECURRING OPER. COSTS	**$289,550**	**$296,894**	**$298,151**	**$10,542**		**$308,693**	**$11,800**
Miscellaneous							
Miscellaneous Expenditures	$15,000	$15,000	$60,000			$60,000	$45,000
TOTAL MISCELLANEOUS	**$15,000**	**$15,000**	**$60,000**			**$60,000**	**$45,000**
Total Administrative & Operations Exp.	**$4,823,091**	**$4,861,748**	**$3,929,406**	**$1,012,650**	**$104,772**	**$5,046,828**	**$185,080**
Capital Outlay							
Capital Acquisition	$384,974	$384,974	$400,000			$400,000	$15,026
Capital Projects - Cathodic Protection	$590,500	$590,500	$100,000			$100,000	-$490,500
TOTAL CAPITAL OUTLAY	**$975,474**	**$975,474**	**$500,000**			**$500,000**	**-$475,474**
TOTAL EXPENDITURES	**$5,798,565**	**$5,837,222**	**$4,429,406**	**$1,012,650**	**$104,772**	**$5,546,828**	**-$290,394**

	2026 ADOPTED BUDGET	2026 AMENDED BUDGET	2026 FINAL BUDGET EXPENSES	2026 FINAL BUDGET SPEC. SERV.	2026 FINAL BUDGET TAX FUND	2026 FINAL BUDGET	VARIANCE
Excess (Deficiencies) of Revenue Over Expenditures	**-$700,086**	**-$738,743**	**-$1,892,859**	**-$117,072**	**$1,589,628**	**-$420,303**	**$318,440**
OTHER FINANCE SOURCE (USES)							
Transfer to Other Funds							
Disposition of Assets (Surplus Sale)	$15,000	$15,000	$0	$0	$0	$0	-$15,000
Transfer from Tax Accounts	$0	$0	$1,589,628	$0	-$1,589,628	$0	$0
TOTAL OTHER FINANCING SOURCES (USES)	**$15,000**	**$15,000**	**$1,589,628**	**$0**	**-$1,589,628**	**$0**	**-$15,000**
EXCESS (DEFICIENCES) OF REVENUES OVER OTHER SOURCES (USES)	**-$685,086**	**-$723,743**	**-$303,231**	**-$117,072**	**$0**	**-$420,303**	**$303,440**
NET INCOME	**-$685,086**	**-$723,743**	**-$303,231**	**-$117,072**	**$0**	**-$420,303**	**$303,440**

Capital Acquisitions	
$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	**Total**
$590,500	Cathodic Protection
$975,474	Budgeted Capital Outlay

ATTACHMENT 5

Kleberg County Tax Roll/Levy

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Re: Kleberg County Tax Roll adoption - Resolution 26-19

Background

The County Tax Rolls are generated when taxable values are multiplied by the Authority's Maintenance and Operations (M&O) Tax Rate and Interest and Sinking (I&S) Tax Rate. The taxable values are the amounts less any partial exemptions, full exemptions or special values such as agriculture production.

Analysis

The Authority contracts for collection services with the tax offices of Kleberg and Nueces Counties. The summarized tax roll is the total of individual tax statements.

Fiscal Impact

Despite not having a direct impact for this item the passing of this resolution represents the values that are processed through the Tax Assessor's Office on behalf of the South Texas Water Authority.

Staff Recommendation

Adopt the South Texas Water Authority Tax Roll in Kleberg County by adopting Resolution as presented.

Board Action

Adopt Resolution 26-19

Summary

Adoption of Resolution 26-19 is an essential step in the tax collection process conducted annually.

SUBMISSION OF THE 2026 TAX ROLL TO THE SOUTH TEXAS WATER AUTHORITY PURSUANT TO SECTION 26.09(e) OF THE TEXAS PROPERTY TAX CODE

The 2026 Tax Roll for the South Texas Water Authority is hereby submitted for approval at the next regular scheduled meeting of the South Texas Water Authority Board of Directors. The 2026 Tax Roll is submitted for approval under Section 26.09(e) of the Texas Property Tax Code and was calculated in compliance with the same code by multiplying the values from the Certified Appraisal Roll plus/minus any changes in value approved by the Kleberg County Appraisal Review board by the tax rate adopted by this governing body for the 2026 tax year. Values and taxes are at a ratio of 100% of appraised value. The 2026 Tax Roll for the South Texas Water Authority is stored in the Kleberg County Tax Office in compliance with the State Records Retention guidelines. A copy of the tax roll for reference purposes and convenient availability is filed with the Kleberg County Clerk's Office.

I, Maria Victoria Valadez, – Kleberg County Tax Assessor-Collector, hereby certify the figures from the 2026 Tax Roll as reflected on the attached summary page taken directly from the 2026 Tax Roll. I certify that the foregoing information, and the roll it represents is accurate and correct to the best of my knowledge. Certified and submitted this 6th day of October 2026.

Maria V Valadez

Maria Victoria Valadez,
Kleberg County Tax Assessor-Collector

Tax Collection System - KLEBERG COUNTY
Certified Roll Jurisdiction Summary
Processing For Tax Year: 2026 County Code: 137 Tax Unit: ALL Roll Codes: ALL

Jurisdiction: **905 SOUTH TX WATER AUTH**

Total Parcels:	15,908	**Tax Rate:**	0.0000000		
Market Value:	2,923,536,239	**State Hom:**	0	**Opt Hom:**	0.0100000
		State O65:	0	**Opt O65:**	12,000
		Disabled:	0	**Opt Disabled:**	12,000

AG Exclusion Count:	1,329	**AG Exclusion Amt:**	381,559,633
Timber Exclusion Count:	0	**Timber Exclusion Amt:**	0
HS Capped Count:	3,263	**HS Capped Amt:**	89,498,460
NHS Capped Count:	2,190	**NHS Capped Amt:**	41,720,597
Assessed Value:	2,410,757,549		

Prorated-Exxv Cnt/Amt:	429	352,419,643	**Bpp Single Situs Cnt/Amt:**	1,307	47,861,595
100% Exempt Vet Cnt/Amt:	320	68,389,624	**Bpp Multiple Situs, Aggregated (Leas Cnt/Amt:**	135	3,746,400
Charitable Org Cnt/Amt:	8	6,215,094	**Pro Motor Vehicles Cnt/Amt:**	27	2,601,070
Immed Residential Homestead Cnt/Amt:	17	72,742	**Foreign Trade Zone Cnt/Amt:**	120	1,008,670
Pro Misc Exempts Cnt/Amt:	1	253,200	**Personal Use Vehicle Cnt/Amt:**	2	8,340
Pro Charitable Functions Cnt/Amt:	4	1,176,600	**Solar Exemption Cnt/Amt:**	17	333,230
Surviving Spouse First Responder Cnt/Amt:	1	175,370	**Freeport Cnt/Amt:**	1	39,160
Low Income Housing Cnt/Amt:	1	1,892,850	**Hb366 Cnt/Amt:**	145	27,027
Pro Schools Cnt/Amt:	7	1,712,170	**Pollution Control Cnt/Amt:**	3	8,113,501
Surviving Spouse Active Duty Cnt/Amt:	1	293,770			

State Homestead Count:	0	**State Homestead Amt:**	0
Local Homestead Count:	4,930	**Local Homestead Amt:**	22,604,519
State Over 65 Count:	0	**State Over 65 Amt:**	0
Local Over 65 Count:	2,277	**Local Over 65 Amt:**	25,232,926
Surviving Spouse Count:	11	**Surviving Spouse Amt:**	120,000
State Disabled Count:	0	**State Disabled Amt:**	0
Local Disabled Count:	113	**Local Disabled Amt:**	1,251,314
Total VET Count:	368	**Total VET Amt:**	4,005,845
***VET Surviving Spouse Count:**	30	***VET Surviving Spouse Amt:**	283,920
***included in the Total VET Count/Amt**			

Partial Exempt Values:	53,214,604		
Taxable Value:	1,861,202,889		
Total Levy Amt:	0.00		
Late AG Penalty Count:	2	**Late AG Penalty Amt:**	0.00
Late Rendition Penalty Count:	531	**Late Rendition Penalty Amt:**	0.00
Frozen Account Count:	0		
Frozen Homesite Value:	0		
Frozen Taxable Value:	0		
Unfrozen Levy Amt:	0.00		
Frozen Levy Amt:	0.00		
Frozen Levy Loss Amt:	0.00		
Total Non-Exempt Parcel Count:	15,908		

MANUALLY CHANGED IN ACT -- DUPLICATE ACCOUNT DELETED PROP ID 10824 - DIFFERENCE OF $3700 LESS ON TAXABLE VALUE COMPARED TO CAD VALUE SHEETS

ATTACHMENT 6

Resolution 26-19

SOUTH TEXAS WATER AUTHORITY

Resolution 26-19

A RESOLUTION ADOPTING THE TAX ROLL/LEVY FOR THE SOUTH TEXAS WATER AUTHORITY'S DISTRICT IN KLEBERG COUNTY FOR TAX YEAR 2026.

WHEREAS, the South Texas Water Authority is a taxing jurisdiction within Kleberg and Nueces Counties, and

WHEREAS, the South Texas Water Authority has the power to collect ad valorem taxes to pay debt service for outstanding bonds, and

WHEREAS, the tax roll/levy of the South Texas Water Authority has been compiled by Kleberg County for the purpose of levying an established tax rate on said valuation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the South Texas Water Authority adopts the 2026 tax roll/levy compiled by the Kleberg County Tax Assessor/Collector on behalf of the Authority.

Duly adopted this 27th day of October, 2026.

_____
JOSE M. GRAVELEY, PRESIDENT

ATTEST:

_____
IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 7

Nueces County Tax Roll/Levy

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Re: Nueces County Tax Roll adoption - Resolution 26-20

Background

The County Tax Rolls are generated when taxable values are multiplied by the Authority's Maintenance and Operations (M&O) Tax Rate and Interest and Sinking (I&S) Tax Rate. The taxable values are the amounts less any partial exemptions, full exemptions or special values such as agriculture production.

Analysis

The Authority contracts for collection services with the tax offices of Kleberg and Nueces Counties. The summarized tax roll is the total of individual tax statements.

Fiscal Impact

Despite not having a direct impact for this item the passing of this resolution represents the values that are processed through the Tax Assessor's Office on behalf of the South Texas Water Authority.

Staff Recommendation

Adopt the South Texas Water Authority Tax Roll in Nueces County by adopting Resolution as presented.

Board Action

Adopt Resolution 26-20

Summary

Adoption of Resolution 26-20 is an essential step in the tax collection process conducted annually.

Nueces County Courthouse
901 Leopard, Suite 301
Corpus Christi, TX 78401

Krista Champine
Assessor and Collector of Taxes

Administration
(361) 888-0307
(361) 888-0308

RECEIVED
OCT 05 2026
SOUTH TEXAS WATER AUTHORITY

September 30, 2026

Ms.Frances De Leon
Assistant Executive Director
South Texas Water Authority
2302 E Sage RD
Kingsville, TX 78363

RE: Certification of 2026 Tax Levy

Dear Ms. De Leon:

Enclosed please find the 2026 Certification of Tax Levy for the South Texas Water Authority.

Please return a signed copy of the certification upon the approval of the jurisdiction's tax levy.

If you have any questions regarding these calculations, please feel free to call my office at 361-888-0406.

Sincerely,

Krista Champine
Nueces County Tax Assessor-Collector

Nueces County Courthouse
901 Leopard, Suite 301
Corpus Christi, TX 78401

Krista Champine
Assessor and Collector of Taxes

Administration
(361) 888-0307
(361) 888-0308

CERTIFICATION OF TAX LEVY FOR THE TAX YEAR 2026
SOUTH TEXAS WATER AUTHORITY

Total Appraised Value @ 100% of Market Value	$	2,649,636,733	
Less: *Partial Exemptions*			
Ag-Use account value loss and abatements	$	812,057,418	
Total Net Appraised Value	$	1,837,579,315	
Assessment Ratio		100%	
Total Taxable Value	$	1,837,579,315	
2026 Adopted Tax Rate		.058854	/$100
2026 Ad Valorem Tax Levy	$	1,081,488.93	
Plus: Late Rendition Penalty - Personal Property Accounts	$	334.36	
Plus: Late Ag Penalty	$	7.20	
2026 Total Ad Valorem Tax Levy	$	1,081,830.49	

Submission of the Tax Levy for 2026 for approval by the Board of Directors of South Texas Water Authority in accordance with Section 26.09(e) of the Texas Property Tax Code.

Krista Champine
Nueces County
Tax Assessor-Collector

SWORN AND SUBSCRIBED TO before me at Corpus Christi, Texas this 30th day of September, A.D., 2026.

LISA MARIE SOLIS
My Notary ID # 10802973
Expires March 27, 2029

Notary Public, State of Texas

THE STATE OF TEXAS
COUNTY OF NUECES

The Tax Levy is hereby approved by the Board of Directors of the South Texas Water Authority on this _____ day of _____, A.D., 2026.

Chairman,
South Texas Water Authority

ATTEST:

Secretary,
South Texas Water Authority

For information contact:	*Motor Vehicle*	*Property Tax*	*Voter Registration*
voice	*(361) 888-0459*	*(361) 888-0230*	*(361) 888-0404*
fax	*(361) 888-0482*	*(361) 888-0218*	*(361) 888-0339*

ATTACHMENT 8

Resolution 26-20

SOUTH TEXAS WATER AUTHORITY

Resolution 26-20

A RESOLUTION ADOPTING THE TAX ROLL/LEVY FOR THE SOUTH TEXAS WATER AUTHORITY'S DISTRICT IN NUECES COUNTY FOR TAX YEAR 2026.

WHEREAS, the South Texas Water Authority is a taxing jurisdiction within Kleberg and Nueces Counties, and

WHEREAS, the South Texas Water Authority has the power to collect ad valorem taxes to pay debt service for outstanding bonds, and

WHEREAS, the tax roll/levy of the South Texas Water Authority has been compiled by Nueces County for the purpose of levying an established tax rate on said valuation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the South Texas Water Authority adopts the 2026 tax roll/levy compiled by the Nueces County Tax Assessor/Collector on behalf of the Authority.

Duly adopted this 27th day of October, 2026.

_____
JOSE M. GRAVELEY, PRESIDENT

ATTEST:

_____
IMELDA GARZA, SECRETARY/TREASURER

ATTACHMENT 9

2027 Meeting Schedule

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Re: STWA Board of Directors Meeting Schedule 2027

Background

Each year, the South Texas Water Authority Board of Directors establishes its regular meeting schedule to ensure consistent governance and timely decision-making. The proposed meeting schedule for calendar year 2027 maintains a similar cadence to prior years, with meetings generally held on a monthly basis, except for the months of July and November where no meetings are planned.

Analysis

The following table lists the proposed 2027 regular meeting dates for the South Texas Water Authority Board of Directors. This schedule provides a balanced approach to meeting frequency while avoiding potential scheduling conflicts during major holidays or regional events.

Proposed Meeting Dates

January 26, 2027
February 23, 2027
March 23, 2027
April 27, 2027
May 25, 2027
June 22, 2027
July No Meeting
August 3, 2027
September 7, 2027
September 28, 2027
October 26, 2027
November No Meeting
December 7, 2027

Fiscal Impact

N/A

Staff Recommendation

Staff recommends the Board approve the proposed 2027 meeting schedule as presented. This schedule aligns with past practices and ensures adequate time for preparation of agenda items, financial reports, and project updates. With the addition of reviewing upcoming meetings during the Executive Director's Administrative Report the board can always adjust meetings based on any unforeseen changes.

Board Action

Approve the proposed 2027 Board of Directors Meeting Schedule as presented or amend as necessary.

Summary

Adopting an annual meeting schedule in advance provides predictability for board members, staff, and the public. Once approved, the schedule will be posted to the STWA website and distributed to all directors, stakeholders, and relevant agencies.

ATTACHMENT 10

Office Christmas Party

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Topic: Request to Close Office for Staff Christmas Luncheon

Background:

Staff request the Board approve the closure of the office for our Annual Christmas Luncheon as in past years.

Analysis:

An ongoing practice of the STWA is to seek official approval of the board to allow the office to close for an annual Christmas luncheon for staff. Although a specific date has not been identified to hold this luncheon seeking the board's input allows staff whether or not to select a date to shut down for the approximately 2 ½ hours for this party.

Staff Recommendation:

Determine whether to allow the office to close during the business day for approximately 2 ½ hours to hold a staff Christmas luncheon.

Board Action:

Motion to approve the closure of the STWA office to hold a Christmas luncheon on a date finalized by staff.

Summary:

Closing the office for a Christmas Luncheon has been an on-going tradition at STWA. Allowing the staff to enjoy time to celebrate the holidays supports morale and gives much needed relief from work.

ATTACHMENT 11

ERCOT 2027 Membership

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Re: ERCOT Membership and Proxy

Background

The Electric Reliability Council Of Texas is the entity responsible for operating the electric grid in the deregulated portion of Texas. Political subdivisions, like the STWA, have a voice in ERCOT's decision-making process. Once our membership is renewed the STWA will be asked to cast a vote for representatives to serve in advisory committees. These groups provide policy making decisions that have direct impacts on electricity prices in the state.

Enclosed please find the annual membership form and memo from ERCOT.

Analysis

Participating with ERCOT provides the STWA to direct access and influence of the state's preeminent group overseeing the Texas electric grid. Since the establishment of Senate Bill 3 during the last legislative session requiring each public utility to adopt an Emergency Preparedness Plan (EPP) its essential to remain active with advocacy and statutory organizations.

Fiscal Impact

Annual membership is $100 per year with a typical renewal term every four (4) years. Total $400 (2027-2030)

Staff Recommendation

Approve membership renewal with ERCOT; and direct staff to designate a proxy vote if the STWA board cannot convene prior to the voting deadline.

Board Action

Determine if renewing our membership benefits the STWA and its wholesale water system.

Summary

Being a member of ERCOT has enormous advantages. Nearly all of Texas electricity users operate in the deregulated market. Being members of ERCOT has advantages in not only pricing but also provides the STWA to have a voice and vote in directing electric policy for the rural and underserved communities of the state.

Lloyd Gosselink
ATTORNEYS AT LAW

816 Congress Avenue, Suite 1900
Austin, Texas 78701
512.322.5800 p
512.472.0532 f
lglawfirm.com

Mr. Brocato's Direct Line: (512) 322-5857
Email: tbrocato@lglawfirm.com

MEMORANDUM

TO: City and Other Political Subdivision Members of ERCOT
FROM: Thomas Brocato
Jack Klug
DATE: September 28, 2026
RE: ERCOT Membership Renewal for 2027

The purpose of this memorandum is to recommend that your city or other political subdivision renew its membership in the Electric Reliability Council of Texas ("ERCOT") for 2027. For the reasons we detail below, an ERCOT membership continues to be a straightforward and cost-effective way for your city to influence electric policy in Texas, and **we recommend that you submit your ERCOT membership renewal application and fee by October 23, 2026. The membership fee is $100 per year.**

WHAT IS ERCOT?

ERCOT is the entity that is responsible for operating the electric grid in the deregulated portion of Texas. Furthermore, ERCOT maintains the set of complicated rules that frame the way that electricity is bought and sold in the deregulated wholesale market. Through a process of negotiation and deliberation within committees of interested parties, the ERCOT stakeholder process is constantly reviewing and revising these rules, known as the ERCOT protocols. Most of the issues addressed at ERCOT are addressed nowhere else—the Public Utility Commission ("PUC") has largely delegated these issues to the ERCOT stakeholder process.

WHAT ROLE DO CITIES PLAY IN THE ERCOT PROCESS?

Consumers, such as cities and other political subdivisions, have a voice in ERCOT's decision-making process. Each segment of the ERCOT market has a vote on issues before ERCOT, through its representatives on the Technical Advisory Committee ("TAC") and the Wholesale Market Subcommittee ("WMS").

TAC and WMS are the bodies responsible for making the most important decisions about the detailed workings of the ERCOT market. These decisions can have bottom-line impacts on electricity prices. In 2026, a record of 182 cities and other political subdivisions joined ERCOT. With this membership strength, cities successfully elected two city representatives to TAC—representatives that ultimately advanced pro-City electric policy. A strong contingent of city members would maintain and advance Cities' strong presence for 2027.

As you know, consumers in ERCOT face constant efforts by power generators and power marketers to modify the electricity market in ways that would increase prices. In 2027, ERCOT and the PUC will continue their work on several major market redesign initiatives. As a result, Cities' presence in the ERCOT process as a voice for consumers continues to be important.

WHAT DOES AN ERCOT MEMBERSHIP REQUIRE?

It is not difficult to renew your ERCOT membership. A simple online form is required, along with payment of a $100 membership fee. Below, you will find a guide to complete the form. We are also available to assist you. Please feel welcome to call us (Jack Klug, Andrea Slaughter, and Erika Roberts) at 512-322-5837, 512-322-5871, and 512-322-5819; please email us at jklug@lglawfirm.com, aslaughter@lglawfirm.com, and eroberts@lglawfirm.com.

In order to vote for candidates for the 2027 TAC, **please send your renewal application and $100 fee to ERCOT by Friday, October 23, 2026.**

In completing the online form, please note the following:

- Only corporate members may vote in ERCOT matters. In response to **Membership Type** on the form, we recommend that cities renew as **Corporate**, rather than Associate or Adjunct, members.
- In response to **Segment Eligibility** select **Consumer**.
- In the list of Consumer Members below, you can see which Consumer segment (Small or Large Commercial) your city joined in for 2026. **We recommend that you choose the same segment in response to Consumer Type when renewing your membership for 2027.** Please call us (Jack Klug, Andrea Slaughter, and Erika Roberts) at 512-322-5837, 512-322-5871, and 512-322-5819, or email us at jklug@lglawfirm.com, aslaughter@lglawfirm.com, and eroberts@lglawfirm.com, if you have any questions about this.
- In response to **Designated Representative and Designated Representative Alternate, please designate as your authorized representative (and Alternate if you choose)** an employee of your city that can receive notices from ERCOT. ERCOT contacts its members very rarely; this person will not be inundated with emails, but may be asked to vote on important issues from time-to-time. Please also designate an alternate representative. During the coming year, please feel free to forward anything you receive from ERCOT to us at the email addresses above.
- There is **no need to add "Affiliates of Applicant**," as it is not relevant to cities' memberships in ERCOT.
- Submit the $100 membership fee electronically via **a wire transfer payment** using ERCOT's banking information in the PDFs titled **"ERCOT 2025 Bank Letter"** and **"ERCOT 2025 Banking Instructions (Membership)"** also attached to the email providing this memorandum.
- Finally, check the box next to "I agree to the terms of the Membership Agreement" and select "Submit."
- After you have sent your application to ERCOT, please forward a copy of your application to us at jklug@lglawfirm.com, aslaughter@lglawfirm.com, and eroberts@lglawfirm.com. This will help us track pending applications, and will allow us to follow up with ERCOT if issues arise.

Please feel free to call or email us if you have any questions in completing the online form or about ERCOT in general.

Small Commercial

1. Anna
2. Aransas County MUD No. 1
3. Argyle, Town of
4. Aubrey
5. Belton
6. Benbrook
7. Brookside Village
8. Buffalo
9. Bunker Hill Village
10. Caddo Mills
11. Cedar Hill
12. Centerville
13. Clear Lake Shores
14. Clyde
15. Colleyville
16. Colorado City
17. Corinth
18. Corpus Christi Regional Transportation Authority
19. Crowley
20. Dalworthington Gardens
21. Deer Park
22. Duncanville
23. Early
24. Eastland
25. Ennis
26. Fate
27. Forest Hill
28. Forney
29. Frisco
30. Fulshear
31. Fulton, Town of
32. Gainesville
33. Glenn Heights
34. Haltom City
35. Hamilton
36. Harker Heights
37. Hedwig Village
38. Hewitt
39. Highland Park, Town of
40. Hilshire Village
41. Howe
42. Hunters Creek Village
43. Hurst
44. Jersey Village
45. Jolly
46. Josephine
47. Justin
48. Kaufman
49. Keller
50. Kemah
51. Kennedale
52. Kerens
53. Lake Worth
54. Lakeside, Town of
55. Lancaster
56. Lamesa
57. Lorena
58. Malakoff
59. Manvel
60. Merkel
61. Morgan's Point
62. Murchison
63. Nassau Bay
64. Northlake, Town of
65. Oak Point
66. O'Donnell
67. Ovilla
68. Paris
69. Parker
70. Pattison
71. Piney Point Village
72. Portland
73. Pottsboro
74. Prosper, Town of
75. Red Oak
76. River Oaks
77. Roanoke
78. Rotan
79. Sachse
80. Saginaw
81. Seagoville
82. Simonton
83. Snyder
84. Springtown
85. Stephenville
86. Terrell
87. Tomball
88. University Park
89. Webster
90. Westlake, Town of
91. Westover Hills
92. Willow Park
93. Wilmer
94. White Settlement
95. Woodsboro, Town of
96. Woodway
97. Wylie

Large Commercial

1. Alamo
2. Allen
3. Alvarado
4. Aquilla Water Supply District
5. Arlington
6. Azle
7. Bedford
8. Bellmead
9. Benbrook Water Authority
10. Big Spring
11. Breckenridge
12. Brownwood
13. Burkburnett
14. Burleson
15. Canton
16. Carrollton
17. Celina
18. Cleburne
19. Colony, The
20. Coppell
21. Corpus Christi
22. Dallas
23. Decatur
24. Denison
25. DeSoto
26. Euless
27. Farmers Branch
28. Flower Mound, Town of
29. Fort Worth
30. Galveston
31. Grand Prairie
32. Grapevine
33. Hidalgo County
34. Housing Authority of Harlingen dba Harlingen Housing Authority
35. Houston
36. Hudson Oaks
37. Hutchins
38. Hutto
39. Ingleside
40. Ingleside on the Bay
41. Irving
42. Killeen
43. Kingsville
44. Lake Jackson
45. Lavon
46. Lewisville
47. Lindsay
48. Mansfield
49. McAllen
50. McKinney
51. Mesquite
52. Midland
53. Midlothian
54. North Richland Hills
55. Odessa
56. Plano
57. Richardson
58. Richland Hills
59. Robinson
60. Rockport
61. Rosenberg
62. Rowlett
63. San Angelo
64. Seabrook
65. Sherman
66. South Houston
67. South Texas Water Authority
68. Southlake
69. Spring Valley Village
70. Stafford
71. Sugar Land
72. Sulphur Springs
73. Sweetwater
74. Taylor Lake Village
75. Temple
76. Texas City
77. Thorndale
78. Tyler
79. Vernon
80. Victoria
81. Waco
82. Watauga
83. Waxahachie
84. Weslaco
85. Wichita Falls

ATTACHMENT 12

Payment Plan Agreements

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Re: Update on Outstanding Accounts and Payment Plan Agreements – City of Driscoll and Nueces County Water Control and Improvement District No. 5

Background

During the September 2026 meeting, the South Texas Water Authority (STWA) Board of Directors considered proposed payment arrangements for two wholesale customers with outstanding balances: the City of Driscoll and Nueces County Water Control and Improvement District No. 5 (NCWCID No. 5). Since that discussion, staff has continued working toward resolving the outstanding balances while ensuring that both entities remain responsible for their ongoing monthly water service obligations. Progress has been made in developing a structured repayment schedule for NCWCID No. 5. However, despite repeated requests from STWA staff, the City of Driscoll has not responded with a satisfactory commitment to address its outstanding invoices.

Analysis

Nueces County Water Control and Improvement District No. 5

Staff has developed a revised repayment schedule for NCWCID No. 5 based on an outstanding principal balance of $20,218.96, with interest calculated at an annual rate of 10%. Under the proposed schedule, NCWCID No. 5 would make eleven monthly payments of $1,800, beginning October 1, 2026, followed by a final adjusted payment of $1,518.13 on September 1, 2027. The schedule provides for total payments of $21,318.13, including $1,099.17 in interest, allowing the outstanding principal balance to be satisfied over twelve months. This represents progress toward resolving the account through an established repayment schedule. Staff will continue coordinating with the District to confirm payments and ensure current water service obligations are met.

City of Driscoll

Unlike NCWCID No. 5, the City of Driscoll has not responded to repeated requests from STWA staff to establish an acceptable repayment arrangement for its outstanding water service invoices.
The most recent repayment calculation identifies an outstanding principal balance of $45,445.04. The proposed schedule provides for repayment over 24 months at an annual interest rate of 10%, beginning January 1, 2027, and concluding December 1, 2028. Monthly payments would be approximately $2,097.06, with a slightly adjusted final payment. Total repayment would equal $50,329.36, including $4,884.32 in interest. Given the City's continued lack of response, staff recommends that the Board direct legal counsel to prepare a written repayment agreement establishing payment obligations, applicable interest, repayment deadlines, and provisions addressing noncompliance. The agreement should also require the City to remain current on all ongoing water service invoices, separate from past-due payments.

Fiscal Impact

The proposed repayment arrangements are intended to recover outstanding amounts owed to STWA while providing an orderly collection process. Based on the revised schedules:

Customer	Principal Balance	Interest	Total Repayment
NCWCID No. 5	$20,218.96	$1,099.17	$21,318.13
City of Driscoll	$45,445.04	$4,884.32	$50,329.36
Total	$65,664.00	$5,983.49	$71,647.49

Actual collections will depend on each entity's compliance with its repayment obligations. Any additional legal or administrative costs associated with preparation and enforcement will be evaluated as necessary.

Staff Recommendation

Staff recommends that the Board receive the update regarding the repayment schedule developed for NCWCID No. 5 and acknowledge the progress made toward resolving its outstanding account. Regarding the City of Driscoll, staff recommends that the Board direct STWA's legal counsel to prepare a formal repayment agreement based on the outstanding principal balance of $45,445.04, with interest assessed at an annual rate of 10% until paid in full. The agreement should establish a defined repayment schedule, require continued payment of current water service invoices, and include appropriate provisions to protect STWA's financial interests in the event of noncompliance.

Board Action

Authorize and direct STWA's legal counsel, in coordination with the Executive Director and Finance Manager, to prepare a formal repayment agreement for the City of Driscoll, incorporating an annual interest rate of 10% on the outstanding balance until paid in full, a proposed 24-month repayment schedule, and requirements that all current water service invoices remain paid in accordance with existing contractual obligations.

Direct staff and legal counsel to present the proposed agreement for final Board consideration and approval before execution.

Summary

STWA continues working to resolve outstanding wholesale customer balances while maintaining fiscal accountability and protecting the Authority's financial interests. The revised repayment schedule for NCWCID No. 5 represents progress toward recovering amounts owed through a structured payment arrangement.

The City of Driscoll's continued lack of response requires a more formal approach. Directing legal counsel to prepare a repayment agreement will establish clear financial expectations, provide a defined process for recovering outstanding amounts, and reinforce timely payment obligations to STWA. Staff will continue monitoring both accounts and provide updates as warranted.

City of Driscoll
Pay Plan - Loan
10% Annual Interest

Beginning Balance:	$45,445.04
Monthly Payment:	$2,097.06
Annual Interest Rate:	10.00%
# of Payments:	24
1st Payment Due:	1/1/2027
Last Payment Due:	12/1/2028
Total Interest Due:	$4,884.32
Total Payments:	$50,329.36

Beginning balance before first payment: **$45,445.04**

Payment Date	Payment	10% Interest	Principal	Ending Balance
1/1/2027	$2,097.06	$378.71	$1,718.35	$43,726.69
2/1/2027	$2,097.06	$364.39	$1,732.67	$41,994.02
3/1/2027	$2,097.06	$349.95	$1,747.11	$40,246.91
4/1/2027	$2,097.06	$335.39	$1,761.67	$38,485.24
5/1/2027	$2,097.06	$320.71	$1,776.35	$36,708.89
6/1/2027	$2,097.06	$305.91	$1,791.15	$34,917.74
7/1/2027	$2,097.06	$290.98	$1,806.08	$33,111.66
8/1/2027	$2,097.06	$275.93	$1,821.13	$31,290.53
9/1/2027	$2,097.06	$260.75	$1,836.31	$29,454.22
10/1/2027	$2,097.06	$245.45	$1,851.61	$27,602.61
11/1/2027	$2,097.06	$230.02	$1,867.04	$25,735.57
12/1/2027	$2,097.06	$214.46	$1,882.60	$23,852.97
1/1/2028	$2,097.06	$198.77	$1,898.29	$21,954.68
2/1/2028	$2,097.06	$182.96	$1,914.10	$20,040.58
3/1/2028	$2,097.06	$167.00	$1,930.06	$18,110.52
4/1/2028	$2,097.06	$150.92	$1,946.14	$16,164.38
5/1/2028	$2,097.06	$134.70	$1,962.36	$14,202.02
6/1/2028	$2,097.06	$118.35	$1,978.71	$12,223.31
7/1/2028	$2,097.06	$101.86	$1,995.20	$10,228.11
8/1/2028	$2,097.06	$85.23	$2,011.83	$8,216.28
9/1/2028	$2,097.06	$68.47	$2,028.59	$6,187.69
10/1/2028	$2,097.06	$51.56	$2,045.50	$4,142.19
11/1/2028	$2,097.06	$34.52	$2,062.54	$2,079.65
12/1/2028	$2,096.98	$17.33	$2,079.65	$0.00

Assumptions:

Fixed monthly interest = 10% annual rate / 12; interest rounded to cents each month.

Payment 24 is adjusted slightly, if needed, to bring the ending balance to $0.00.

This schedule assumes monthly payments on the 1st of each month and no additional fees.

NWCID#5
Pay Plan - Loan
10% Interest

Beginning Balance:	$ 20,218.96
Monthly Payments:	$ 2,500.00
# of Payments:	12
1st Payment Due:	10/1/2026
Last Payment Due	9/1/2027
Total Interest Due:	$ 1,099.17
Total Payments:	$ 21,318.13

Proposal #2

	Payment	10% Interest	Principal	Balance
				$ 20,218.96
10/1/2026	$ 1,800.00	$ 168.49	$ 1,631.51	$ 18,587.45
11/1/2026	$ 1,800.00	$ 154.90	$ 1,645.10	$ 16,942.35
12/1/2026	$ 1,800.00	$ 141.19	$ 1,658.81	$ 15,283.53
1/1/2027	$ 1,800.00	$ 127.36	$ 1,672.64	$ 13,610.90
2/1/2027	$ 1,800.00	$ 113.42	$ 1,686.58	$ 11,924.32
3/1/2027	$ 1,800.00	$ 99.37	$ 1,700.63	$ 10,223.69
4/1/2027	$ 1,800.00	$ 85.20	$ 1,714.80	$ 8,508.89
5/1/2027	$ 1,800.00	$ 70.91	$ 1,729.09	$ 6,779.79
6/1/2027	$ 1,800.00	$ 56.50	$ 1,743.50	$ 5,036.29
7/1/2027	$ 1,800.00	$ 41.97	$ 1,758.03	$ 3,278.26
8/1/2027	$ 1,800.00	$ 27.32	$ 1,772.68	$ 1,505.58
9/1/2027	$ 1,518.13	$ 12.55	$ 1,505.58	$ (0.00)
Total	**$ 21,318.13**	**$ 1,099.17**	**$ 20,218.96**	

WILLATT & FLICKINGER, PLLC
ATTORNEYS AT LAW

12912 HILL COUNTRY BLVD., SUITE F-232 · AUSTIN, TEXAS 78738 · (512) 476-6604 · FAX (512) 469-9148

October 9, 2026

VIA EMAIL ONLY TO: nuecescountywcid5@gmail.com

Nueces County WCID No. 5
P.O. Box 157
Banquete, Texas 78339

Re: South Texas Water Authority; Payment Plan Agreement for Nueces County WCID No. 5 for Past Due Water Service

Dear Sir or Madam:

This law firm represents South Texas Water Authority (the "Authority").

THIS LAW FIRM IS ATTEMPTING TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

The Board Directors of South Texas Water Authority has approved Nueces County WCID No. 5 ("NWCID#5")'s recent request for a payment plan to pay the delinquent wholesale water service invoices. I am writing to outline the terms of that payment plan and ask that you present it to NWCID#5's Board for approval.

The parties agree that as of September 30, 2026, NWCID#5 owed South Texas Water Authority $20,218.96 in delinquent wholesale water charges. NWCID#5 agrees to pay South Texas Water Authority interest on the unpaid balance of $20,218.96 at the rate of ten percent (10%) per annum. NWCID#5 can prepay any amount due without penalty. The parties hereby agree to the following payment plan for NWCID#5 to pay the delinquent amounts. Such payments will be in addition to paying future invoices for wholesale water charges and O&M charges as they are presented:

Beginning with the month of October 2026 and through the month of September 2027, NWCID#5 shall pay to South Texas Water Authority 12 equal monthly payments of $1,800.00 on the date the monthly wholesale invoices are due. Such payments shall consist of principal and interest as set forth on the attached amortization schedule.

The monthly wholesale invoices to NWCID#5 are due by the end of each month.

Should NWCID#5 fail to make timely payments pursuant to this payment plan agreement, all amounts will be immediately due and payable.

If NWCID#5 accepts the terms of this payment agreement, please indicate by signing below, after which the Board President of South Texas Water Authority will sign the agreement.

This offer of a payment agreement shall expire if not executed by NWCID#5 within thirty (30) days of the date of this letter.

Please contact me should you have any questions or if any changes are required to this payment agreement. Thank you.

Very truly yours,

Bill Flickinger

Enclosure
BF/an

AGREED AND ACCEPTED:

NUECES COUNTY WCID NO. 5

By: Jose A Arce
Printed Name: Jose A. Arce
Title: President
Date: 10-13-26, 2026

SOUTH TEXAS WATER AUTHORITY

By: _____
Printed Name: _____
Title: Board President
Date: _____, 2026

cc: Mr. John Marez (Via Email Only)
Executive Director
South Texas Water Authority
2302 E. Sage Road
Kingsville, Texas 78363
(w/enclosure)

NWCID#5
Pay Plan - Loan
10% Interest

Beginning Balance:	$ 20,218.96
Monthly Payments:	$ 2,500.00
# of Payments:	12
1st Payment Due:	10/1/2026
Last Payment Due	9/1/2027
Total Interest Due:	$ 1,099.17
Total Payments:	$ 21,318.13

Proposal #2

	Payment	10% Interest	Principal	Balance
				$ 20,218.96
10/1/2026	$ 1,800.00	$ 168.49	$ 1,631.51	$ 18,587.45
11/1/2026	$ 1,800.00	$ 154.90	$ 1,645.10	$ 16,942.35
12/1/2026	$ 1,800.00	$ 141.19	$ 1,658.81	$ 15,283.53
1/1/2027	$ 1,800.00	$ 127.36	$ 1,672.64	$ 13,610.90
2/1/2027	$ 1,800.00	$ 113.42	$ 1,686.58	$ 11,924.32
3/1/2027	$ 1,800.00	$ 99.37	$ 1,700.63	$ 10,223.69
4/1/2027	$ 1,800.00	$ 85.20	$ 1,714.80	$ 8,508.89
5/1/2027	$ 1,800.00	$ 70.91	$ 1,729.09	$ 6,779.79
6/1/2027	$ 1,800.00	$ 56.50	$ 1,743.50	$ 5,036.29
7/1/2027	$ 1,800.00	$ 41.97	$ 1,758.03	$ 3,278.26
8/1/2027	$ 1,800.00	$ 27.32	$ 1,772.68	$ 1,505.58
9/1/2027	$ 1,518.13	$ 12.55	$ 1,505.58	$ (0.00)
Total	**$ 21,318.13**	**$ 1,099.17**	**$ 20,218.96**	

ATTACHMENT 13

KorTerra

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Re: KorTerra Order Form and Service Agreement – Authorization for Approval

Background

The South Texas Water Authority (STWA), which provides management and operational services to Nueces Water Supply Corporation (NWSC) and Ricardo Water Supply Corporation (RWSC), is responsible for coordinating underground utility line locates in response to Texas 811 notifications. Timely and accurate responses are essential to protecting underground water infrastructure, maintaining regulatory compliance, and minimizing service disruptions and liability.

As part of the Fiscal Year 2026–2027 budget process, the Board previously approved funding for the implementation of the KorTerra cloud-based ticket management platform. Staff now requests formal authorization to execute the associated Order Form and Service Agreement.

Analysis

KorTerra provides a centralized platform for managing Texas 811 excavation notifications and coordinating underground utility locate activities across STWA, NWSC, and RWSC. Its capabilities include centralized ticket tracking and prioritization; online and offline field access; automated assignments, status updates and completion documentation; GIS-based mapping; compliance reporting; and risk-based work prioritization.

The proposed package includes KorTerra Locate Management Plus and Productivity Management Standard, Positive Response Email to Excavator, and Offline Maps. These tools are intended to improve locate accuracy, timely communication with excavators, and documentation of damage-prevention activities.

The Order Form establishes an initial 36-month term, annual advance billing, and automatic renewal for successive 36-month terms unless notice of nonrenewal is provided at least 60 days before the next term. The incorporated Services Agreement should be reviewed by legal counsel before execution.

Fiscal Impact

The proposed agreement contains the following charges:

Description	Amount
Annual software subscription	$5,625.00
One-time setup fee	$1,300.00
Virtual training (4 hours)	$900.00
Total first-year cost	$7,825.00
Annual recurring cost (years 2–3)	$5,625.00 per year
Total initial 36-month commitment	$19,075.00

The subscription includes 3,900 tickets annually, with overages at $0.39 per ticket. The initial-term service fee is fixed, subject to applicable overage provisions. ***Funding was previously incorporated into the approved Budget; no additional budget authorization is anticipated with costs remaining within the approved allocation.***

Staff Recommendation

Staff recommends approval of the KorTerra Order Form and Service Agreement to improve operational coordination, response efficiency, recordkeeping, and underground infrastructure protection across STWA, NWSC, and RWSC.

Board Action

Approve the KorTerra Order Form and Service Agreement for an initial 36-month term, with a first-year cost of $7,825.00 and total initial contractual commitment of $19,075.00, excluding applicable ticket overage charges, and authorize the Executive Director to execute the necessary documents and oversee implementation using previously approved budgeted funds, subject to legal review.

Summary

KorTerra will streamline Texas 811 ticket processing, improve field crew coordination, strengthen compliance documentation, and support timely communication with excavators. Formal contract approval will allow staff to implement a more efficient and accountable damage-prevention program using funding previously approved by the Board.

Docusign Envelope ID: 4A8311C4-EABE-87A2-8162-0645773B9DC1

KorTerra

Order Form

South Texas Water Authority (the "**Client**") agrees to purchase the KorTerra Services listed below. Support and maintenance are included in the fees listed below. This Order Form is effective as of the date last signed below (the "**Order Form Effective Date**"). Subscribed Ticket Volume: 3,900

Services	Overage Rate	Service Fee
KorTerra Locate Management Plus, Productivity Management Standard	$0.39 per Ticket	$5,625.00 per year
KorTerra Package Includes:		
Positive Response Email to Excavator		
Offline Maps		
		Total Recurring Fees: $5,625.00

KorTerra One-Time Setup Fees	
KorTerra One-Time Setup Fees	$1,300.00
Virtual Training $900-4 Hours	$900.00
Total One-Time Fees	**$2,200.00**

This Order Form incorporates by reference and is governed by the terms and conditions of the KorTerra Services Agreement which can be reviewed at https://www.korterra.com/services-agreement (the "**Services Agreement**"). By signing this Order Form, you are acknowledging review of the Services Agreement and indicating your acceptance of and agreement to the terms of this Order Form and the Services Agreement. Capitalized terms used but not defined herein have the meaning set forth in the Services Agreement.

The initial term of this Order Form begins on the Order Form Effective Date set forth above and, unless terminated earlier pursuant to the Services Agreement's express provisions, will continue in effect for a period of thirty-six (36) months from such date (the "**Initial Order Form Term**"). At the end of the Initial Order Form Term, this Order Form shall automatically renew for additional successive thirty-six (36) month periods (each an "**Order Form Renewal Term**" and together with the Initial Order Form Term, the "**Order Form Term**"), unless earlier terminated pursuant to the Service Agreement's express provisions or either you or we notify the other of its intent to terminate this Order Form with advance written notice at least sixty (60) days prior to the commencement of the immediately subsequent Order Form Renewal Term.

The Services will be invoiced in advance of each year of the Order Form Term and the Service Fee will remain fixed during the Initial Order Form Term unless you exceed your Subscribed Ticket Volume or other applicable limits. If in any given year of the Order Form Term ("Billing Period") the actual Ticket Volume is greater than the Subscribed Ticket Volume, an Overage Fee will be assessed equal to the excess Ticket Volume multiplied by the aggregate Overage Rate, and the actual Ticket Volume from the Billing Period will be used as the Subscribed Ticket Volume for subsequent Billing Periods. The Service Fee for subsequent Billing Periods will be increased by the amount of any Overage Fee(s).

Billing for the Services will begin on the Order Form Effective Date. All pricing is in US Dollars and is valid for 30 days. All invoices are due and payable net 30 days from the invoice date. If you fail to make any payment when due, without limiting our other rights and remedies, we may take the actions set forth in the Services Agreement, including charging late fees.

Billing Contact Information:

Contact Name: August Patroelj

Title: Finance Manager

E-mail: apatroelj@stwa.org

Street: 2302 E Sage Road

City, State Zip: Kingsville, TX 78363

Phone Number: 361-592-9323

Will payment be submitted via wire?*

Special Billing Instructions:

Sales Tax Exempt (Y/N) If Y, please include exemption certificate

PO Required (Y/N) PO Number:

*Please note any payment received via wire will incur a $40 service charge.

Copyright © 2026 KorTerra, Inc.
Confidential and Proprietary – Revision 2026.02

Docusign Envelope ID: 4A8311C4-EABE-87A2-8162-0645773B9DC1

KorTerra

By signing this Order Form, the undersigned represents and warrants that they are duly authorized to bind the Client, identified above, to this Order Form and the Services Agreement.

ACCEPTED AND AGREED:

Client:		**KorTerra, Inc.:**	
Signed:		Signed:	
Print Name:	August Patroelj	Print Name:	
Title:		Title:	
Date:		Date:	

Internal Use Only:

Controller Approval: _____ New Customer (Y/N): [redacted] Customer ID: _____ Sales Exec: Karen Gunderson

Copyright © 2026 KorTerra, Inc.
Confidential and Proprietary – Revision 2026.02

ATTACHMENT 14

Bids for Backhoe

Memo

To: South Texas Water Authority Board of Directors
From: John Marez, Executive Director
Date: October 23, 2026
Re: Authorization to Purchase Backhoe Through BuyBoard

Background

The South Texas Water Authority (STWA) included $110,000 in its Fiscal Year 2026–2027 Budget for the acquisition of a backhoe to support field operations, infrastructure maintenance, and emergency repairs.

Management has obtained a purchase quotation through the BuyBoard Cooperative Purchasing Program from Boss JCB for a JCB Loader Backhoe.

Analysis

The proposed purchase is a four-wheel-drive backhoe equipped with an extendable digging arm, enclosed cab, hydraulic controls, and additional attachments suitable for the Authority's operational needs.

The BuyBoard quotation reflects a 25% discount from relevant factory list pricing, with an additional $25,500 discount or trade-in allowance. Utilizing BuyBoard provides an established cooperative purchasing process while reducing the administrative requirements associated with independently soliciting bids.

The equipment will enhance staff's ability to perform excavation, waterline repairs, and routine maintenance while reducing reliance on rented equipment or outside contractors when appropriate.

Fiscal Impact

The total proposed purchase price is $87,877.26, including applicable equipment, attachments, freight, delivery, training, and heavy equipment tax.
The expenditure is within the approved $110,000 capital equipment allocation, resulting in a favorable budget difference of $22,122.74.

Staff Recommendation

Staff recommends that the Board approve the purchase of a JCB Loader Backhoe from Nueces Power Equipment through the BuyBoard Cooperative Purchasing Program for a total amount not to exceed $87,877.26.

Board Action

Authorize the Executive Director to proceed with the purchase of a JCB Loader Backhoe from Nueces Power Equipment through BuyBoard in an amount not to exceed $87,877.26, and execute all necessary purchasing documents consistent with the approved FY 2026–2027 Budget and applicable procurement requirements.

Summary

This procurement represents a planned capital investment that will improve operational efficiency, strengthen the Authority's equipment resources, and support timely maintenance of its water infrastructure. The proposed purchase is within the approved budget and provides a cost-effective means of meeting STWA's operational needs.

Boss JCB
Sales Agreement: #04CZJ000KCHG
Date Issued: Oct 23, 2026, 11:53 AM
Expiration Date: Oct 31, 2026

Purchaser Info

South Texas water authority
2302 East Sage Road
Kingsville, TX 78363
(361) 592-9323

Prepared By

Wesley Mobley
2729 Agnes Street
Corpus Christi, TX
wesley.mobley@bossjcb.com

EQUIPMENT SUMMARY (1)

Equipment	Serial #	Price
2026 JCB 3CX14LFCE 3CX14LFCE*36829-23	**3682923**	**$113,377.26**

92" Loader Buckett

24" Excavator Bucket

2 Year 2000 Hour Warranty (N/A - N/A) (Term(s): 24 mo / 2,000 Hours)

Total Selling Price: $113,377.26

TRADE INS

Trade Item	Serial #	Trade Offer	Payoff	Net Trade Offer
CASE 580 Backhoe	533530	$25,500.00		$25,500.00

Net Trade Offer: $25,500.00

QUOTE SUMMARY

Total Selling Price	$113,377.26
Net Trade Offer	($25,500.00)
Net Taxes Due	--
Amount Due	**$87,877.26**

Customer Signature	**Printed Name**	**Date**
Dealer Signature	**Printed Name**	**Date**

BUY BOARD NUMBER: 788-25

Seller makes no warranty of any kind that the equipment will be suitable for Customer's specific or intended use. Customer is solely responsible for evaluating and determining whether the equipment meets its operational requirements. To the extent permitted by law, Seller disclaims all implied warranties, including any warranty of merchantability or fitness for a particular purpose. Any recommendations or assistance provided by Seller are for general informational purposes only and do not constitute a representation or warranty of suitability for any specific use.

Seller does not manufacture the equipment and makes no warranties with respect to defects in materials or workmanship. Any such warranties are provided solely by the manufacturer. To the extent permitted, Seller assigns to Customer any manufacturer warranties applicable to the equipment. Customer's sole and exclusive remedy for any defect shall be against the manufacturer under its applicable warranty. Seller will reasonably cooperate with Customer in facilitating any valid claim under the manufacturer's warranty but shall have no independent obligation to repair or replace defective equipment.

ATTACHMENT 15

Resolution 26-25

SOUTH TEXAS WATER AUTHORITY

RESOLUTION 26-25

RESOLUTION AWARDING THE BID FOR THE PURCHASE OF ONE BACKHOE.

WHEREAS, the South Texas Water Authority solicited bids to acquire one backhoe for the Authority's use, and

WHEREAS, the Board of Directors of the South Texas Water Authority has reviewed the bids and finds that_____ has submitted the lowest responsible bid.

NOW, THEREFORE, BE IT RESOLVED that the South Texas Water Authority Board of Directors awards the bid for one backhoe to_____.

Duly adopted this 27th day of October, 2026.

_____
JOSE M. GRAVELEY, PRESIDENT

ATTEST:

_____
IMELDA GARZA, SECRETARY/TREASURER