

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
October 22, 2019
Minutes

Board Members Present:

Kathleen Lowman
Brandon Barrera
Rudy Galvan, Jr.
Jose Graveley
Lupita Perez
Patsy Rodgers
Filiberto Treviño
Steven Vaughn

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
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 5:37 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 24, 2019 Public Hearing and Regular Meeting as presented. Mr. Galvan seconded. The motion passed by unanimous vote.

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

Ms. Wagner distributed revised Revenue Fund, Tax Fund and Special Services Income Statements and explained that changes were needed due to additional invoices that were received. The following reports were presented for the Board's consideration:

Treasurer's Report for period ending September 30, 2019
Revenue Fund Income Statement for period ending September 30, 2019
Tax Fund Income Statement for period ending September 30, 2019
Special Services Income Statement for period ending September 30, 2019
STWA Revenue Fund Balance Sheet – September 30, 2019
STWA Revenue Fund GL Account Summary Report as of September 30, 2019

STWA Debt Service Fund Income Statement for period ending September 30, 2019
STWA Debt Service Fund Balance Sheet September 30, 2019
STWA Debt Service Fund GL Account Summary Report as of September 30, 2019
STWA Capital Projects Fund Income Statement for period ending September 30, 2019
STWA Capital Projects Fund Balance Sheet – September 30, 2019
STWA Capital Projects Fund GL Account Summary Report as of September 30, 2019
Cathodic Protection Expenses Breakdown through September 30, 2019
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:

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|--|---------------|
| • Mercer Controls, Inc. | \$ 3,992.65 |
| • Willatt & Flickinger, Attorneys at Law | \$ 1,145.80 |
| • Walker Partners | \$ 1,090.00 |
| • Gross Solutions | \$ 4,250.00 |
| • Kleberg County Treasurer | \$ 25,002.00 |
| • TML Intergovernmental Risk Pool | \$ 65,154.32 |
| • City of Corpus Christi | \$ 132,456.45 |

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

5. Approval of Annexation of Certain Lands to the South Texas Water Authority.
 - a. Frank Rios, II and Odelia D. Rios – Tract Five-H (5-H), The Ranch in Nueces County, Texas.

Ms. Serrato stated that approval of Resolution 19-66 finalizes the annexation process of this property and she recommended adoption of the resolution.

6. Resolution 19-66. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Frank Rios, II and Odelia D. Rios – Tract Five-H (5-H), The Ranch in Nueces County, Texas)

Mr. Vaughn made a motion to adopt Resolution 19-66. The motion was seconded by Mr. Galvan and passed unanimously.

7. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place.
 - a. Arnoldo Barrera and Liza B. Figueroa – Cyndie Park Unit 1, Lot 20, Nueces County, Texas
 - b. Robert Rodriguez – Cyndie Park Unit 1 Tract 25, Cyndie Park Unit 2, Tract 26, Nueces County, Texas

- c. Eric Giannamore and Marian Giannamore – Tract Two-H (2-H), The Ranch, Nueces County, Texas

The Board reviewed these Annexation Petitions. The owners of these properties recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries as a result of the ongoing project to extend water service to the Cyndie Park area. Requesting annexation is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolutions 19-67, 19-68 and 19-69 setting the Public Hearing on December 3, 2019 at 5:30 p.m. at the STWA conference room.

8. Resolution 19-67. Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Arnoldo Barrera and Liza B. Figueroa)
9. Resolution 19-68. Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Robert Rodriguez)
10. Resolution 19-69. Resolution of determination of validity of Petition for Addition of Certain Lands to the South Texas Water Authority and setting the date, time and place for a public hearing and authorizing publication of public hearing notice. (Eric Giannamore and Marian Giannamore)

Ms. Rodgers made a motion to adopt Resolutions 19-67, 19-68 and 19-69 setting the Public Hearings on December 3, 2019 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notices. The motion was seconded by Mr. Treviño and passed unanimously.

11. Nueces County project for construction of Banquete Pump Station to serve the Nueces Water Control and Improvement District #5 (Banquete) and Nueces Water Supply Corporation.

Ms. Serrato stated that Nueces County continues working towards advertising for bids for construction of the new pump station in Banquete. She had nothing further to report,

12. License Agreement with City of Bishop for Pump Station Facilities.

Ms. Serrato reported that City Secretary Cynthia Contreras has not heard from Mayor Tem Miller and a meeting date has not been set for the committees to meet and discuss the City's concerns regarding the License Agreement.

13. Water Supply Contract with the City of Driscoll.

Ms. Serrato stated that the pump station cost allocation has been completed and legal counsel Bill Flickinger has revised the Water Supply Contract term to include four 5-year terms. She requested authorization to share the cost breakdown with the City of Driscoll and to provide the

contract to the City for further negotiation with the stipulation that the contract will need to be approved by the STWA Board. Mr. Galvan made a motion to authorize Ms. Serrato to provide the pump station cost allocation breakdown to the City of Driscoll, to provide the revised Water Supply Contract to the City for their review, and to notify the City that STWA wishes to have the negotiations resolved by the end of the year and that the contract will need to be formally approved by the STWA Board. Ms. Rodgers seconded the motion. All voted in favor.

14. Bids for pickup truck.

Ms. Serrato stated that bid packets were delivered to several dealerships and a request for bids was posted with BuyBoard. Eight bids were received. The lowest bid was submitted by Caldwell Country of Caldwell, Texas at an amount of \$30,245. The next lowest bid was in the amount of \$31,044 from Neessen Chrysler Dodge Jeep Ram – Kingsville. Ms. Serrato explained that Local Government Code 271.905 allows for awarding a bid to a business within STWA's district if it is within 3% of the lowest bid. She added that the low bid plus 3% is \$31,152 and Neessen's bid is within the allowed amount. The difference in the two bids is \$799. Mr. Graveley stated that he would prefer buying from a local dealership.

15. Resolution 19-70. Resolution awarding the bid for the purchase of one ¾ ton, 4x4, 4-door pickup truck.

Mr. Graveley made a motion to adopt Resolution 19-70 awarding the bid for the purchase of one ¾ ton, 4x4, 4-door pickup truck to Neessen Chrysler Dodge Jeep Ram – Kingsville in the amount of \$31,044. Mr. Barrera seconded. All voted in favor.

16. Update on installation of spray-on liner at the Driscoll Ground Storage Tank.

Ms. Serrato reported that NG Painting began work on the liner today and they have been prepping the tank. There was nothing further to report.

17. Update on installation of Flow-Tronic Torpee Mag for the Driscoll Booster Station from Macaulay Controls Company.

Ms. Serrato stated that she will be contacting Ms. Barbara Luedecke of Macaulay Controls to find out when installation will be scheduled. She had nothing else to report.

18. STWA Board of Directors Meeting Schedule 2020.

Ms. Serrato reviewed the proposed 2020 meeting schedule provided in the Board packet and recommended the following schedule:

| | | |
|-------------------|-------------------|--------------------|
| January 28, 2020 | May 26, 2020 | September 29, 2020 |
| February 25, 2020 | June 22, 2020 | October 27, 2020 |
| March 24, 2020 | August 4, 2020 | December 8, 2020 |
| April 28, 2020 | September 8, 2020 | |

After reviewing the dates, the Board agreed by consensus to approve the recommended schedule.

19. Review of South Texas Water Authority Personnel Policies

- Chapter XIII Grievances and Appeals
- Hiring of Management Personnel
- Organizational Chart

Ms. Serrato presented information on three sections of STWA's Personnel Policies that were discussed at the previous meeting.

Ms. Serrato proposed adding paragraph 5 under B. Disposition of Grievances in Chapter XIII Grievances and Appeals in order to address grievances against the Executive Director. The paragraph reads, "*In the case of a grievance against the Executive Director, the employee shall submit his/her grievance in writing to the President of the Board of Directors who will place the matter on the agenda of the next Board meeting. The Board President will provide a copy to the Business/Risk Manager who will stamp receipt of the grievance. The Business/Risk Manager will provide a copy of the grievance to the Executive Director. Consideration of the matter can be conducted by the Board in Open or Closed Session in conformance with applicable laws. The Board's decision on the matter is considered final.*" She also presented an updated Organizational Chart to be included as an Appendix and added that the chart has been reviewed by the field supervisors.

In regards to hiring of management personnel, Ms. Serrato expressed her concern that because she will eventually leave employment at STWA, any changes or restrictions imposed by the Board will impact future Executive Directors. She noted that staffing of management positions has always been carried out by the Executive Director. Mr. Treviño asked that the policies include promotions as well and stated that he believes the Board should have the final say on hiring of managers including promotions. Mr. Barrera commented that shouldn't staffing be the Executive Director's job. Ms. Lowman stated that she did not think the Board needs to be doing that and it should be left to the Executive Director. Mr. Treviño stated that Armando had been promoted without meeting all of the requirements because he does not have his license. Ms. Serrato responded that he is in currently class taking a refresher course and will be taking his test on Monday. She added that he has been doing the job with the exception of signing the quarterly reports and stressed that he has been doing the job very effectively. Mr. Graveley suggested having a couple of Board members assist the Executive Director in making future selections.

Ms. Lowman stated that a revision to the policy on filling of vacancies will be needed to include a review by officers of the Board for hiring and promotion of management personnel. Ms. Serrato stated she would have a revision drawn up for presentation at the next Board meeting.

20. Resolution 19-71. Resolution adopting revised South Texas Water Authority Personnel Policies

- Chapter XIII Grievances and Appeals
- Organizational Chart

Mr. Graveley made a motion to approve the change to Chapter XIII Grievances and Appeals and the updated Organization Chart presented by Ms. Serrato. Mr. Galvan seconded. All were in favor.

21. Review of 2018 TRWA Salary Survey.

Ms. Serrato stated that review of the 2018 TRWA Salary Survey and comparison of STWA employee salaries revealed no red flags. Staff salaries fell within the average and median salaries of the survey. Mr. Galvan asked if there are incentives offered by other districts that can be implemented in order to promote retention. He gave the example of allowing employees to stock away a certain amount which is matched by the employer and distributed twice a year. Ms. Serrato responded that employee appreciation checks were given to employees a couple of times in the past when raises were not provided. She also reviewed the various salary increases based on length of employment and licensing, Safety Awards and medical and dental insurance benefits provided by the Authority at no cost to the employees. Dony Cantu commented that other employees have asked about a vacation buyback program. Ms. Serrato stated that she would provide some options on incentives at the next meeting.

22. Personnel Evaluation of the Executive Director.


Ms. Lowman announced that the Board would convene in Closed Session at 6:41 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 7:16 p.m. No action was taken during Closed Session.

Ms. Lowman stated that the Board discussed the Performance Appraisal Form and she will provide a copy to Ms. Serrato. Ms. Serrato received a rating of Exceeds Expectations and the form was signed by all Board members. Ms. Lowman added that she would like to discuss a salary increase at the next meeting. Ms. Serrato stated that she does not expect or want anything.

23. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 7:18 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary