

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
January 23, 2018
Minutes

Board Members Present:

Kathleen Lowman
Rudy Galvan
Lupita Perez
Patsy Rodgers
Charles Schultz
Filiberto Treviño
Steven Vaughn

Board Members Absent:

Dr. Albert Ruiz

Staff Present:

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

Guests Present:

Luke Womack, John Womack &
Co., P.C.

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. Proposed Fiscal Year 2017 Audit.

Mr. Luke Womack, John Womack & Co., P.C., reviewed the Fiscal Year 2017 Audit with the Board and reported that all records were in order and the Authority's financial position remains stable. He added that the Authority's Fund Balance increased by about \$128,000.

4. Resolution 18-01. Resolution accepting the Fiscal Year 2017 Audit prepared by John Womack & Co., P.C. of Kingsville, Texas.

Mr. Galvan made a motion to approve Resolution 18-01. Mr. Schultz seconded the motion. All voted in favor.

5. Approval of Minutes.

Mr. Treviño made a motion to approve the minutes of the December 5, 2017 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 December 2017
Treasurer's Report for period ending November 30, 2017
Revenue Fund Income Statement for period ending November 30, 2017
Tax Fund Income Statement for period ending November 30, 2017
Special Services Income Statement for period ending November 30, 2017
STWA Revenue Fund Balance Sheet – November 30, 2017
STWA Revenue Fund GL Account Summary Report as of November 30, 2017
STWA Debt Service Fund Income Statement for period ending November 30, 2017
STWA Debt Service Fund Balance Sheet – November 30, 2017
STWA Debt Service Fund GL Account Summary Report as of November 30, 2017
STWA Capital Projects Fund Income Statement for period ending November 30, 2017
STWA Capital Projects Fund Balance Sheet – November 30, 2017
STWA Capital Projects Fund GL Account Summary Report as of November 30, 2017
Treasurer's Report for period ending December 31, 2017
Revenue Fund Income Statement for period ending December 31, 2017
Tax Fund Income Statement for period ending December 31, 2017
Special Services Income Statement for period ending December 31, 2017
STWA Revenue Fund Balance Sheet – December 31, 2017
STWA Revenue Fund GL Account Summary Report as of December 31, 2017
STWA Debt Service Fund Income Statement for period ending December 31, 2017
STWA Debt Service Fund Balance Sheet December 31, 2017
STWA Debt Service Fund GL Account Summary Report as of December 31, 2017
STWA Capital Projects Fund Income Statement for period ending December 31, 2017
STWA Capital Projects Fund Balance Sheet – December 31, 2017
STWA Capital Projects Fund GL Account Summary Report as of December 31, 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:

| | |
|------------------------------------|--------------|
| • Praesidium Systems, Inc. | \$ 2,092.99 |
| • City of Corpus Christi | \$ 87,667.19 |
| • John Womack & Co., P. C. | \$ 8,670.00 |
| • Walker Partners | \$ 5,920.00 |
| • HDR Engineering, Inc. | \$ 900.00 |
| • HDR Engineering, Inc. | \$ 6,840.00 |
| • Kevin Kieschnick-NC Tax Assessor | \$ 2,229.29 |
| • Mercer Controls, Inc. | \$ 21,900.00 |
| • Willatt & Flickinger, PLLC | \$ 481.80 |
| • Walker Partners | \$ 3,800.00 |
| • Russell Corrosion | \$ 300.00 |

- City of Corpus Christi \$ 86,343.97

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

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

Ms. Serrato reported that the conference call scheduled for January with TCEQ has been postponed to January 30th. She also presented the Engineering Report which was submitted to TCEQ as well as an approval letter from TCEQ for the design of the sample sites. She added that the two bacteriological samples are scheduled for collection during January under the new Monitoring Plan.

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

- Examination of Section 0 – 5000 LF
- Pipeline Crossings and Interference

Ms. Serrato reported that the final interference testing has been completed and no interference was detected. She added that a technical memorandum for the Section 0 – 5000 project has not been received but she expects it to arrive next month.

9. Driscoll Pump Station LAS Chemical Feed System Addition.

Ms. Serrato reported that the Driscoll LAS station has been placed online; however, it is being monitored due to problems with bubbles in the tubing which may eventually require changing out all of the tube fittings. A few items on the punch list remain to be addressed. Training on the system was conducted as scheduled. No pay request has been received.

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

Ms. Serrato stated that the City of Bishop has not responded regarding the revised Water Supply Contract. The City's legal counsel has been experiencing medical issues preventing him from addressing the matter at this time. She also noted that the City's invoice reflecting the Incremental Increase was mailed out on Friday, January 19th, and she has received no feedback as of today.

11. Quotes and Purchase of Pipeline Locator Equipment manufactured by Vivax – Metrotech.

Ms. Serrato stated that as previously reported Field Technicians recently viewed and participated in a pipeline locator equipment demonstration of a Vivax-Metrotech vLoc 5000 device and were impressed by the demonstration. However, Indepth representatives indicated that the vLoc 5000 device is limited in locating discontinuous bonds and cannot be depended on to locate anodes. Russell Corrosion has since returned and confirmed that the vLoc DM2 device will locate discontinuous bonds as well as the presence of sacrificial anodes. Indepth Utility Solutions provided a quote for the vLoc 5000 in the amount of \$5,675. A quote was also provided for a vLoc DM2 unit in the amount of \$10,287 plus an additional \$1,855 and \$233 for an optional Loc-

10 Transmitter and Hard Case for a total of \$12,375. Ms. Serrato pointed out that \$15,400 remains available from the SmartBall project since no repairs to the 42 inch waterline were necessary. Mr. Schultz made a motion to authorize purchase of the vLoc DM2 unit with the options in the amount of \$12,375. Ms. Rodgers seconded. All voted in favor.

12. Declaration of surplus property, authorization to approve sale of surplus property to the highest bidder, declaration of unsold items as salvage property and authorization to dispose of salvage items.

Ms. Serrato presented a list of items to be included in the next surplus sale. She said she discussed the surplus sale with Mr. Flickinger and asked whether the entire process could be conducted in one meeting by having the Board declare the items on the list as surplus, authorize sale of the items, approve the sale to the highest bidder, declare items not receiving any bids as salvage property and instruct staff to dispose of the salvage items. This would eliminate the need to bring the matter before the Board several times while still providing opportunity for the public to bid on items. Mr. Flickinger advised that approval of one motion authorizing the various steps would be sufficient. Ms. Rodgers made a motion to declare the items on the attached list as surplus, authorize sale of the attached list, approve the sale to the highest bidder, declare any items not receiving a bid as salvage property and instruct staff to dispose of salvage items. Ms. Perez seconded. All voted in favor. Ms. Serrato said she would present a follow-up report on the sale upon completion of the process.

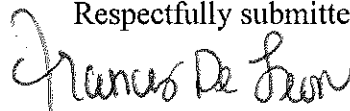
13. Incremental Increase Charges for Customers without a Long-Term Contract.

Ms. Serrato reported that invoices including the Incremental Increase charges were mailed out on January 19th to the three customers without a long-term contract. The calculated charges for Bishop, Driscoll and Banquete are \$1,707.68, \$1,564.45 and \$867.19 respectively. Since it is possible that they have not yet received the bills, this item will be included in next month's agenda as well.

14. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:25 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary