SOUTH TEXAS WATER AUTHORITY
Minutes – Regular Board of Directors Meeting
May 22, 2025

Board Members Present:

Jose Graveley
Frances Garcia
Imelda Garza
Tanya Lawhon
Daniel Morales
Joe Morales
Angela Pena
Arturo Rodriguez
Patsy Rodgers

Board Members Absent:

None

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo
Victor Gutierrez
August Patroelj

Guests Present:

Kasy Stinson, Seven Seas
Rogelio Rodriguez, Water Finance Exchange
Rob Williamson, Evergreen Solutions, LLC
Lynn Yaklin, Coldwell Banker/Pacesetter Steel

1. Call to Order.

Mr. Jose Graveley, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:30 p.m. 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. Mr. Kasy Stinson of Seven Seas informed the Board on the progress of the monitoring well. He stated that a groundbreaking is scheduled for July 8th and he expects the second well to be completed by that time. He added that as of this morning, Seven Seas is backed by a new investor, EQT, but assured the Board that there would be no changes to operations.

3. New Board Members' Oaths of Office.

Ms. Wagner administered the Oath of Office to Mr. Daniel Morales who was appointed to Place 7 on the Board by the Kleberg County Commissioner's Court and Dr. Tanya Lawhon who was appointed to Place 8 by Nueces County Commissioner's Court.

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

5. Professional Services Contract – Lynn Yaklin, Realtor.

Mr. Marez presented a Commercial Buyer/Tenant Representation Agreement with Lynn Yaklin for assistance in securing new office space. He explained that STWA's current administration building is deteriorating and experiencing persistent leaks. The building has been tested for mold and results should be available soon. Mr. Marez introduced Ms. Lynn Yaklin who explained that she is very familiar with the area and is willing to assist with finding a location. Her fee is 3% of the sales price but she explained that this can be negotiated to be paid by the seller. Mr. Marez recommended that the Board authorize him to negotiate a contract with Ms. Yaklin. Mr. D. Morales made a motion to authorize Mr. Marez to negotiate and sign an agreement with Ms. Yaklin. Mr. Rodriguez seconded the motion and all voted in favor. Mr. Marez stated that he expects this item to be included in several upcoming agendas for discussion in executive session as needed.

6. Budget Workshop: Pay Study.
   - Classification and Compensation Study Presentation by Evergreen Solutions, LLC
   - Finances FY 2025 and FY 2026

Mr. Marez introduced Mr. Rob Williamson of Evergreen Solutions, LLC. Mr. Williamson provided a presentation on the Classification and Compensation Study performed by Evergreen. He said the purpose of the study was to standardize and modernize STWA's compensation structure and provide recommendations on a fair and competitive compensation plan. He explained that he interviewed staff and conducted an internal analysis using a Job Assessment Tool employee survey. Evergreen also conducted an external analysis by surveying the market for salaries to determine equitable salary ranges. This included salary data from twelve market peers covering all job classifications. For peers outside of the area, the data was adjusted for cost of living.

Mr. Williamson proposed a new pay plan and recommended that the Board adopt the proposed compensation structure, reassign all job classification to pay grades based on internal equity and market results, place employees within their newly recommended pay grades with a 15% cap in year one, and select an implementation methodology that aligns with STWA's compensation philosophy and financial means. He recommended approaching this in two phases. First placing employees into the new pay structure in Phase 1 and then moving ranges closer to the market average in Phase 2. He pointed out that overall, salaries are 11% behind the minimum of the range of market average. The Board asked questions regarding the types of benefits provided to employees in terms of insurance and leave. Mr. Williamson stated that he believes a benefit study is very important but was not included as part of the requested study. He added that he could perform a benefit study if authorized but it would not be completed in time for STWA's budget process. After further discussion, Ms. Garcia made a motion to authorize Evergreen to perform a benefit study at a cost up to $7,000. Mr. D. Morales seconded. All voted in favor.

4. Approval of Minutes.

Mr. J. Morales made a motion to approve the minutes of the April 15, 2025 Special Meeting and April 22, 2025 Regular Meeting as presented. Ms. Garcia seconded. The motion passed by unanimous vote.

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

The following reports were presented for Board approval:

Corrected STWA Investment Report for Quarter ended December 31, 2024
STWA Investment Report for Quarter ended March 31, 2025
Corrected Revenue Fund Income Statement for period ending October 31, 2024
Corrected Tax Fund Income Statement for period ending October 31, 2024
Corrected Special Services Income Statement for period ending October 31, 2024
STWA Revenue Fund Balance Sheet – October 31, 2024
STWA Revenue Fund Trial Balance for October, 2024
STWA Debt Service Fund Income Statement for period ending October 31, 2024
STWA Debt Service Fund Balance Sheet – October 31, 2024
STWA Debt Service Fund Trial Balance – October, 2024
STWA Capital Projects Fund Income Statement for period ending October 31, 2024
STWA Capital Projects Fund Balance Sheet – October 31, 2024
STWA Capital Projects Fund Trial Balance – October, 2024
Corrected Revenue Fund Income Statement for period ending November 30, 2024
Tax Fund Income Statement for period ending November 30, 2024
Special Services Income Statement for period ending November 30, 2024
STWA Revenue Fund Balance Sheet – November 30, 2024
Corrected Revenue Fund Income Statement for period ending December 31, 2024
Tax Fund Income Statement for period ending December 31, 2024
Special Services Income Statement for period ending December 31, 2024
STWA Revenue Fund Balance Sheet – December 31, 2024
Treasurer's Report for period ending January 31, 2025
Revenue Fund Income Statement for period ending January 31, 2025
Tax Fund Income Statement for period ending January 31, 2025
Special Services Income Statement for period ending January 31, 2025
STWA Revenue Fund Balance Sheet – January 31, 2025
STWA Debt Service Fund Income Statement for period ending January 31, 2025
STWA Debt Service Fund Balance Sheet – January, 2025
STWA Debt Service Fund Trial Balance – January, 2025
STWA Capital Projects Fund Income Statement for period ending January 31, 2025
STWA Capital Projects Fund Balance Sheet – January, 2025
STWA Capital Projects Fund Trial Balance – January, 2025
Treasurer's Report for period ending February 28, 2025
Revenue Fund Income Statement for period ending February 28, 2025
Tax Fund Income Statement for period ending February 28, 2025
Special Services Income Statement for period ending February 28, 2025
STWA Revenue Fund Balance Sheet – February, 2025
STWA Debt Service Fund Income Statement for period ending February 28, 2025
STWA Debt Service Fund Balance Sheet – February, 2025
STWA Debt Service Fund Trial Balance – February, 2025
STWA Capital Projects Fund Income Statement for period ending February 28, 2025
STWA Capital Projects Fund Balance Sheet – February, 2025
STWA Capital Projects Fund Trial Balance – February, 2025

Treasurer's Report for period ending March 31, 2025
Revenue Fund Income Statement for period ending March 31, 2025
Tax Fund Income Statement for period ending March 31, 2025
Special Services Income Statement for period ending March 31, 2025
STWA Revenue Fund Balance Sheet – March, 2025
STWA Debt Service Fund Income Statement for period ending March 31, 2025
STWA Debt Service Fund Balance Sheet – March, 2025
STWA Debt Service Fund Trial Balance – March, 2025
STWA Capital Projects Fund Income Statement for period ending March 31, 2025
STWA Capital Projects Fund Balance Sheet – March, 2025
STWA Capital Projects Fund Trial Balance – March, 2025

The following invoices were presented for Board approval:

• Hawkins	$ 22,500.00
• Hawkins	$ 15,759.00
• Hawkins	$ 22,500.00
• Hawkins	$ 17,513.70
• Hawkins	$ 9,000.00
• Hawkins	$ 4,254.90

Mr. J. Morales made a motion to approve the Quarterly Reports, Treasurer's Reports and payment of the bills as presented. Mr. Rodriguez seconded. The motion passed unanimously.

8. Operation and Maintenance Reports.
   - O&M Technical Report
   - Cathodic Protection Report

Mr. Sendejo presented the O&M Technical Report for the weeks of April 21 through May 19, 2025. The Board had no questions about the report.

9. **Resolution 25-17**. Resolution appointing Jo Ella Wagner, Assistant Executive Director, to serve as Chief Tax Assessor for South Texas Water Authority and Alternate Frances De Leon in her absence.
10. **Resolution 25-18**. Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County.
11. **Resolution 25-19**. Resolution appointing Maria Victoria Valadez, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County.
12. **Resolution 25-20**. Resolution establishing tax exemptions for residence homesteads, for property owners who are 65 years of age or older, for persons who are disabled, and for disabled veterans.

Ms. Rodgers made a motion to adopt Resolutions 25-17, 25-18, 25-19 and 25-20. The motion was seconded by Mr. Rodriguez and passed unanimously.

13. Preliminary Nueces and Kleberg County Appraisal District Values.

Ms. Wagner presented the preliminary values for Nueces and Kleberg Counties and reported that this year's preliminary values reflect an amount of $1,908,524,648 in Nueces County and $1,519,311,831 in Kleberg County for a total of $3,427,836,479. This is an increase compared to last year's certified value total of $3,219,816,588; however, she noted that the values are preliminary and are being provided for informational purposes. Certified values should be delivered by July 25th. No action was taken on the presented information.

14. Clarification on April 22, 2025 STWA Personnel Policy Amendment.

Mr. Marez explained that Board action taken on this item at the previous Board meeting did not include a waiting period on vacation hours and requested that the Board add Vacation Leave to the six-month waiting period established for newly hired employees to use Sick Leave and Personal Leave. Dr. Lawhon made a motion to add a six-month waiting period before newly hired employees can use Vacation leave. Ms. Rodgers seconded and all voted in favor.

15. Administration Report.
- Upcoming Board Meeting Dates
- Corpus Christi Water Contract
- Finance Manager

Mr. Marez reminded the Board that the next meetings are scheduled for June 24th and August 5th. He noted that the current meeting dates might create conflicts for some directors and he will poll the Board about changes to the meeting dates. He added that he had nothing new to report on a water supply contract with Corpus Christi Water except that he has signed a document agreeing to an ending date of December 31, 2025 for the current contract. He also reported that the new finance manager has been hired as of May 5th.

16. Adjournment.

With no further business to discuss, Mr. Rodriguez moved to adjourn the meeting at 7:47 p.m. Mr. D. Morales seconded. The motion carried.

Respectfully submitted,

Frances De Leon

Frances De Leon
Assistant Secretary