

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
September 25, 2018
Minutes

Board Members Present:

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

Board Members Absent:

Patsy Rodgers

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 5:31 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 September 4, 2018 Public Hearing and Regular Meeting as presented. Mr. Treviño 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 August 31, 2018
Revenue Fund Income Statement for period ending August 31, 2018
Tax Fund Income Statement for period ending August 31, 2018
Special Services Income Statement for period ending August 31, 2018
STWA Revenue Fund Balance Sheet – August 31, 2018
STWA Revenue Fund GL Account Summary Report as of August 31, 2018
STWA Debt Service Fund Income Statement for period ending August 31, 2018
STWA Debt Service Fund Balance Sheet August 31, 2018
STWA Debt Service Fund GL Account Summary Report as of August 31, 2018

STWA Capital Projects Fund Income Statement for period ending August 31, 2018
STWA Capital Projects Fund Balance Sheet – August 31, 2018
STWA Capital Projects Fund GL Account Summary Report as of August 31, 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:

• Kleberg County Appraisal District	\$ 5,213.19
• City of Corpus Christi	\$ 130,834.29
• LNV, Inc. – Banquete PS Improvements	\$ 7,750.00
• City of Driscoll	\$ 3,600.00
• Mercer Controls, Inc.	\$ 27,580.00

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

5. Fiscal Year 2018 Budget Amendments.

Ms. Serrato reviewed the amendments to the Fiscal Year 2018 Budget. The amendments included an increase in Total Revenues of \$137,833, an increase in Total Administrative and Operations Expenditures without Capital Outlay of \$82,134, and an increase in Total Expenditures including Capital Outlay of \$93,519. Capital Acquisition also increased by \$11,385 resulting in the Net Ending Balance of \$129,992 which Ms. Serrato pointed out could potentially increase by \$25,000 from the Major Repair line item if no major repairs are experienced during the remaining week of the fiscal year. After reviewing the amendments, Mr. Vaughn made a motion to approve the Fiscal Year 2018 Budget Amendments. Mr. Schultz seconded and all voted in favor.

6. Tax Year 2018 tax roll/levy for the South Texas Water Authority's district in Kleberg County.

Ms. Serrato presented the Kleberg County tax roll/levy for Tax Year 2018 reflecting a total taxable value of \$1,139,146,245 and a total tax levy of \$988,196.28 and recommended approval of Resolution 18-14 adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2018.

7. Resolution 18-14. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2018.

Mr. Treviño made a motion to accept Resolution 18-14 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2018. Mr. Galvan seconded the motion and all voted in favor.

8. Tax year 2018 tax roll/levy for the South Texas Water Authority's district in Nueces County.

Ms. Serrato presented the Nueces County tax roll/levy for Tax Year 2018 reflecting a total taxable value of \$804,216,077 and a total tax levy of \$697,476.89 and recommended approval of Resolution 18-15 adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2018.

9. Resolution 18-15. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2018.

Mr. Treviño made a motion to accept Resolution 18-15 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2018. Mr. Galvan seconded the motion and all voted in favor.

10. STWA Investment Policies.
- a) South Texas Water Authority General Fund
 - b) South Texas Water Authority Debt Service Fund
 - c) South Texas Water Authority Capital Project Fund

Ms. Serrato informed the Board that review and approval of STWA's Investment Policies is required every year and added there have been no changes to the Policies since last year. She then recommended approval of the STWA General Fund, Debt Service Fund and Capital Project Fund Investment Policies.

11. Resolutions 18-16 through 18-18. Resolutions approving the following South Texas Water Authority Investment Policies:
- a) South Texas Water Authority General Fund
 - b) South Texas Water Authority Debt Service Fund
 - c) South Texas Water Authority Capital Project Fund

Mr. Schultz made a motion to adopt Resolutions 18-16, 18-17 and 18-18. Mr. Treviño seconded. All voted in favor.

12. Request to close office for staff Christmas luncheon and gift exchange on December 12, 2018.

Ms. Serrato requested authorization to close the office on December 12, 2018 for the annual staff Christmas luncheon from 11:30 a.m. to 2:30 p.m. Dr. Ruiz made a motion to authorize closing the office on December 12, 2018 from 11:30 a.m. to 2:30 p.m. for the annual staff Christmas luncheon and gift exchange. Ms. Perez seconded. All voted in favor.

13. Proposal for line locate services from USIC Locating Services, LLC.

Ms. Serrato stated that after the last Board Meeting she again spoke with USIC representative Neil Punt and met with their area line locator supervisor. She determined that STWA's \$25,000 estimate of \$25,000 is considerably lower than USIC's estimated \$46,000 annual cost. The

\$4,600 referred to in the estimate is 10% of USIC's annual cost. She added that she did not feel the services are worthwhile compared to the cost and risk involved. Mr. Treviño made a motion to reject the proposal. Mr. Vaughn seconded. All voted in favor.

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

Ms. Serrato reported that a conference call with TCEQ representatives was held on September 18, 2018. Again the TCEQ states that there is a discrepancy in the number of samples in the Quarterly Report and those reported by O&M Supervisor Jacob Hinojosa in the DLQOR forms. Discussion also included two instances of the Colorimeter II readings being 15% higher than the CL 17 analyzer readings, instances when the Total Chlorine reading was lower than Monochloramine, incomplete NAP information for the Driscoll Booster Station "Before," the "After" boosting information for Agua Dulce on August 3rd, Nitrate-Nitrate results for July rather than August and information on "corrective action" as a result of NAP triggers. An updated Quarterly Report including a Monitoring Plan with a revised D3 Table will be submitted by October 8th. No action was taken by the Board.

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

Ms. Serrato reported that the LAS system is still operating on manual but would prefer it to work on automatic. She added that the required residuals in Kingsville are being maintained; however she still believes operation improvements are possible including SCADA communication (flowrate) between the Bishop East Pump Station, Kingsville Pump Station, Bishop West Pump Station and Ricardo Master Meter, and the Driscoll Booster Station.

16. Water Supply Contract with the City of Bishop.

Ms. Serrato stated that Bishop City Secretary Cynthia Contreras informed her that the Bishop October 24th agenda will include an item on the water supply contract. Ms. Serrato informed the Board that as decided at the last meeting if nothing is received by October 4th, Mr. Flickinger will begin working on the modifications to the water supply contract on October 5th for action by the STWA Board at the October 23rd meeting. She had nothing further to report.

17. Water Supply Contract with the City of Driscoll.

Ms. Serrato stated that she contacted Mr. John Valls who is currently acting as Interim City Administrator to verify that he received the correspondence that she sent to him at his request. He confirmed that he received it and that the council would be meeting on October 3rd and the contract would be a discussion only agenda item. She had nothing further to report.

18. Bids for Fiscal Year 2019 pickup truck.

Ms. Serrato stated STWA's outside auditor confirmed that a bid could be awarded during the September 25th meeting with the cost paid on or after October 1st to be a Fiscal Year 2019 expense. Bid packets were delivered for purchase of a ½ ton 4x4 pick truck. An alternative 4x2 bid was also solicited. The budgeted amount for the purchase is \$32,500. Packets were delivered to Access Ford, AutoNation Chevrolet and Toyota, AutoNation Ford Mazda, Beck and

Masten GMC, Caldwell Country Chevrolet, Hick's Family Nissan, Lithia Dodge, Neesen Chevy/GMC, Neesen Dodge, Sames Ford Kingsville and Mike Shaw Toyota. Bids were opened at 2:00 p.m. on September 20, 2018 and the low bid on a 4x4 was from AutoNation Ford in the amount of \$28,500 with a delivery time of 90 days. Ms. Serrato recommended adoption of Resolution 18-19 awarding the bid to AutoNation Ford.

19. Resolution 18-19. Resolution awarding the bid for the purchase of one pickup truck.

Mr. Galvan made a motion to adopt Resolution 18-19 awarding the bid for the purchase of one 4x4 ½ ton pickup truck to AutoNation Ford in the amount of \$28,500. Dr. Ruiz seconded. All voted in favor.

20. Purchase of replacement conference room chairs.

Ms. Serrato stated that the current conference room chairs were purchased with original 1981 Bond Funds as part of the start-up of the Regional Water System in June of 1984 at a cost of \$333.03 each. She asked the Board to consider authorizing staff to purchase ten chairs after October 1, 2018 if they feel funds are available. The purchase would likely require an amendment to the FY 2019 budget in April of 2019. Mr. Galvan made a motion to authorize staff to purchase ten chairs at a cost of up to \$1,000 per chair up to \$10,000. Mr. Treviño seconded. All voted in favor.

21. Personnel Evaluation of the Executive Director.

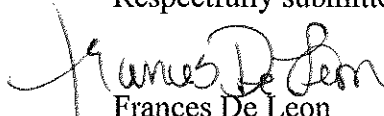
Ms. Lowman announced that the Board would convene in Closed Session at 6:08 p.m. pursuant to Section 551.074 of the Government Code to discuss the Personnel Evaluation of the Executive Director. The Board reconvened in Open Session at 6:42 p.m. No action was taken during Closed Session.

The Board commented that they would like to see procedures in place for cross-training of personnel to assure uninterrupted operations in case of unforeseen absences.

22. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:51 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary