



Board Meeting

MONDAY, MARCH 3, 2025



Quorum



Public Comment Period



Open Meeting

Consideration and Possible Action on Approval of the February 3, 2025 Board Meeting Minutes

JOSEPH HOLLMANN



General Manager's Report

- a. Operational, Chemical Optimization and Financial Report - Jacob Galvan, Jorge Santillan
- b. Drought Update - Jaime Flores



Drought Update

● ● ● SRWA BOARD MEETING | March 3, 2025

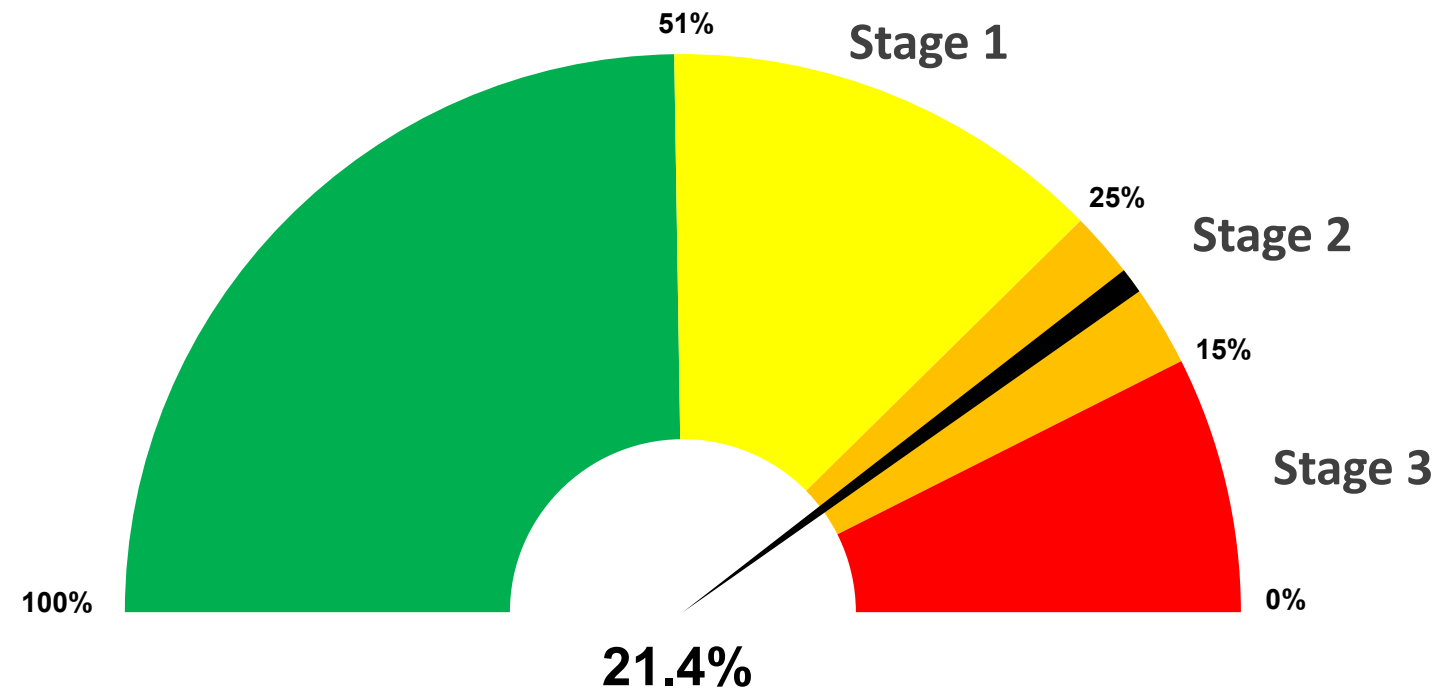
Jaime Flores

Water Resources Administrator

Raw Water Supply

A decorative graphic at the bottom of the slide consisting of several overlapping, wavy, blue shapes that create a sense of movement and depth, resembling water or a stylized landscape.

BPUB Drought Stage Meter



U.S. Combined ownership at Amistad and Falcon Reservoirs
February 22, 2025 = 21.4%

% U.S. Combined Ownership at Amistad/Falcon

Previous 3 Readings

21.5%

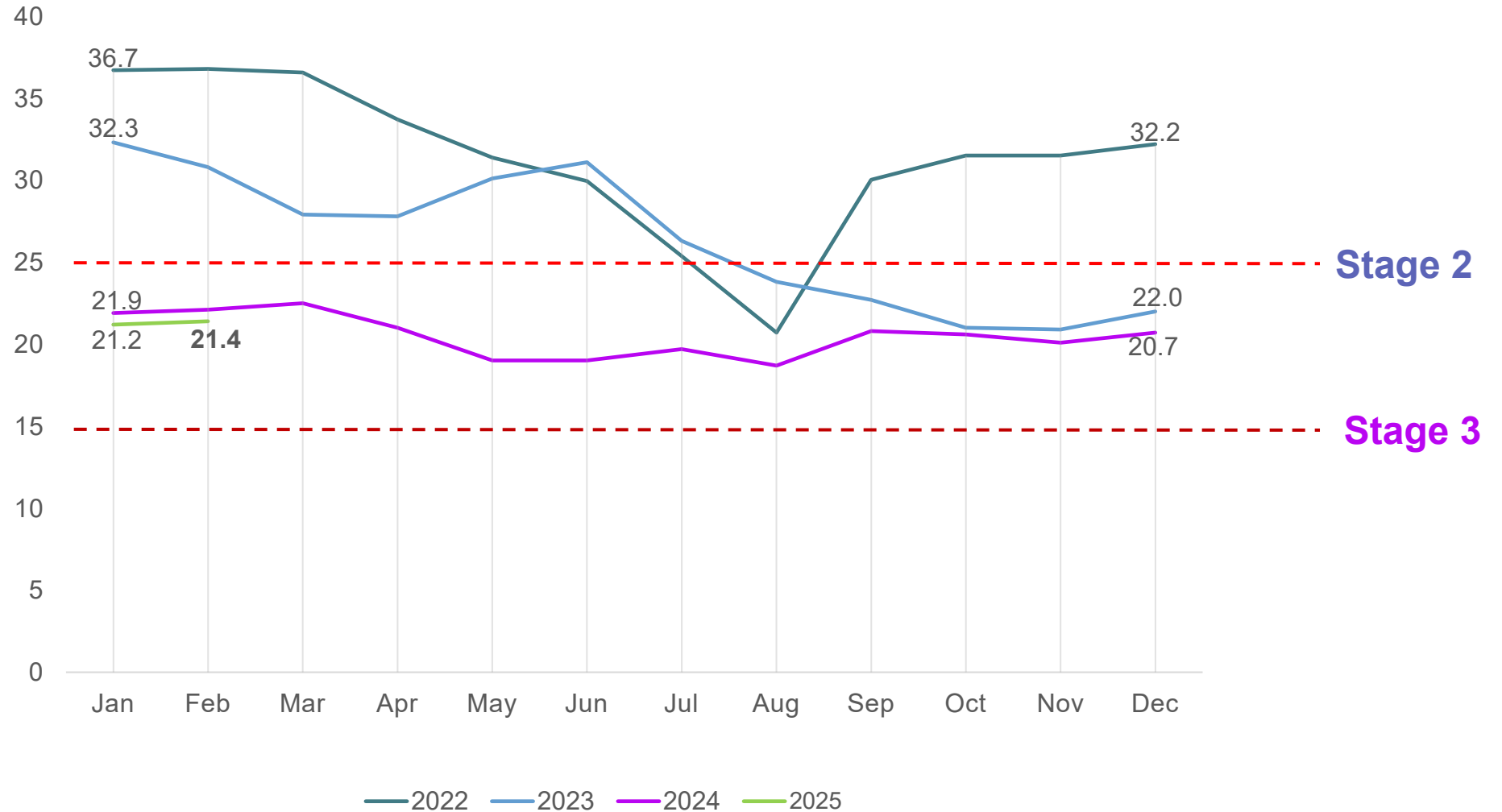
February 15, 2025

21.5%

February 8, 2025

21.3%

February 1, 2025



National Weather Service March to May 2025 Outlook: For the Lower Rio Grande Valley/Deep South Texas Region

- March-May 2025 is expected to average out warmer and drier than normal.
- Drought/dryness concerns are expected to continue through the Spring Season.
- Despite a drier than normal outlook, showers and thunderstorms that could produce heavy rainfall and localized flooding has to be taken into consideration, especially in April and May.
- Confidence remains high that total combined storage will remain at or near record lows through for the first part of 2025.
- **Water Conservation is Key Until Further Notice!** “Stage 2/3” Restrictions continued through early winter 2025 and are likely to continue until further notice based on inflows from Amistad and Falcon.



B R O W N S V I L L E
PUBLIC UTILITIES BOARD

EVERY DROP COUNTS!

Learn more about drought at:



brownsville-pub.com/drought-resources



Property Insurance Renewal Policy Year 2024-2025

MARCH 3, 2025

● ● ● SRWA BOARD MEETING

Estrella Solorzano
Director of Customer & Support Services
Customer and Support Services Division

Agenda

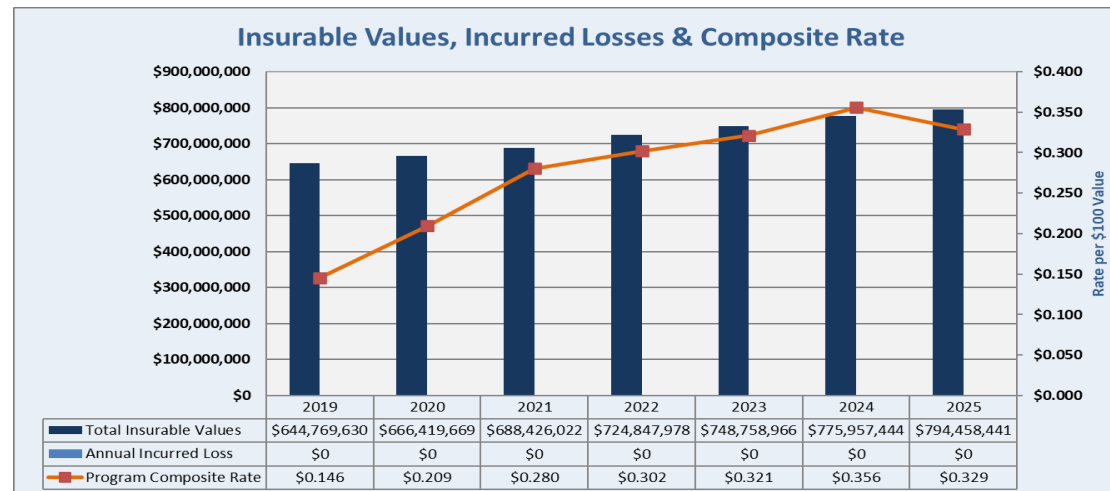
- Property Insurance
- Property Historical Review
- Premium Prorate data
- Property Market Conditions
- Recommended Action

Property Insurance

- Insurance Broker: Marsh USA, Inc
- Insurance Consultant: Arthur J. Gallagher Risk Management Services, LLC
- Board approved item on March 8, 2023 with option to renew for 3 years
- Policy Year April 1, 2025 to March 31, 2026 is the last year of the 3 year option
- Property values increased by \$18,500,997 or 2.38%
- The renewal includes a **premium decrease of 5.3% or \$147,818**

Property Historical Review

	2019	2020	2021	2022	2023	2024	2025
Total Insurable Values	\$644,769,630	\$666,419,669	\$688,426,022	\$724,847,978	\$748,758,966	\$775,957,444	\$794,458,441
Property							
Program Premium	\$938,528	\$1,395,944	\$1,930,139	\$2,189,615	\$2,406,259	\$2,761,839	\$2,614,452
Program Composite Rate	\$0.146	\$0.209	\$0.280	\$0.302	\$0.321	\$0.356	\$0.329
Annual Incurred Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loss Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Limit	\$400,000,000	\$400,000,000	\$400,000,000	\$400,000,000	\$400,000,000	\$400,000,000	\$400,000,000
Terrorism							
Program Premium	\$20,475	\$19,688	\$17,706	\$16,031	\$20,365	\$21,424	\$20,994
Program Composite Rate	\$0.003	\$0.003	\$0.003	\$0.002	\$0.003	\$0.003	\$0.003
Annual Incurred Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loss Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Limit	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
TOTAL PREMIUM	\$959,003	\$1,415,632	\$1,947,845	\$2,205,646	\$2,426,624	\$2,783,263	*\$2,635,446
YoY Rate Change		44%	34%	8%	6%	11%	-8%

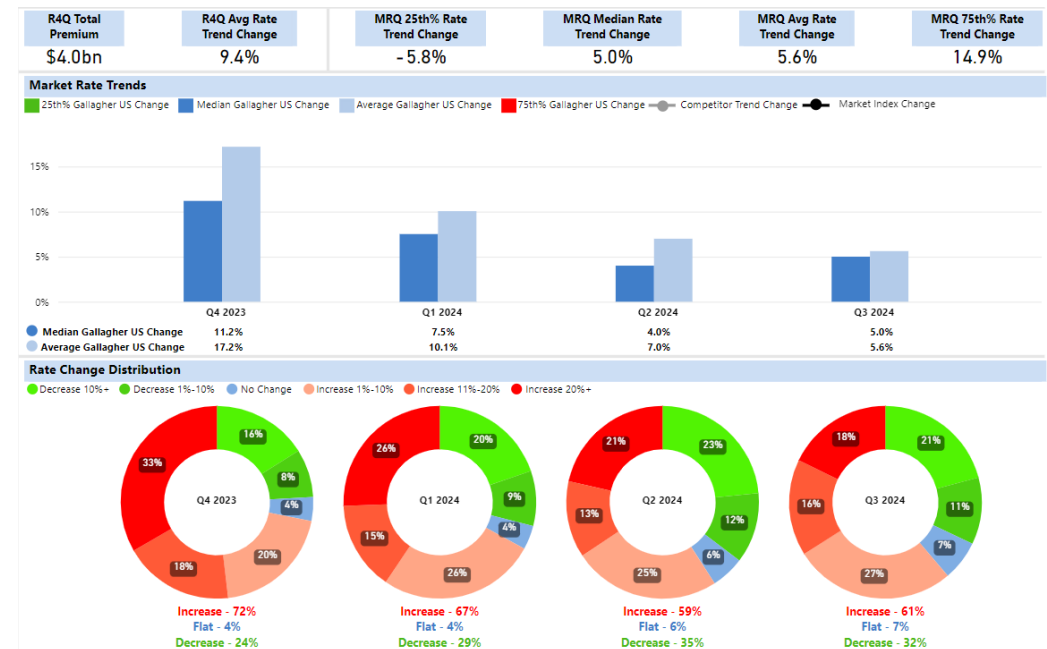


BPUB and SRWA Prorated Premium

% Calculation SRWA and BPUB					
Policy Year 2025-2026					
	Entity	Values	%	Cost	
	SRWA	\$ 47,130,724	6%	\$ 158,127	
	BPUB	\$ 747,327,717	94%	\$ 2,477,318	
	Total	\$ 794,458,441	100%	\$ 2,635,445	

Property Market Conditions – Q3 2024

- Reinsurance market remains stable, with global property catastrophe reinsurance rates generally flat to down mid-single digits, driven by pressure at the top end of programs. This means many carriers secured additional limit during the most recent renewals.
- Insurance carriers are pursuing growth and offering additional capacity for catastrophe business. Some new capacity has also entered the market, introducing fresh competition.
- More favorable premium pricing (flat or rate decrease) is available for some clean CAT-exposed accounts, while some other accounts continue to experience premium increases.
- Many single carrier placements continue to experience rate increases. Many FM programs are seeing single digit decreases after application of membership credit.
- While inflationary pressures are easing, there is continued pressure to maintain up-to-date valuations and detailed renewal submissions.



Recommended Action

BPUB Staff recommends the Board authorize the General Manager and Chief Executive Officer to negotiate and execute all documents necessary to implement the Southmost Regional Water Authority Property Insurance Renewal for Policy Year 2025-2026 for a total of \$158,127.



Southmost Regional Water Authority – Brownsville, Texas

Financial Reporting Audit – Governance Communications – FY 2024

Engagement Team



Ben Peña, CPA, CVA, CFE

- Audit Partner
- 28+ Years Experience
- 956-574-0305 (direct)
- Ben.Pena@bmltexas.com



Jose Diaz, CPA, CVA

- Audit Manager
- 13+ Years Experience
- 956-574-0315 (direct)
- Jose.Diaz@bmltexas.com

STAFF

- Zorayda DeLeon, CPA
- Kristian Zamora
- Gustavo Garcia
- Adrian Perez
- Cesar Garcia

Communications to Governance

AREA

New Accounting Policies Adopted

N/A in fiscal year 2024

Sensitive Estimates

Depreciation on Capital Assets

No Difficulties Encountered In Performing the Audit

There was no uncorrected misstatements noted.

There were no disagreements with Management.

The were no reportable financial statement findings.

Auditors' Opinions & Findings

Financial Statements	Government Auditing Standards (GAS) Report
UNMODIFIED (a "Clean Opinion") With No Reportable Findings	No Reportable Findings
"... the financial statements referred to above presented fairly, in all material respects , the respective financial position of the Public Utilities Board of the City of Brownsville..."	Internal Controls over Financial Reporting, and "... compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have direct and material effects on the financial statements. "

Consideration and Possible Action to Rehabilitate Wells Using the Aqua Freed Carbon Dioxide (CO₂) Injection Method

JOSE A. GARZA



Discussion on Date, Time of Next Board Meeting

JOSEPH HOLLMANN





Adjournment
