

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
May 22, 2018
Minutes

Board Members Present:

Kathleen Lowman
Dr. Albert Ruiz
Rudy Galvan
Lupita Perez
Patsy Rodgers
Charles Schultz

Board Members Absent:

Filiberto Treviño
Steven Vaughn

Staff Present:

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

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 5:31 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. Galvan made a motion to approve the minutes of the April 24, 2018 Regular Meeting as presented. Mr. Schultz 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 April 30, 2018
Revenue Fund Income Statement for period ending April 30, 2018
Tax Fund Income Statement for period ending April 30, 2018
Special Services Income Statement for period ending April 30, 2018
STWA Revenue Fund Balance Sheet – April 30, 2018
STWA Revenue Fund GL Account Summary Report as of April 30, 2018
STWA Debt Service Fund Income Statement for period ending April 30, 2018
STWA Debt Service Fund Balance Sheet April 30, 2018
STWA Debt Service Fund GL Account Summary Report as of April 30, 2018
STWA Capital Projects Fund Income Statement for period ending April 30, 2018
STWA Capital Projects Fund Balance Sheet – April 30, 2018

STWA Capital Projects Fund GL Account Summary Report as of April 30, 2018
STWA 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:

• Willatt & Flickinger, PLLC	\$ 793.60
• Mercer Controls, Inc.	\$ 4,438.00
• Russell Corrosion Consultants	\$ 1,903.08
• City of Corpus Christi	\$ 109,788.99
• Underwater Services, LLC	\$ 6,730.00
• Kevin Kieschnick-NC Tax Assessor	\$ 416.43
• Mercer Controls, Inc.	\$ 4,972.32

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

5. **Resolution 18-04.** Resolution appointing Carola G. Serrato, Executive Director, to serve as Chief Tax Assessor for South Texas Water Authority.
6. **Resolution 18-05.** Resolution appointing Kevin Kieschnick, Nueces County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Nueces County.
7. **Resolution 18-06.** Resolution appointing Melissa T. De La Garza, Kleberg County Tax Assessor/Collector, to serve as the South Texas Water Authority Tax Collector in Kleberg County.
8. **Resolution 18-07.** Resolution establishing tax exemptions for residence homesteads, for property owners who are 65 years of age or older, for persons who are disabled, and for disabled veterans.

Ms. Serrato introduced Resolutions 18-04, 18-05, 18-06 and 18-07 as housekeeping items for the tax year. Mr. Schultz made a motion to adopt Resolutions 18-04, 18-05, 18-06 and 18-07. The motion was seconded by Ms. Perez and passed unanimously.

9. **Preliminary Nueces and Kleberg County Appraisal District Values.**

Ms. Serrato presented the preliminary values for Nueces and Kleberg Counties and reported that this year's preliminary values reflect a \$105,936,851 increase compared to last year's certified values. She added that this increase multiplied by the current Maintenance and Operations tax rate results in approximately \$64,700 in additional revenue. She noted that these values are preliminary and are being provided for informational purposes. She reminded the Board that the Average Home Value determines what Maintenance and Operations tax rate can be adopted. Certified values should be delivered by July 25th. No action was taken on the presented information.

10. Update on TCEQ Enforcement Action and State Office of Administrative Hearings.

Ms. Serrato reported that the Quarterly Report was submitted to TCEQ on May 21st and the next conference call with TCEQ has been scheduled for June 7, 2018. In addition, Texas Rural Water Association has made arrangements for training of STWA's field personnel as part of TCEQ's Financial, Managerial and Technical Program.

11. Update on Driscoll Pump Station LAS Chemical Feed System Addition.

Ms. Serrato provided an update on the Driscoll LAS project. She reported that the system is being monitored very closely and she continues providing information to Ms. Shay Roalson of HDR Engineering at Ms. Roalson's request. Ms. Serrato and Ms. Roalson have discussed several factors in hopes of determining what may be preventing the system from reaching the desired residual. These discussions include factors such as nitrification of certain segments of the 42" line, any impact of LAS dosing during the initial project start-up, any issues with the City of Corpus Christi's finished water, operation of the system in a manner that does not create any unintended issues with nitrification or disinfection byproducts, and last year's improvement in residuals prior to initiating use of the Driscoll LAS system and resulting from the City's use of chlorine dioxide and free chlorine burn. Ms. Roalson has also requested pH and dichloramine readings. Mr. Gabriel Ramirez, Corpus Christi Assistant Director of Water Quality and Treatment, has provided pH readings from the O.N. Stevens Plant, but advised that the City has been unsuccessful in locating a lab that tests for dichloramines. Mr. Galvan asked if San Patricio Municipal Water District might conduct such testing and Ms. Serrato responded that she would check with them.

12. Water Supply Contract with the City of Bishop.

Ms. Serrato stated that the May 14th meeting with the City of Bishop has been postponed. The City of Bishop has hired another attorney, Ken Fields, to continue negotiations on the Water Supply Contract. City Secretary Cynthia Contreras has indicated that Mr. Fields needs time to become familiar with the matter. Ms. Serrato stated that she would update the Board as information becomes available.

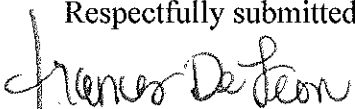
13. Update on offer for Supplemental Easement on CR 38 in Agua Dulce for the AEP Texas Banquete to Stadium Transmission Line Project in Nueces and Jim Wells Counties pertaining to the Agua Dulce Pump Station.

Ms. Serrato provided photographs showing that the southeast and southwest corners of the proposed easement are about twelve feet into the fenced area of the Agua Dulce Pump Station. She stated that she notified Brent Star of Right of Way Service, Inc. that STWA is still willing to consider an easement amendment, but the south line would need to be moved north. Mr. Starr responded that he would see what can be done to move the boundary out of the fenced area. Ms. Serrato stated that she will continue working towards negotiating an amendment that will not infringe within the fenced area of the Agua Dulce Pump Station as authorized by the Board.

14. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 5:52 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary