

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
October 27, 2020
Minutes
(This meeting was held remotely by phone and Zoom.)

Board Members Present:

Rudy Galvan, Jr.
Jose Graveley
Kathleen Lowman
Lupita Perez
Patsy Rodgers

Board Members Absent:

Brandon Barrera
Filiberto Treviño

Staff Present:

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

Guests Present:

None

1. Call to Order.

Mr. Rudy Galvan, Jr., Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:37 p.m. A quorum was present.

2. Citizen Comments.

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

3. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the September 29, 2020 Regular Meeting as presented. Ms. Perez seconded. Mr. Galvan asked that the minutes reflect the time that he joined in meeting since he joined after the meeting started. The motion passed by unanimous vote.

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

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

STWA Investment Report for Quarter ended September 30, 2020
Treasurer's Report for period ending September 30, 2020
Revenue Fund Income Statement for period ending September 30, 2020
Tax Fund Income Statement for period ending September 30, 2020
Special Services Income Statement for period ending September 30, 2020
STWA Revenue Fund Balance Sheet – September 30, 2020
STWA Revenue Fund GL Account Summary Report as of September 30, 2020
STWA Debt Service Fund Income Statement for period ending September 30, 2020
STWA Debt Service Fund Balance Sheet – September 30, 2020

STWA Debt Service Fund GL Account Summary Report as of September 30, 2020
STWA Capital Projects Fund Income Statement for period ending September 30, 2020
STWA Capital Projects Fund Balance Sheet – September 30, 2020
STWA Capital Projects Fund GL Account Summary Report as of September 30, 2020
FY 2020 Cathodic Protection Expenses Breakdown
2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor
Cathodic Protection Update
September 2020 Corporation Taps & Repairs and General & Administrative Invoices

The following outstanding invoices were presented for Board approval:

• Willatt & Flickinger	\$ 1,466.50
• TML Insurance	\$ 13,754.30
• Kleberg County Treasurer	\$ 25,041.00
• City of Corpus Christi	\$ 142,295.47

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

5. Discussion with possible action on camera and/or security system.

As requested by the Board at the previous meeting, Ms. Serrato contacted the ADT and Alarm Security & Contracting, Inc. for information on a cloud-based system. Alarm Security & Contracting, Inc. does not provide that type of service. She presented updated direct purchase and lease purchase proposals from ADT for a hybrid system that has on-site and off-site storage and uses a camera that should have the capability of producing images at farther distances that can capture license plate numbers. The direct purchase quote for \$22,667.41 requires an up-front payment of \$12,496.81 and monthly payments of 169.51. The lease purchase quote for \$28,752.11 requires a down payment of \$4,797.11 and monthly payments of \$399.25. Both of these quotes include a sixty-month contract and cover repairs or replacements. A third option is to purchase the system without a monthly agreement but repairs or replacements would not be covered. After a brief discussion Mr. Graveley made a motion to authorize the Executive Director to choose the system which best meets the security needs of the Authority. Ms. Rodgers seconded. All voted in favor.

6. C. Ekrut, NewGen Strategies, Summary of City of Corpus Christi Rate Model – Proposed Rates – Wholesale Water Rate Review.

Ms. Serrato stated that Mr. Chris Ekrut, NewGen Strategies, has been in contact with the City of Corpus Christi regarding the Settlement Agreement True-up and Rate Model calculations. He reported to Ms. Serrato that the City is complying with the provisions of the Settlement Agreement but he recommends continued review of the City's allocation of costs to its wholesale customers. Mr. Ekrut does not believe that calculating STWA's rates on the same two-year cycle as the City's other customers would be beneficial and advises it is best to review the

budgeted amounts and actual revenues and expenses annually. Ms. Serrato explained that budget information, including the City's proposed rates, was previously sent to STWA's wholesale customers, but the City's most recent data reflects that the pass-through cost beginning January 1, 2021 will be slightly lower than the information provided. She requested authorization to send updated information to STWA's wholesale customers. By consensus, the Board agreed to authorize Ms. Serrato to provide a follow-up letter to STWA's wholesale customers notifying them of the change in the pass-through cost.

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

Ms. Serrato reported that she and Interim O&M Supervisor Dony Cantu recently met with a project engineer and are scheduled to meet again with him on Thursday. She added that in order for the Banquete system and NWSC to have separate meters, STWA's line will be tapped at the meter run. Demolition of the elevated storage tank will be the last item on the project. Ms. Serrato also reported that the wiring is almost completed. Ms. Serrato stated that five Pay Requests have been submitted by the contractor and approved by LNV. The TWDB grant funds have been depleted. STWA and NWSC will be invoiced for their shares of the committed funds. Ms. Serrato presented an invoice in the amount of \$53,609.71 from Nueces County to STWA. Ms. Lowman moved to approve payment of \$53,609.71 to Nueces County. Mr. Graveley seconded and the motion passed by unanimous vote.

8. Specifications for Fiscal Year 2021 three-quarter ton pickup truck.

Ms. Serrato presented the specifications for purchase of a FY 2021 pickup truck. She pointed out that with the exception of a newer year model, the specifications are the same as last year's truck specifications. The specs call for a 4-door, 3/4 – ton, 4x4 gas engine pickup truck with a long bed. Ms. Serrato requested authorization to request bids from area dealerships as well as BuyBoard. The Board's consensus was to authorize distribution of the specifications and request for bids to area dealerships and BuyBoard.

9. STWA Board of Directors Meeting Schedule for 2021.

Ms. Serrato reviewed the proposed 2021 meeting schedule provided in the Board packet. Mr. Graveley made a motion to approve recommended dates with a November/December meeting on December 7, 2021. Ms. Perez seconded. All voted in favor. The approved schedule is as follows:

January 26, 2021	May 25, 2021	September 28, 2021
February 23, 2021	June 22, 2021	October 26, 2021
March 23, 2021	August 3, 2021	December 7, 2021
April 27, 2021	September 7, 2021	

10. FY 2021 Executive Director Selection.

- Executive Director anticipated retirement in August 2021 and Replacement Procedures: Selection Committee, Advertisement, Qualifications, Use of Consultant

Ms. Serrato reported that she contacted Ray Associates, Inc., about their recruitment process and asked the Board whether a proposal should be requested from the company. Ms. Perez asked if current employees would remain eligible to apply for the position and Ms. Serrato responded that they would. The Board consensus was to contact Ray Associates, Inc. to request a formal proposal.

11. Personnel Policies – Selection of Sections for Possible Revisions.

Ms. Serrato presented a copy of the STWA Personnel Policies with the most recent amendments underlined. She asked for the Board's input on any needed changes. Mr. Galvan suggested adding a section for addressing employee exposure or positive tests during pandemics. He added that Mr. Treviño would probably like to provide input on this matter. Ms. Serrato responded that the item would be included in the next agenda so that Mr. Treviño will be included in the discussion.


12. STWA Long-Term Goals.

Mr. Galvan stated that he requested that this this item be placed on the agenda in order to identify STWA's needs and goals to serve the people of south Texas so that these goals will continue to be carried out as Ms. Serrato retires and a new Executive Director takes charge. The Board agreed that everyone needs to work a little harder to identify and set long-term goals. Ms. Serrato stated that she met with staff and provided a sheet for employees to offer suggestions. She added that this item will be included on the next agenda.

13. Adjournment.

With no further business to discuss, Mr. Graveley made a motion to adjourn the meeting at 6:38 p.m. Ms. Lowman seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary