

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
December 7, 2021
Minutes

Board Members Present:

Brandon Barrera
Rudy Galvan, Jr.
Frances Garcia
Imelda Garza
Jose Graveley
Kathleen Lowman
Joe Morales
Angela Pena
Patsy Rodgers

Board Members Absent:

None

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Nigel Gomez
Patrick Sendejo

Guests Present:

None

1. Call to Order.

Mr. Brandon Barrera, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:35 p.m. A quorum was present.

2. Citizen Comments.

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

3. Approval of Minutes.

Ms. Lowman made a motion to approve the October 26, 2021 Regular Meeting Minutes as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

The following reports were presented:

Investment Report for Quarter ended September 30, 2021
Treasurer's Report for period ending September 30, 2021
Revenue Fund Income Statement for period ending September 30, 2021
Tax Fund Income Statement for period ending September 30, 2021
Special Services Income Statement for period ending September 30, 2021
STWA Revenue Fund Balance Sheet – September, 2021
STWA Revenue Fund Trial Balance for September, 2021

STWA Debt Service Fund Income Statement for period ending September 30, 2021

STWA Debt Service Fund Balance Sheet – September, 2021

STWA Debt Service Fund Trial Balance for September, 2021

STWA Capital Projects Fund Income Statement for period ending September 30, 2021

STWA Capital Projects Fund Balance Sheet – September, 2021

STWA Capital Projects Fund Trial Balance for September, 2021

Cathodic Protection Expenses Breakdown

Anticipated vs. Actual Water Rate Charged and Net Revenue

2012 Bond Election Report

Maintenance & Technical Report from O&M Supervisor

Cathodic Protection Update

The following outstanding invoice was presented for Board approval:

• Force Flow	\$ 3,788.84
• Maria Valadez – KC Tax Assessor	\$ 25,120.50
• City of Corpus Christi	\$ 105,834.38
• Kleberg County Appraisal District	\$ 5,513.20
• Nueces County Appraisal District	\$ 2,712.00
• Odessa Pumps & Equipment	\$ 4,789.93
• Kevin Kieschnick	\$ 28,380.51
• D & C Fence Co., Inc.	\$ 10,000.00

Mr. Galvan made a motion to approve the September 2021 Treasurer's Report, Quarterly Report and payment of the bills as presented. Ms. Garza seconded and all voted in favor.

5. Discussion and action on Business/Risk Manager salary.

Mr. Marez stated that the Board has the option to go to executive session to discuss this agenda item, but the Board chose to remain in open session. Mr. Morales made a motion to approve Option 3 which has a salary that includes a slight increase to account for any possible enhancement of duties/responsibilities and time worked for this position (\$73,000). Ms. Lowman seconded. All voted in favor.

6. Contract for Janitorial Services.

Mr. Marez presented quotes for janitorial services from two companies and the estimated current cost for in-house services. He acknowledged the need to separate the cost of the cleaning services from employees' regular salaries. He noted that Hacienda indicated that the company has a waiting list for their services. Rodriguez Cleaning Service also provided a quote but the cost of supplies would be additional. Ms. Wagner pointed out that cleaning supplies/equipment should be the responsibility of the contractor in a true contract labor scenario and warned that companies can face penalties from IRS for violations. Mr. Morales suggested paying employees \$38.75 per hour which is the average of the rates currently being paid to the two employees performing the cleaning service. Mr. Galvan also suggested rotating the task among the staff and added that he prefers paying employees rather than an outside company. Mr. Marez also pointed

out that security is an issue opening the service up to outside companies. He stated that he and Ms. Wagner would work on an in-house arrangement and agreement for continuing the cleaning services at the rate suggested by Mr. Morales. Mr. Galvan made a motion to continue in-house cleaning services at a rate of \$38.75 per hour as an arrangement separate from regular salaries. Ms. Garza seconded. The motion passed 8 to 1.

7. City of Driscoll request to temporarily reduce monthly payment on Payment Plan and consideration of new payment plan agreement.

Mr. Marez stated that although the Board previously approved the City of Driscoll's request for a modified payment plan, the city continued making the regular payment and asked for another modification to the plan. The city requests to pay \$2,500 from December 2021 until March 2022 and then resume the regular \$5,000 monthly payment in April 2022. This arrangement will add \$1,177 in interest resulting in two additional payments extending the note to May 2023. Ms. Wagner pointed out that the city has remained current on their payments under the current arrangement. Ms. Garza made a motion to approve the new agreement beginning in December 2021. Mr. Galvan seconded. All voted in favor.

8. Kleberg County Appraisal District Board of Directors election and casting of votes.

Mr. Marez presented the ballot for casting votes for the Kleberg County Appraisal District Board of Directors. He said the ballot lists eight candidates to fill five positions. The Authority was allotted 130 votes which can be cast for one candidate or distributed among different candidates.

9. **Resolution 21-30.** Resolution casting the South Texas Water Authority's votes for election of Kleberg County Appraisal District Board Members.

Ms. Garcia made a motion to approve Resolution 21-30 casting STWA's 130 votes for Brandon Barrera. Ms. Garza seconded. The motion passed on a vote of 8 to 1.

10. Purchase of materials to build up STWA stockpile of materials due to stagnation in PVC production and transportation issues.

Mr. Marez reported that over the last few months, staff has noticed an increased cost and scarcity of materials in the water utility industry including shortages of PVC pipe, fittings, valves and similar materials. The current supplies remain in adequate amounts, but there is a delay of 1 ½ to 8 months in delivery of materials. He requested that the Board consider authorizing staff to look into purchasing materials to serve as a stockpile to ensure the availability of materials for repairs and other projects. He added that a Houston manufacturer is available to provide material more quickly than other suppliers but at a steep price. Mr. Graveley made a motion and Mr. Galvan seconded to keep a stockpile of materials on hand at all times. All voted in favor.

11. Resignation of O&M Supervisor.

Mr. Marez reported that O&M Supervisor Dony Cantu resigned effective immediately on November 29, 2021. Mr. Cantu initially agreed to working until December 8th but instead resigned on November 29th. Field Foreman Nigel Gomez has been designated as interim O&M

Supervisor and is serving in both positions until a permanent replacement is hired. Mr. Marez requested authorization to conduct a search for an internal candidate per STWA policy. Mr. Galvan asked about step-up pay for Mr. Gomez but the Board took no action on a pay adjustment. Mr. Graveley made a motion to proceed with posting the position internally and beginning the process for hiring an O&M Supervisor. Mr. Galvan seconded. All voted in favor. Mr. Marez stated that he and Ms. Wagner would review the applicants and contact the committee members on how to proceed.

12. Request to close office for staff Christmas luncheon.

Mr. Marez requested Board authorization to close the office for the staff Christmas luncheon on December 22, 2021. Mr. Graveley made a motion to close the office and forward calls to the answering service for a few hours as requested. Ms. Garcia seconded. All voted in favor.

13. TCAP Board of Directors Ballot.

The Board reviewed the Texas Coalition for Affordable Power (TCAP) Ballot for the election of board of directors on January 7, 2022. Mr. Galvan made a motion seconded by Mr. Morales to cast votes for Courtney Alvarez, William Linn and Miles Risley. All voted in favor.

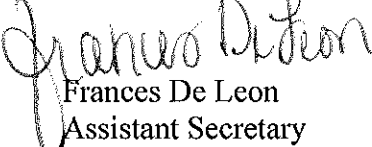
14. Administration Report.

Mr. Marez stated that his contract ends in January and will be included on the January 2022 agenda. In addition, he will present a resolution requesting federal grant fund assistance and stated that such aid is project specific and details will be outlined in the resolution.

15. Adjournment.

With no further business to discuss, Mr. Galvan moved to adjourn the meeting at 6:49 p.m. Ms. Garza seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary