

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
May 25, 2021
Minutes

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Hector Castaneda
Frances Garcia
Kathleen Lowman
Patsy Rodgers
Angela Pena

Board Members Absent:

Rudy Galvan, Jr.

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Dony Cantu
Nigel Gomez

Guests Present:

Marvin Leary – Linebarger, Goggan,
Blair & Sampson, LLP

1. Call to Order.

Mr. Brandon Barrera, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:30 p.m. A quorum was present.

2. Citizen Comments.

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

3. New Board member's oaths of office.

Ms. Wagner administered the Oath of Office to Ms. Angela Pena who was appointed to Place 6 by the Nueces County Commissioner's Court.

The order of the agenda was changed to accommodate the guest, Mr. Marvin Leary.

11. Consideration of offers made to Linebarger, Goggan, Blair & Sampson, LLP for Tax Resale properties in Nueces County.

Mr. Marvin Leary of Linebarger, Goggan, Blair & Sampson, LLP introduced himself to the Board and presented bid analyses and maps on three struck off properties for which offers have been received. The offers have already been approved by the other taxing entities. If the offers are approved by the Board, STWA will receive at least \$338.10 in delinquent taxes from the sale proceeds and restore as much as \$60,068.00 in taxable property value to STWA's active tax rolls.

12. Resolution 21-11. Resolution approving the sale of delinquent tax properties for less than the amount of taxes owed or the most recent value determined by the appraisal district, whichever is less.

A motion was made by Mr. Graveley and seconded by Ms. Lowman to adopt Resolution 21-11 approving the offers made to Linebarger, Goggan, Blair & Sampson, LLP. All voted in favor.

4. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the April 27, 2021 Regular Meeting as presented. Mr. Graveley seconded. The motion passed by unanimous vote.

5. Treasurer's Report/Payment of Bills.

Ms. Wagner reported that this is the first Treasurer's Report using Black Mountain Software, therefore, some of the reports have a different appearance. General Ledger Account Summary Reports have been replaced by Trial Balances.

The following reports were presented for the Board's consideration:

Treasurer's Report for period ending April 30, 2021
Revenue Fund Income Statement for period ending April 30, 2021
Tax Fund Income Statement for period ending April 30, 2021
Special Services Income Statement for period ending April 30, 2021
STWA Revenue Fund Balance Sheet – April 30, 2021
STWA Revenue Fund Trial Balance for April, 2021
STWA Debt Service Fund Income Statement for period ending April 30, 2021
STWA Debt Service Fund Balance Sheet – April 30, 2021
STWA Debt Service Fund Trial Balance for April, 2021
STWA Capital Projects Fund Income Statement for period ending April 30, 2021
STWA Capital Projects Fund Balance Sheet – April 30, 2021
STWA Capital Projects Fund Trial Balance for April, 2021
Catholic Protection Expenses Breakdown
2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor

The following outstanding invoices were presented for Board approval:

• Hilltop Securities	\$ 2,500.00
• Willatt & Flickinger	\$ 1,173.30
• City of Corpus Christi	\$ 126,429.68
• Black Mountain Software	\$ 20,584.50
• Ray Associates, Inc.	\$ 5,350.00

A motion was made by Ms. Lowman and seconded by Ms. Rodgers to approve the Treasurer's Report and payment of the bills as presented. The motion carried.

6. Resolution 21-07. Resolution appointing Carola G. Serrato, Executive Director, to serve as Chief Tax Assessor for South Texas Water Authority and First and Second Alternates Jo Ella Wagner and Frances De Leon in her absence.

Mr. Graveley made a motion to adopt Resolution 21-07. The motion was seconded by Ms. Garza and passed unanimously.

7. Resolution 21-08. Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County.

Ms. Lowman made a motion to adopt Resolution 21-08. Mr. Graveley seconded the motion and all voted in favor.

8. Resolution 21-09. Resolution appointing Maria Victoria Valadez, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County.

Mr. Graveley made a motion to adopt Resolution 21-09. The motion was seconded by Ms. Rodgers and passed unanimously.

9. Resolution 21-10. 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.

Mr. Graveley made a motion to adopt Resolution 21-10 and the motion was seconded by Ms. Garcia. All voted in favor.

10. Preliminary Nueces and Kleberg County Appraisal District Values.

Ms. Serrato presented the preliminary values for Nueces and Kleberg Counties and reported that this year's preliminary values reflect a \$137,958 increase compared to last year's certified values. She also noted that the values are preliminary and are being provided for informational purposes. She reminded the Board that the Average Home Value determines what Maintenance and Operations tax rate can be adopted. Certified values should be delivered by July 25th. No action was taken on the presented information.

13. Nueces County project for construction of Banquete Pump Station to serve the Nueces County Water Control and Improvement District #5 (Banquete) and Nueces Water Supply Corporation.

Ms. Serrato stated that some unfinished punch list items remain before Texas Water Development Board proceeds with finalizing the project. The most problematic appears to be

plugging of the well at Cyndie Park although this is unrelated to either STWA or NWSC. She added that the new pump station is operational. She had nothing further to report.

14. Any and all actions necessary or convenient to facilitate the new executive director recruitment process.

Ms. Serrato reported that one candidate withdrew their application and the other five candidates remain interested. The deadline for these candidates to submit their video interviews is Friday and then the videos should be provided to the Board and NWSC and RWSC representatives. The Board took no action.

15. Wholesale Water Supply Contract with the City of Corpus Christi.

Ms. Serrato stated that Corpus Christi Assistant City Attorney Lisa Aguilar responded to Bill Flickinger, Willatt & Flickinger, this afternoon. Ms. Serrato and Mr. Flickinger have reviewed the email and Mr. Flickinger believes Ms. Aguilar is open to negotiations. She had nothing further to report.

16. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operations and Maintenance of Facilities.

Ms. Serrato reported that the NCWC&ID#5 board did not take action on the Water Supply Contract and the Maintenance and Operations Contract at their most recent meeting. Their next meeting is scheduled for June 9th and she plans to attend if necessary.

17. Incremental Increase Policy to address Customers without a Long-Term Contract.

Ms. Serrato explained that Nueces County Water Control & Improvement District #5 remains the only customer without a Water Supply Contract and asked if the Board is interested in authorizing staff to request a proposal from NewGen Strategies to revisit the Incremental Increase Policy. The Board agreed by consensus to contact NewGen Strategies to request a proposal to update the previous Incremental Fee Study.

18. February 2021 winter storm/freeze event.

Ms. Serrato presented spreadsheets illustrating costs of the storm damage broken down by pump station. Staff continues to provide the needed information to the insurance carriers. She will continue to provide updates to the Board.

19. ERCOT Ancillary Service Charges and payment options.

Ms. Serrato presented correspondence from TCAP, regarding ancillary fees that GEXA, STWA's retail energy provider, will be charging. Fees in the amount of \$25,265.67 have been assessed. GEXA is offering three payment options. Mr. Bill Flickinger recommends paying the charges in installments for 19 months. Ms. Lowman made a motion to pay the ancillary fees in installments for 19 months. Ms. Rodgers seconded. All voted in favor.

20. Declaration of salvage/surplus property.

Ms. Serrato presented a list of items that are no longer being used. The list included a 2009 Ford F150 truck, computers and office equipment, and an outdated camera system. She noted that advertising the last surplus sale in the Kingsville and Corpus Christi newspapers cost \$993.10 and the amount collected from the sale was \$2,172.13. She added that the office equipment is non-operational and has no value and recommended that the Board declare the list of office equipment as salvage property and authorize staff to dispose of the items as necessary including following recommended cybersecurity measures. Mr. Graveley made a motion to advertise the truck only in the Kingsville Record. Ms. Garza seconded. All voted in favor.

21. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 in Nueces County, Texas).

The Board reviewed the Annexation Petition. The property owners recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries which is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolution 21-12 setting the Public Hearing on June 22, 2021 at 5:30 p.m. at the STWA conference room.

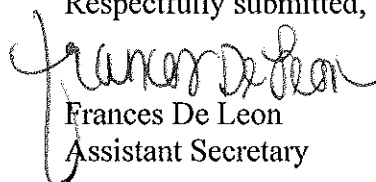
22. Resolution 21-12. Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Bobbie Villarreal and Ray Villarreal).

Mr. Graveley made a motion to adopt Resolutions 21-12 setting the Public Hearing on June 22, 2021 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Ms. Lowman and passed unanimously.

23. Adjournment.

With no further business to discuss, Ms. Rodgers made a motion to adjourn the meeting at 6:32 p.m. Ms. Garza seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary