

SOUTH TEXAS WATER AUTHORITY

Regular Board of Directors Meeting

December 8, 2020

Minutes

(This meeting was held remotely by phone and Zoom.)

Board Members Present:

Brandon Barrera
Jose Graveley
Kathleen Lowman
Lupita Perez
Patsy Rodgers
Imelda Garza

Board Members Absent:

Rudy Galvan, Jr.

Staff Present:

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

Guests Present:

Baldemar Garcia
Ann Marie Torres

1. Call to Order.

Mr. Brandon Barrera, Board Vice-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. New Board member's oaths of office.

Ms. De Leon administered the Oath of Office to Ms. Imelda Garza who was appointed to Place 9 by the Kleberg County Commissioner's Court to fill the unexpired term of Mr. Filiberto Treviño.

4. Election of officers – Secretary/Treasurer.

Mr. Barrera nominated Mr. Graveley for Secretary/Treasurer and Ms. Perez seconded the motion. No other nominations were made. Ms. Lowman moved that Mr. Graveley be appointed Secretary/Treasurer by acclamation. Ms. Perez seconded. All voted in favor.

5. Approval of Minutes.

Ms. Lowman made a motion to approve the corrected minutes of the September 29, 2020 Regular Meeting, and the minutes of the October 27, 2020 Regular Meeting, November 5, 2020 Management Selection Standing Committee meeting and November 17, 2020 Special Meeting as presented. Mr. Graveley seconded. The motion passed by unanimous vote.

6. Treasurer's Report/Payment of Bills.

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

Updated September reports:

STWA Revenue Fund Balance Sheet – September 30, 2020

STWA Revenue Fund GL Account Summary Report as of 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 Balance Sheet – September 30, 2020

STWA Capital Projects Fund GL Account Summary Report as of September 30, 2020

Treasurer's Report for period ending October 31, 2020

Revenue Fund Income Statement for period ending October 31, 2020

Tax Fund Income Statement for period ending October 31, 2020

Special Services Income Statement for period ending October 31, 2020

STWA Revenue Fund Balance Sheet – October 31, 2020

STWA Revenue Fund GL Account Summary Report as of October 31, 2020

STWA Debt Service Fund Income Statement for period ending October 31, 2020

STWA Debt Service Fund Balance Sheet – October 31, 2020

STWA Debt Service Fund GL Account Summary Report as of October 31, 2020

STWA Capital Projects Fund Income Statement for period ending October 31, 2020

STWA Capital Projects Fund Balance Sheet – October 31, 2020

STWA Capital Projects Fund GL Account Summary Report as of October 31, 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

The following outstanding invoices were presented for Board approval:

• Time Clock Plus	\$ 3,609.00
• DXP Enterprises	\$ 5,990.35
• NewGen Strategies	\$ 1,500.00
• Willatt & Flickinger	\$ 1,272.00
• TML-IRP	\$ 8,916.04
• Pittsburg Tank & Tower Maintenance Co.	\$ 35,794.00
• City of Corpus Christi	\$ 137,553.07
• Force Flow	\$ 3,055.42
• U. S. Underwater	\$ 1,575.00
• Kevin Kieschnick-NC Tax Assessor	\$ 18,238.77
• John Womack & Co., P.C.	\$ 8,425.00
• Willatt & Flickinger	\$ 1,174.70
• Kleberg County Appraisal District	\$ 5,179.40
• TML-IRP	\$ 41,365.80

Updated September reports were presented because of adjustments resulting from the audit. The adjustments were made in the September reports in order to proceed with the October reports. A motion was made by Ms. Lowman and seconded by Mr. Graveley to approve the Treasurer's Reports and payment of the bills as presented. The motion carried.

7. Update on purchase of camera system.

Ms. Serrato reported that a camera system with on-site and cloud storage was purchased as authorized by the Board. She added that the majority of the up-front cost of the system should be covered by the savings on the fiberglass buildings budgeted in FY 21. No Board action was necessary.

8. 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 presented Invoice #2 from Nueces County in the amount of \$90,767.50. In addition, she presented the newest invoice in the amount of \$79,388.79 received earlier in the day by email. She requested approval to pay both invoices. Ms. Rodgers made a motion to authorize payment of both invoices. Ms. Lowman seconded. All voted in favor.

9. City of Bishop – Easement for Bishop East Pump Station.

- LNv Proposal for Survey Work at Bishop East Pump Station

Ms. Serrato presented a quote of \$6,000 from LNV for surveying services associated with the Bishop East Pump Station easement. The areas to be surveyed for STWA are the area occupied by the pump station building and piping and the area occupied by the underground waterline extending from Business 77 through the park and into the pump station. Metes and bounds descriptions will be attached to the easement as exhibits. She added that the Nueces Water Supply Corporation Board approved LNV to perform the same work for the area of the ground storage and hydro-pneumatic tanks. Ms. Lowman made a motion to approve utilizing the services of LNV in the amount of \$6,000 for the associated work to obtain a metes and bounds description of the pump station and waterline as needed. Ms. Rodgers seconded the motion and all voted in favor.

10. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Carlos Ysassi, III, Tract 25, Cyndie Park Unit 2 in Nueces County, Texas).

The Board reviewed the Annexation Petition. The owner of the property 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 20-34 setting the Public Hearing on January 26, 2021 at 5:30 p.m. at the STWA conference room.

11. **Resolution 20-34.** 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. (Carlos Ysassi, III).

Mr. Graveley made a motion to adopt Resolutions 20-34 setting the Public Hearing on January 26, 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. Perez and passed unanimously.

12. Bids for purchase of Fiscal Year 2021 three-quarter ton pickup truck.

Ms. Serrato stated that bid packets were delivered to several dealerships and a request for bids was posted with BuyBoard. Four bids were received. The lowest bid was submitted by Caldwell Country Chevrolet of Caldwell, Texas at an amount of \$29,940.

13. **Resolution 20-35.** Resolution awarding the bid for the purchase of one ¾ ton pickup truck.

Ms. Lowman made a motion to adopt Resolution 20-35 awarding the bid for the purchase of one ¾ ton pickup truck to Caldwell Country Chevrolet in the amount of \$29,940. Mr. Barrera seconded. All voted in favor.

14. Ray Associates, Inc. proposal for recruitment of Executive Director.

Ms. Serrato stated that Ray Associates Inc.'s recruitment process would take about three months. The cost is \$30,000 invoiced at \$10,000 per month with estimated additional expenses of \$2,000. She pointed out that the process is very detailed and will require Board involvement which she feels is best accomplished by having a special meeting. Mr. Barrera voiced his preference to table action on this item until Mr. Galvan is present. Mr. Graveley made a motion to hold off on this item until the full Board is available for discussion. Ms. Perez seconded. The motion passed on a vote of five to one. Ms. Serrato stated that she would contact Ms. Katherine Ray about the Board's decision.

15. City of Driscoll Payment Plan.

Ms. Serrato informed the Board that the City of Driscoll signed the payment plan. On December 3rd, the City dropped off payments for the current water invoice, the operations and maintenance invoice, and the \$5,000 monthly payment.

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

Ms. Serrato stated that the City of Corpus Christi provided a draft water supply contract. She discussed the contract with Mr. Bill Flickinger and expects him to have a response ready for the Board to review at the January 26, 2021 meeting. She noted that the contract includes a take or pay which is not appropriate for STWA's situation because STWA serves municipalities. She is unsure if this clause was included in error. Mr. Graveley stated he would like to know if the clause was included intentionally or in error. Ms. Serrato responded that Mr. Flickinger is working on a response. She added that she expects negotiations to take a while to complete.

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

Ms. Serrato said that NCWC&ID #5 should be meeting on December 9th but she does not know if the contracts are on the agenda. The District's office manager should be notifying Ms. Serrato about whether or not the contract will be included on the agenda. There had been a delay on getting the contracts to the District's legal counsel, Gerald Benadum, due to them being mailed to an incorrect address but Mr. Benadum is believed to be reviewing the documents for the District. Ms. Serrato added that Mr. Benadum is familiar with this type of water contract. She had nothing further to report.

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

19. STWA Long-Term Goals.

20. Personnel Policies – Pandemic Guidelines.

21. Board of Directors Training.

Mr. Graveley made a motion to table items 18, 19, 20 and 21 until the next meeting to allow Mr. Galvan an opportunity to participate in discussions. Ms. Lowman seconded. All voted in favor.

22. Management hourly pay.

Ms. Serrato stated that this item came up immediately following the Special Meeting on November 17, 2020 when the Board decided to make an offer on the O&M Supervisor position. She added that she believes that Mr. Galvan would probably like to participate in this discussion. Ms. Lowman made a motion to table this item. Mr. Barrera asked what specifically brought it up and if it was another employee and Ms. Serrato responded that a manager approached her and that the other manager was in agreement. She explained that the action on setting a pay range occurred in open session and the manager felt what was being offered was unfair.

Mr. Barrera then announced that the Board would convene in Executive Session at 6:33 p.m. pursuant to Section 551.074 of the Government Code to discuss management salaries. The Board reconvened in Open Session at 6:47 pm. No action was taken during Executive Session.

Mr. Graveley seconded the motion to table action on this item. All voted in favor.


23. Request to close office for staff Christmas luncheon.

Ms. Serrato requested authorization to close the office for the staff Christmas luncheon on either December 15th or 16th. Mr. Graveley made a motion to authorize closing the office during the staff Christmas luncheon. Ms. Lowman seconded. All voted in favor.

24. Adjournment.

With no further business to discuss, Mr. Graveley made a motion to adjourn the meeting at 6:55 p.m. Ms. Lowman seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary