

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
March 22, 2016  
Minutes

Board Members Present:

Filiberto Treviño  
Lupita Perez  
Patsy Rodgers  
Dr. Albert Ruiz  
Steven Vaughn

Board Members Absent:

Kathleen Lowman  
Rudy Galvan  
Charles Schultz

Staff Present:

Carola G. Serrato  
Frances De Leon

Guests Present:

None

1. Call to Order.

Mr. Filiberto Treviño, Board Vice-President, called the Regular Meeting of the STWA Board of Directors to order at 5:59 p.m. A quorum was present.

2. Citizen Comments.

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

3. Approval of Minutes.

Ms. Rodgers made a motion to approve the minutes of the February 23, 2016 Public Hearing and the February 23, 2016 Regular Meeting as presented. Ms. Perez seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

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

Treasurer's Report for period ending February 29, 2016  
Revenue Fund Income Statement for period ending February 29, 2016  
Tax Fund Income Statement for period ending February 29, 2016  
STWA Revenue Fund Balance Sheet – February 29, 2016  
STWA Revenue Fund GL Account Summary Report as of February 29, 2016  
STWA Debt Service Fund Income Statement for period ending February 29, 2016  
STWA Debt Service Fund Balance Sheet February 29, 2016  
STWA Debt Service Fund GL Account Summary Report as of February 29, 2016  
STWA Capital Projects Fund Income Statement for period ending February 29, 2016  
STWA Capital Projects Fund Balance Sheet – February 29, 2016  
STWA Capital Projects Fund GL Account Summary Report as of February 29, 2016  
STWA 2012 Bond Election Report

Anticipated vs. Actual Water Rate Charged  
Maintenance & Technical Report from O&M Supervisor

Ms. Serrato noted that an amount of \$7,167 listed as Other Income in the Capital Projects Fund is a refund from Nueces County for overpayment on election expenses.

The following outstanding invoices were presented for Board approval:

• Automated Concepts	\$ 11,522.50
• Kevin Kieschnick-NC Tax Assessor	\$ 3,463.92
• Nueces County Appraisal District	\$ 1,496.00
• Willatt & Flickinger, Attorneys at Law	\$ 3,840.63
• Kleberg County Appraisal District	\$ 4,848.54
• City of Corpus Christi	\$ 90,686.80
• Foxco	\$ 1,783.75
• Corpus Christi Builder's Hardware, Inc.	\$ 2,282.25

A motion was made by Mr. Vaughn and seconded by Dr. Ruiz to approve the Treasurer's Report and payment of the bills as presented. The motion carried.

5. TCEQ Enforcement Action and State Office of Administrative Hearings.

- Authorizing the Executive Director to request a proposal from HDR Engineering, Inc. for conversion of the Driscoll Booster Station from free chlorine to chloramine injection.

Ms. Serrato stated that the conference was held on March 17<sup>th</sup> and she felt it was very helpful. She, Bill Flickinger (Willatt & Flickinger) and Aaron Archer (HDR Engineering, Inc.) spoke with Amber Ahmed, Amanda Patel and David Simons of TCEQ. The TCEQ personnel listened to the concerns regarding the items listed in Appendix B such as upstream and downstream sampling point distances, the need for a sampling point between the proposed ammonia injection and the existing chlorine injection at the Driscoll Booster station and limiting the number of times the 42" waterline is tapped. Mr. Simons' responses indicated that some of the items on the list are somewhat flexible with the understanding that STWA will be adding sampling points and proceeding with conversion of the Driscoll Booster Station to chloramine injection. Ms. Serrato explained to the Board that she and Mr. Flickinger agree that the Administrative Law Judge will most likely support the TCEQ's recommendation to convert the Driscoll Booster Station. She therefore recommended Board authorization to request a proposal from HDR Engineering, Inc. for the conversion. She added that Mr. Archer feels a proposal can be prepared by the April Board meeting.

Mr. Vaughn made a motion to authorize Ms. Serrato to request a proposal for engineering services from HDR Engineering, Inc. Ms. Rodgers seconded. The motion carried.

6. Kingsville Pump Station Bond Projects – Construction of the 1.0 MG Ground Storage Tank.

- Pay Estimate #4 – Preload LLC

Ms. Serrato reported that the PAX mixing system has been delivered but has not yet been installed. She added that the contractors have been made aware of the potential for liquidated damages being assessed. She presented Pay Estimate #4 to Preload LLC in the amount of \$112,161.75 and requested authorization for payment as recommended by Mr. Christensen. She also presented an invoice from HDR Engineering in the amount of \$7,200.

Ms. Rodgers made a motion to approve Pay Estimate #4 in the amount of \$112,161.75 and HDR Invoice #266433-b in the amount of \$7,200. Ms. Perez seconded and all voted in favor.

7. Kingsville Pump Station Bond Projects – Pump Replacement.

- Pay Estimate #2 – ACP

Ms. Serrato stated that work continues on the pump replacement project and the pumps should be ready for testing this week. She presented Pay Estimate #2 for Associated Construction Partners, LTD in the amount of \$137,130.60 and requested authorization for payment as recommended by Mr. Christensen. In addition she presented HDR Invoice #266439-b in the amount of \$3,375.

Mr. Vaughn made a motion to approve payment of Pay Estimate #2 and Invoice #266439-b. Dr. Ruiz seconded. All voted in favor.

8. Joint Project with Nueces Water Supply Corporation – Pump Station Improvements at the Driscoll Pump Station.

Ms. Serrato reported that Mercer Controls has provided a revised timeline, and testing and close-out of the project is expected by Wednesday, March 29<sup>th</sup>. No pay estimates have been received from Mercer Controls, but Ms. Serrato presented HDR Invoice 266435-b in the amount of \$950.

Ms. Rodgers made a motion to approve payment of Invoice #266436-b in the amount of \$950 from HDR Engineering. Mr. Vaughn seconded. All voted in favor.

9. Assessment of STWA's 42" waterline.

Ms. Serrato reported that HDR Engineering personnel arrived and performed some surveying and testing tasks but has postponed remaining testing until after the fields dry out from the recent heavy rain. She presented HDR Invoice 266444-b in the amount of \$13,353.99 for the field work completed.

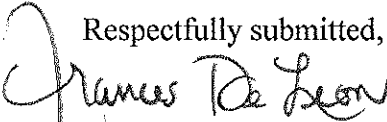
Mr. Vaughn made a motion to authorize payment of HDR Invoice #266444-b in the amount of \$13,353.99. Ms. Perez seconded. The motion carried.

10. Amendments to Wholesale Water Supply Contract Template, current City of Agua Dulce Water Supply Contract, current Nueces Water Supply Corporation Contract, and current Ricardo Water Supply Corporation Contract related to the South Texas Water Authority Tax-Exempt Bonds, Series 2013 as well as contracts offered or to be offered to the cities of Bishop, Driscoll and Kingsville and the Nueces County Water Control & Improvement District #5.

Ms. Serrato reported that an amended Water Supply Contract with Ricardo Water Supply Corporation was finalized and forwarded to RWSC President Baldemar Garcia. She hopes to have an amended contract for Nueces Water Supply Corporation very soon and she anticipates that the contracts will be listed on the Corporations' April 12<sup>th</sup> agendas. Work will continue on the Agua Dulce, Kingsville and Bishop contracts as well those for Banquete and Driscoll.

11. Adjournment.

With no further business to discuss, Ms. Treviño adjourned the meeting at 6:29 p.m.

Respectfully submitted,  
  
Frances De Leon  
Assistant Secretary