

SOUTH TEXAS WATER AUTHORITY  
Regular Board of Directors Meeting  
December 6, 2016  
Minutes

Board Members Present:

Kathleen Lowman  
Rudy Galvan  
Filiberto Treviño  
Patsy Rodgers  
Dr. Albert Ruiz  
Steven Vaughn

Board Members Absent:

Lupita Perez  
Charles Schultz

Staff Present:

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

Guests Present:

Marvin Leary – Linebarger, Goggan,  
Blair & Sampson, LLP

1. Call to Order.

Ms. Kathleen Lowman, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:33 p.m. A quorum was present.

2. Citizen Comments.

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

*The order of the agenda was changed in order to accommodate the guest, Mr. Marvin Leary.*

14. Consideration of offers made to Linebarger, Goggan, Blair & Sampson, LLP for Tax Resale properties in Nueces County.

Mr. Marvin Leary of Linebarger, Goggan, Blair & Sampson, LLP introduced himself to the Board and presented bid analyses and maps on nine struck off properties for which offers have been received. He explained that four of these offers are for some of the lots that did not sell during the sale of 68 lots in Rancho Amistad. These offers were made by owners of the adjoining properties. He added that Nextlots made a majority of the other offers and is familiar with the Nueces County market and subdivision regulations. If approved, STWA will receive at least \$1,629.73 in delinquent taxes from the sale proceeds and restore as much as \$177,439 in taxable property value to STWA's active tax rolls. He added that Banquete ISD and Robstown ISD have approved the offers for the properties in their respective districts. In addition, there were ten other offers which were rejected by the Banquete School District and may be presented to STWA in the future if the Banquete School District approves new offers.

15. **Resolution 16-23. Resolution approving the sale of delinquent tax property for less than the amount of taxes owed or the most recent value determined by the appraisal district, whichever is less.**

A motion was made by Mr. Treviño and seconded by Ms. Rodgers to adopt Resolution 16-23 approving the offers made to Linebarger, Goggan, Blair & Sampson, LLP. Mr. Galvan abstained and all others voted in favor.

3. **Approval of Minutes.**

Mr. Treviño made a motion to approve the minutes of the October 25, 2016 Regular Meeting as presented. Ms. Rodgers 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 October 31, 2016  
Revenue Fund Income Statement for period ending October 31, 2016  
Tax Fund Income Statement for period ending October 31, 2016  
Special Services Income Statement for period ending October 31, 2016  
STWA Revenue Fund Balance Sheet – October 31, 2016  
STWA Revenue Fund GL Account Summary Report as of October 31, 2016  
STWA Debt Service Fund Income Statement for period ending October 31, 2016  
STWA Debt Service Fund Balance Sheet October 31, 2016  
STWA Debt Service Fund GL Account Summary Report as of October 31, 2016  
STWA Capital Projects Fund Income Statement for period ending October 31, 2016  
STWA Capital Projects Fund Balance Sheet – October 31, 2016  
STWA Capital Projects Fund GL Account Summary Report as of October 31, 2016  
STWA 2012 Bond Election Report  
Anticipated vs. Actual Water Rate Charged  
Maintenance & Technical Report from O&M Supervisor

In addition, Ms. Wagner presented the following outstanding invoices for Board approval:

• Ramos Refrigeration	\$ 5,650.00
• Mission Automation Group	\$ 11,854.14
• Hoelscher Electric	\$ 3,676.00
• Fluid Meter Service, Corp.	\$ 4,125.00
• LNV Engineering	\$ 8,325.00
• Willatt & Flickinger, PLLC	\$ 2,689.10
• Duke Controls Inc.	\$ 1,344.57
• City of Corpus Christi	\$ 124,035.40
• K. Kieschnick – NC Tax Assessor	\$ 8,575.16
• Nueces Power Equipment	\$ 40,013.00
• Odessa Pumps	\$ 5,491.20

- Nueces County Appraisal District \$ 1,595.00
- Willatt & Flickinger \$ 480.00

A motion was made by Mr. Galvan 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.

Ms. Serrato presented the TCEQ Order received on October 31, 2016. The Order was received as expected and legal counsel was instructed not to appeal the Order. The \$2,443 administrative penalty has been paid and the 30-day and 45-day submittals have been sent off by staff and HDR Engineering. Ms. Serrato stated that she will update the Board on further progress.

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

Ms. Serrato reported that it appears that the tank, tank mixing system, disinfection injection system, meter, and motor operated valve are now working properly. The remaining items include removal of the temporary power pole, delivery of manuals and as-builts and repair to the front gate. Close-out paperwork has not been received from HDR Engineering but will be presented to the Board once it is received and after the remaining items are resolved.

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

Ms. Serrato presented the final payment application in the amount of \$16,265.50 including retainage along with the supporting close-out documents on the Driscoll Pump Station Improvements project. She stated that the operation manuals have been received and the project is complete. She noted that the slamming issue on the check valve was reported to the manufacturer who responded that the valve is operating properly. Mr. Galvan made a motion to approve payment to Mercer Controls in the amount of \$16,265.50. Dr. Ruiz seconded. All voted in favor.

8. Bids for purchase of trailer for mini-excavator.

Ms. Serrato presented additional bids for a gooseneck trailer for hauling the mini-excavator as requested by the Board at the previous meeting. The original bids were submitted by Bishop Farm Equipment in the amount of \$4,340 for a 20-foot trailer, Husky Trailer & Parts Company in the amount of \$4,640 for a 20-foot trailer, and Superior Trailer Sales in the amount of \$4,525 for a 16-foot trailer. The additional bids for a 20-foot gooseneck trailer were submitted by Bishop Farm Equipment in the amount of \$4,990, Husky Trailer and Parts Company in the amount of \$5,140 and Superior Trailer Sales in the amount of \$5,850. Ms. Serrato pointed out that the budgeted amount for this trailer is \$4,525 and the low bid is \$4,340 for a 20-foot bumper trailer. She also stated that currently STWA has only one ¾ ton truck and the remainder are ½ ton trucks. She added that the next truck purchased would most likely need to be a ¾ ton. After further discussion among the Board and staff on the towing capabilities of the current trucks and comparing how the bumper pull and gooseneck trailers meet field staff's current needs, Mr.

Vaughn made a motion to authorize purchase of a 20-foot gooseneck trailer from Bishop Farm Equipment in the amount of \$4,990. Mr. Galvan seconded. All voted in favor.

9. Bids for purchase of zero-turn mower.

Ms. Serrato stated that \$7,200 has been included in the Fiscal Year 2017 budget for a zero-turn lawn mower and presented the following bids:

Vendor	Mower	Cutting Width	HP	Price
Robstown Hardware	John Deere Z920M	60"	23.5	\$7,792
Robstown Hardware	John Deere Z930M	60"	25.5	\$8,107
Ag-Pro	John Deere Z920M	54"	23.5	\$7,772
Ag-Pro	John Deere Z920M	60"	23.5	\$7,980
AC Lawn & Garden	SCAG Turf Tiger	52"	26.0	\$9,600
AC Lawn & Garden	SCAG Turf Tiger	61"	26.0	\$9,800
AC Lawn & Garden	SCAG Turf Tiger	61"	25.0	\$10,100
AC Lawn & Garden	SCAG Turf Tiger	61"	35.0	\$10,000
AC Lawn & Garden	SCAG Turf Tiger	61"	26.0	\$11,000

She recommended approving the purchase of either the Z920M or Z930M mower from Robstown Hardware. Mr. Galvan made a motion to purchase the John Deere Z930M from Robstown Hardware in the amount of \$8,107. Dr. Ruiz seconded and all voted in favor.

10. Water Supply Contract with the City of Kingsville.

Ms. Serrato stated that Kingsville City Attorney Courtney Alvarez has proposed meeting on either January 12 or January 26, 2017 for continuing negotiations on a water supply contract. Ms. Serrato has informed legal counsel that both dates are satisfactory.

11. Revised Water Supply Contract with the City of Bishop.

Ms. Serrato stated that she had nothing to report regarding the water supply contract with the City of Bishop. Ms. Lowman suggested that Ms. Serrato keep reminding the Bishop Mayor because of his busy schedule.

12. City of Corpus Christi water rate true-up and Amendment to the Water Sales Agreement between City of Corpus Christi and South Texas Water Authority regarding Calculation of Treated Water Rate.

Ms. Serrato reported that she received an email from Corpus Christi Assistant City Attorney Lisa Aguilar, but the information and figures referred to by Ms. Aguilar do not correlate with those used in the model. Ms. Aguilar also asked for a meeting to discuss the rates. Ms. Serrato stated that she forwarded the email to Chris Ekrut of NewGen Strategies.

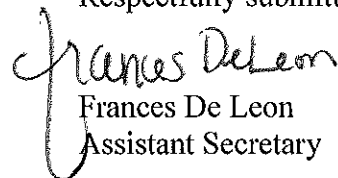
13. ERCOT Membership Meeting and Proxy.

Ms. Serrato presented information on the 46<sup>th</sup> Annual ERCOT Membership Meeting including a proxy form. She explained that TCAP attorney Christopher Brewster is requesting that TCAP members provide a proxy if a representative is not attending the meeting. She added that Mr. Brewster will be attending the meeting and is available to act as STWA's proxy. Mr. Galvan made a motion to designate Christopher Brewster as STWA's proxy for the December 13, 2016 Annual ERCOT Membership Meeting. Mr. Vaughn seconded. All voted in favor.

16. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:31 p.m.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary