

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
October 24, 2017
Minutes

Board Members Present:

Kathleen Lowman
Dr. Albert Ruiz
Rudy Galvan
Lupita Perez
Patsy Rodgers
Charles Schultz
Filiberto Treviño
Steven Vaughn

Board Members Absent:

None

Staff Present:

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

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 5:30 p.m. A quorum was present.

2. Citizen Comments.

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

3. Approval of Minutes.

Mr. Treviño made a motion to approve the minutes of the September 26, 2017 Regular Meeting as presented. Mr. Schultz seconded. The motion passed by unanimous vote.

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

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

STWA Monthly Investment Report for Quarter ended September 30, 2017
Treasurer's Report for period ending September 30, 2017
Revenue Fund Income Statement for period ending September 30, 2017
Tax Fund Income Statement for period ending September 30, 2017
Special Services Income Statement for period ending September 30, 2017
STWA Revenue Fund Balance Sheet – September 30, 2017

STWA Revenue Fund GL Account Summary Report as of September 30, 2017

STWA Debt Service Fund Income Statement for period ending September 30, 2017

STWA Debt Service Fund Balance Sheet September 30, 2017

STWA Debt Service Fund GL Account Summary Report as of September 30, 2017

STWA Capital Projects Fund Income Statement for period ending September 30, 2017

STWA Capital Projects Fund Balance Sheet – September 30, 2017

STWA Capital Projects Fund GL Account Summary Report as of September 30, 2017

STWA 2012 Bond Election Report

Anticipated vs. Actual Water Rate Charged

Maintenance & Technical Report from O&M Supervisor

Ms. Wagner also presented the following outstanding invoices for Board approval:

• Walker Partners	\$ 592.00
• Willatt & Flickinger, PLLC	\$ 4,065.20
• TML Intergovernmental Risk Pool	\$ 48,520.78
• Kleberg County Treasurer	\$ 24,639.00
• Rock Engineering	\$ 2,026.00
• City of Corpus Christi	\$ 92,835.44
• Pump Solutions, Inc.	\$ 7,450.00
• NewGen Strategies	\$ 480.00
• HDR Engineering, Inc.	\$ 900.00
• HDR Engineering, Inc.	\$ 8,550.00
• Diamond Enterprises	\$ 7,790.00

A motion was made by Ms. Rodgers to approve the Treasurer's Report and payment of the bills as presented. Mr. Treviño seconded. The motion carried.

5. Tax Year 2017 tax roll/levy for the South Texas Water Authority's district in Nueces County.

Ms. Serrato presented the Nueces County tax roll/levy for 2017 which reflected a total taxable value of \$681,824,078 and a total tax levy of \$580,709.57. She recommended approval of Resolution 17-24.

6. Resolution 17-24. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2017.

Mr. Schultz made a motion to approve Resolution 17-24 adopting the tax roll/levy for South Texas Water Authority's district in Nueces County for tax year 2017. Dr. Ruiz seconded the motion and all voted in favor.

7. STWA Board of Directors Meeting Schedule for 2018.

Ms. Serrato reviewed the proposed 2018 meeting schedule provided in the Board packet. The Board agreed to meet on the following dates:

January 23, 2018	May 22, 2018	September 25, 2018
February 27, 2018	June 26, 2018	October 23, 2018
March 27, 2018	July 31, 2018	December 4, 2018
April 24, 2018	September 4, 2018	

8. TCEQ Enforcement Action.

Ms. Serrato reported that TCEQ has agreed to the forms that STWA is proposing to use for the necessary monitoring and record keeping. The next Quarterly Report is due on November 22nd and will hopefully report on final completion or near completion of the Driscoll LAS project. She added that TCEQ has requested that STWA use uniform labeling for the meter run, rather than referring to it as a bypass. She had nothing further to report.

9. Assessment of STWA's 42" waterline – Internal Leak Detection Test – End of Contract 3 pipeline immediately south of the O.N. Stevens Plant.

Ms. Serrato stated that Pure Technologies personnel performed the assessment on October 18th and tested approximately 12,000 lf rather than the 7,000 lf originally proposed at no additional cost to STWA. Preliminary analysis indicates that there are no medium or large leaks. Further analysis is required for determining if any small leaks exist. The completed analysis should be available in about six weeks.

10. Assessment of STWA's 42" Waterline – Russell Corrosion Projects

- Examination of Section 0 – 5000 LF
- Replacement of two (2) existing rectifiers
- Pipeline Crossings and Interference

Ms. Serrato reported that she has been in contact with Mr. Bruce Norred, Russell Corrosion, regarding these projects. She stated that examination of stations 0 – 5000 indicate that this section is discontinuous as expected based on the in-house efforts of installing anodes in two out of three joints. Data will be further analyzed and recommendations will be made on installation of additional sacrificial anodes. She presented Invoice #0002055 in the amount of \$2,385 for work on this project.

Ms. Serrato also stated that as reported last month, replacement of the two rectifiers has been completed. She presented a final invoice on this project.

Additionally, Ms. Serrato presented Invoice #0002057 in the amount of \$600 for the Pipeline Crossings and Interference Project. She reported that testing on the final pipeline crossing, Enerfin, will need to be rescheduled due to problems on their rectifier at that location.

Mr. Schultz made a motion to approve payment of the three Russell Corrosion invoices. Ms. Rodgers seconded. All voted in favor.

11. Driscoll Pump Station LAS Chemical Feed System Addition.

Ms. Serrato presented Pay Request #3 in the amount of \$105,811.21 and reported that progress continues on the Driscoll LAS project. The project is expected to be complete and operational by the end of November. Mr. Schultz made a motion to approve Pay Request #3 as presented. Mr. Treviño seconded. The motion passed by unanimous vote.

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

Ms. Serrato stated that she has had no contact with Bishop Mayor Tem Miller regarding the water supply contract.

13. Incremental Increase Policy to address Customers without a Long-Term Contract.

Ms. Serrato stated that as requested by the Board at the last meeting, a letter was sent to STWA's wholesale customers advising them that the City of Kingsville has entered into a long-term contract and informing them of the proposed Incremental Increase Policy. She received no feedback from any of the customers. She explained that the Board may approve the policy at this meeting but suggested providing the customers with notice of the Board's decision. After discussion on the various terms of the Order Establishing Rates for Monthly Wholesale Customers and Establishing an Additional Revenues Fund, Mr. Treviño made a motion to approve the Order effective December 1, 2017 with a 100% Incremental Increase and establish an Incremental Increase Revenue Fund with a maximum balance of \$500,000 for a maximum of five years to be used for Operation and Maintenance expenses of the Authority. Mr. Galvan seconded the motion which then passed by unanimous vote. Ms. Lowman stated that she would support Ms. Serrato communicating with the customers about the Board's decision in the meantime.

14. Specifications for purchase of ¾ ton truck approved under FY 2018 budget.

Ms. Serrato presented specifications for purchase of a ¾ ton truck as approved under the FY 2018 budget. She stated that she wanted to make the Board aware that bids will be solicited for a diesel engine 4x4 double cab short bed truck and asked if any changes to the specifications were needed. The Board agreed with the presented specifications. Ms. Serrato stated that various dealerships and BuyBoard would be contacted and bids will be presented for the Board's consideration at the next meeting.

15. Personnel Evaluation of the Executive Director.

Ms. Lowman announced that the Board would convene in Closed Session at 6:46 p.m. pursuant to Section 551.074 of the Government Code to discuss the Personnel Evaluation of the Executive Director. The Board reconvened in Open Session at 7:24 p.m. No action was taken during Closed Session.

STWA Regular Meeting Minutes

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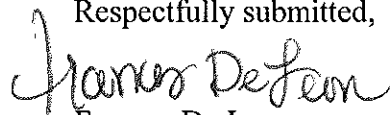
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Ms. Lowman stated that the evaluation was conducted as a group and that she would deliver it personally to Ms. Serrato. Mr. Galvan made a motion to grant Ms. Serrato a one percent salary increase and raise her car allowance to \$500 per month. Mr. Treviño seconded. All voted in favor.

16. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 7:25 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary