STATE OF TEXAS }
COUNTY OF WILLACY }

THE BOARD OF SUPERVISORS OF THE PORT MANSFIELD PUBLIC UTILITY DISTRICT met in Workshop Session at the Harbor Office, 630 Laguna Drive, Port Mansfield, Texas, on Tuesday, September 30, 2026 at 2:30 p.m., with the following members present:

SUPERVISORS PRESENT:	SCOTT HESS	PRESIDENT
	DAVID ALANIS	SECRETARY
	MARIO GARCIA	MEMBER
	NEIL MACHEN	MEMBER
	DOUG TRAPP	MEMBER
ALSO PRESENT:	OSCAR MONTOYA	GENERAL MANAGER
	VIRGINIA LOMAS	BUSINESS MANAGER/HUMAN RESOURCES
	FRANK VASQUEZ	PORT SUPERINTENDENT
	WILLIAM McCORMICK	ATTORNEY
GUESTS:	PAUL YOUNG	TRWA
	MARIA AVILA	TRWA

Scott Hess, President called the meeting to order at 2:35 p.m., upon conclusion of roll call it was ascertained that a quorum was present.

Item No. 1: *PRESENTATION OF THE WATER RATE STUDY (TRWA) AND DISCUSSION:*

Paul Young and Maria Avila with TRWA gave a presentation of the water rate study. Paul addressed the board that we need to keep up with inflation. The price of chlorine has increased 300% in the last 3 - 4 years especially during covid. An over view of state and federal regulations it's necessary to increase for treatment on the water, to increase in expenses to keep up with inflation. Mr. Young explained how water and waste water rates are typically developed.

- Analyze the current revenues, costs and usage patterns using spreadsheets bult from the districts billing and budget data.

- Present options for adjusting base rates and volume charges, including tiered (inclining block) rates.

- Prepare the board for future decisions on rate increases and budget restructuring.

The current approved budget is not fully funded by existing rates:

- The rate study shows that with present rates, the district does not generate enough revenue to cover its own approved budget.

•The budget itself underestimates what a system the size likely needs if it included realistic maintenance as set replacement and capital planning.

•TWRA's Assessment: most small systems are actually underfunded and struggling.

•Equity and Social Concerns: Boards of ten worry about low income, fixed-income customers and are to protect them from steep increases.

•Texas Water Development Board favors conservation-oriented rate structures (inclining block rates).

•Free water in base rate: Customers currently receive 2,000 gallons of water embedded in the monthly minimum (free 2,000).

•Impact:
•about 27.92% of total water sold is the 0 - 2,000 gallon band and is essentially given away with the base rate. This is seen as a reason the system is financially short.

•RV Park State legislative and TCEQ Regulation: 8 RV spaces are equivalent to 1 standard residential service. According to the equivalency such park should likely have a 3 inch displacement meter not just a 2 inch. The rule is enforced by TCEQ, it is tied to system impact, not occupancy level at any given.

The monthly minimum rate should be recalculated based on fixed expenses and meter count.

Item No. 2: ADJOURN: at approximately 4:16 pm