

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
April 23, 2019
Minutes

Board Members Present:

Kathleen Lowman
Rudy Galvan
Brandon Barrera
Lupita Perez
Patsy Rodgers
Filiberto Treviño

Board Members Absent:

Dr. Albert Ruiz
Steven Vaughn

Staff Present:

Carola G. Serrato
Jo Ella Wagner
Dony Cantu
Armando Yruegas

Guests Present:

None

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:36 p.m. A quorum was present.

2. Citizen Comments.

Ms. Lowman opened the floor to citizen's comments. No citizen comments were made.

3. New Board members' oaths of office.

Ms. Wagner administered the Oath of Office to Mr. Galvan who was re-appointed to his current position on the Board by the Kleberg County Commissioner's Court. She also administered the Oath of Office to Ms. Lowman who was re-appointed to her current position by the Nueces County Commissioner's Court.

4. Election of officers.

Ms. Rodgers made a motion to re-elect the current slate of officers. Mr. Galvan seconded and all voted in favor.

5. Approval of Minutes.

Mr. Treviño made a motion to approve the minutes of the March 26, 2019 Public Hearing and Regular Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

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

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

STWA Investment Report for Quarter ended March 2019
Treasurer's Report for period ending March 31, 2019
Revenue Fund Income Statement for period ending March 31, 2019
Tax Fund Income Statement for period ending March 31, 2019
Special Services Income Statement for period ending March 31, 2019
STWA Revenue Fund Balance Sheet – March 31, 2019
STWA Revenue Fund GL Account Summary Report as of March 31, 2019
STWA Debt Service Fund Income Statement for period ending March 31, 2019
STWA Debt Service Fund Balance Sheet March 31, 2019
STWA Debt Service Fund GL Account Summary Report as of March 31, 2019
STWA Capital Projects Fund Income Statement for period ending March 31, 2019
Cathodic Protection Expenses Breakdown through March 2019
STWA Capital Projects Fund Balance Sheet – March 31, 2019
STWA Capital Projects Fund GL Account Summary Report as of March 31, 2019
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:

• Stewart & Stevenson	\$ 3,161.25
• Willatt & Flickinger, Attorneys at Law	\$ 668.10
• Mercer Controls, Inc.	\$ 1,826.00
• City of Corpus Christi	\$ 96,007.45
• Kevin Kieschnick-NC Tax Assessor	\$ 493.95

Ms. Wagner explained that STWA has overpaid the Nueces County Tax Assessor's office as a result of an overcharge on the number of parcels and she recommended not approving payment of the current invoice in the amount of \$493.95. Ms. Serrato added that a refund is expected. A motion was made by Mr. Galvan to approve the Quarterly Report, Treasurer's Reports and payment of the bills as presented with the exception of the Nueces County Tax Assessor invoice. Mr. Treviño seconded. The motion carried.

7. Bids for construction of an equipment barn.

Ms. Serrato presented additional information gathered from Armstrong, Mueller and Monarch for kits ranging from \$33,286 – \$47,685. Metal Mart was also contacted for information on certified builders and two, Gator General Contractors and Triple R Construction, provided quotes for construction of the kit. Triple R quoted \$122,000 for labor plus \$44,000 for the kit. Gator provided two quotes. One was for a total of \$96,698.54 which includes a labor cost of \$56,800 and \$39,898.54 for a kit without doors. The second quote totaled \$113,497.74 and includes a labor cost of \$65,459.20 and a kit with doors and electrical for \$48,038.54. She said the shed would be located on the north side of the office building and the design is for a 40' x 100' structure with a drive-through, two closed bays and two additional bays. She asked for direction from the board on how to proceed. Mr. Galvan asked about the need for a concrete slab and

stated that he would like to proceed in phases due to the cost. He added that the Board should consider the shed as part of a long-term plan and said he preferred to have Dr. Ruiz and Mr. Vaughn present for further discussion. He also noted that he is willing to oversee the project and feels that hiring contractors directly would save money. He asked to make a visit to look over the yard. He expressed his opinion that if such a large amount of much money is spent on the project without attempting to bring down the cost, then the Board is not doing their job. The Board discussed contacting contractors directly and the needed permits and insurance. Ms. Serrato asked for direction on whether to follow through with a drive through style shed or field personnel's preference of a shed next to or in place of the current shed without a drive-through. Ms. Rodgers then made a motion to table discussion in order for Dr. Ruiz and Mr. Vaughn to participate. The motion was seconded by Ms. Perez. All voted in favor.

8. Resolution 19-07. Resolution awarding the bid for construction of an equipment barn.

No action was taken on Resolution 19-07.

9. Chloramine Booster Station – Kingsville Pump Station for Ricardo WSC 12-inch waterline.

Ms. Serrato provided information from Mr. Aaron Archer of Walker Partners and David Simons from TCEQ about using the existing chlorine and ammonia system for both Kingsville and Ricardo. Mr. Archer feels that instead of using the system for both, it would be better to redirect the Chloramine and using the system only for Ricardo. Mr. Simons also favored this option and indicated that he forwarded the plan for review by the review team. Ms. Serrato stated that this seems to be the least costly option, but time is needed for TCEQ's review. No action was taken by the Board.

10. Nueces County Project bids for Banquete Pump Station Improvements.

Ms. Serrato presented an email received this afternoon from Maria Bedia, Nueces Grant Administrator, regarding funds available for the project and the bids received at the bid opening. Ms. Bedia has asked the Texas Water Development Board about additional funds because \$614,000 remains available in grant funds. This amount is significantly less than the lowest apparent bid of \$1,004,301.60 plus an additional \$278,304 for demolition of the elevated storage tank and addition of a new hydro tank, compressor and controls for NCWC&ID #5. Ms. Bedia is waiting to hear back from TWDB. Ms. Serrato also distributed a breakdown of the bids that were received for the project by Nueces County. Nueces County Commissioner's Court will be reviewing the bids on May 8th. She explained that there is a possibility of negotiating the cost after a contractor is selected but if successful, that could result in a 25 percent reduction. The other option is for Nueces County to reject the bids and to re-bid the contract. She spoke to Robert Viera, LNV, and advised him that she will review the specs further for changes to reduce the cost. She reviewed the breakdown and noted that the \$1,004,301.60 does not include what STWA will need to do. She explained that the elevated storage tank needs to be demolished because of its condition. Bids for demolition ranged from \$82,605 to \$225,000. She added that if the project has to be put off, two hydropneumatic tanks will need to be installed before the elevated storage tank is taken out of service and demolished. She added that she will present this

information to the Nueces Water Supply Corporation and will update the STWA Board on any progress.

11. Driscoll Ground Storage Tank Rehabilitation.

Ms. Serrato stated that \$25,000 has been budgeted for rehabilitation of the Driscoll ground storage tank and presented several options for the work. Quotes were requested and range from \$5,230 to repair only the areas of concern to \$45,000 for installation of a 100% Solids Lining System. A liner has been suggested as a long-term solution and would be for the interior and does not include the exterior of the tank. Ms. Serrato stated that she is waiting for further information from NG Painting regarding the spray on liner. She also provided a sample of a hanging liner which has also been suggested. She added that she has been researching for replacing a panel but she is unsure if she can find a company to create a replacement panel. She asked the Board for input on what direction to take. After discussing the options, the Board asked Ms. Serrato to request further information on the hanging liner. No other action was taken by the Board.

12. Fiscal Year 2019 Budget Amendments.

Ms. Serrato reviewed the proposed amendments to the FY 2019 Budget. She stated that Total Revenues increased by \$37,250 based on Premium Incremental Increase Charges, Interest Earnings and Miscellaneous Revenues. Total Administrative/Operations Expenditures without Capital Outlay increased by \$16,861 primarily associated with property insurance. Capital outlay increased by \$163,044 and includes an additional \$50,000 for a total of \$100,000 for the equipment shed. Other Finance Sources increased by \$13,000 and Deficiencies of Revenues over Expenditures decreased by \$125,155 for a Net Income of \$7,278 compared to the original budget's ending balance of \$136,433. She noted that the decrease in Net Income is associated with purchases for the Cathodic Protection project such as the trackhoe, trailer and truck. She pointed out that if the Board decides not to construct the equipment shed this year, she would rather spend the \$100,000 on addressing the needed work at the Banquete Pump Station. Mr. Treviño made a motion to approve the FY 2019 Budget Amendments. Ms. Rodgers seconded. The motion carried.

13. Tax Increment Reinvestment Zone 1 – Historic Downtown Kingsville, Texas.

Ms. Serrato reported that she attended a recent Tax Increment Reinvestment Zone workshop with the City of Kingsville and Kleberg County. City Manager Jesus Garza described how the TIRZ would work. Based on Mr. Garza's explanation, Ms. Serrato developed a worksheet and provided it to the Board. The chart reflected that based on 2.65 percent growth in value, over a 30-year period STWA's total is \$127,403 and the total if all three entities participate would be \$3,000,000. At 2 percent growth STWA's total is estimated at \$95,878 and the total of the three entities is \$2,264,294. Ms. Serrato explained that the TIRZ does not require additional funds, rather it channels funds from future growth based on either assessed or collected values. She and Ms. Wagner feel it should be based on the collected amount. The TIRZ will have a five-member board and each entity should be represented by at least one member. Tom Ginter, the City's Planning & Development Services Director plans to draft a document outlining the specifics to be presented to and approved by each entity. The Board will await further information on the

document from Mr. Ginter. Ms. Serrato added that the Commissioners Court took action authorizing the County Judge to work with the County Attorney to review the information and they will meet again as a group for further action. No Board action was taken.

14. License Agreement with City of Bishop for Pump Station Facilities.

Ms. Serrato reported that the Bishop City Council is scheduled to meet tomorrow and she plans to attend the meeting. City Secretary Cynthia Contreras informed her that the License Agreement will be a topic of discussion. No action was taken by the Board.

15. Resolution 19-21. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Crystal Lynn Barrera - Cyndie Park Unit 2, Tract Twenty-Seven (27) and Southwest Quarter (SW/4) of Tract Twenty-eight (28), Nueces County, Texas)

16. Resolution 19-22. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Robert E. Burleson, III. – Tract 45, Cyndie Park Unit 2, Nueces County, Texas)

17. Resolution 19-23. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Roland Bayardo and San Juana Bayardo – Tract Twenty-Two (22) and the adjoining one-half (1/2) of Tract Twenty-Three (23), Cyndie Park Unit 2, Nueces County, Texas)

18. Resolution 19-24. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Richard L. Burleson – The Southwest 23.51 feet of Lot 9, all of lot 10 and the adjoining Northeast ½ of Lot 11, Cyndie Park Unit 2, Nueces County, Texas)

19. Resolution 19-25. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Jose Ovidio Guzman, Jr. – Tract Two (2), Cyndie Park Unit 2, Nueces County, Texas)

Ms. Serrato stated that approval of Resolutions 19-21, 19-22, 19-23, 19-24 and 19-25 finalizes the process for annexation of these properties and recommended adoption of the five resolutions. Mr. Galvan made a motion to adopt Resolutions 19-21, 19-22, 19-23, 19-24 and 19-25. The motion was seconded by Mr. Barrera and passed unanimously.

20. Petitions for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place.

- a. Lino Moreno, Jr. and Rebecca Moreno – Tract Thirteen (13), Cyndie Park Unit 2, Nueces County, Texas
- b. Ruben Jimenez and Rosemary R. Jimenez – Tracts 36, 37, and ½ of 35, Cyndie Park Unit 2, Nueces County, Texas

Ms. Serrato stated that these two property owners are the most recent to approach the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries as a

result of the ongoing project to extend water service to the Cyndie Park area. Requesting annexation is the first step in the process to obtain service on these properties. Ms. Serrato recommended approval of Resolutions 19-26 and 19-27 to set the Public Hearing on May 28, 2019 at 5:30 p.m. at the STWA conference room.

21. Resolution 19-26. 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. (Lino Moreno, Jr. and Rebecca Moreno)

Mr. Barrera made a motion to adopt Resolution 19-26 setting the Public Hearing on May 28, 2019 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Mr. Treviño and passed unanimously.

22. Resolution 19-27. 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. (Ruben Jimenez and Rosemary R. Jimenez).

Mr. Barrera made a motion to adopt Resolution 19-27 setting the Public Hearing on May 28, 2019 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Mr. Treviño and passed unanimously.


23. South Texas Water Authority Cross Training and Standard Operating Procedures.

Ms. Serrato stated that staff has been reviewing the standard operating procedures currently in place. Procedures are being updated and SOPs are being created for various tasks. The procedures are near completion and will be placed in binders for access by staff.

24. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 7:29 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary