

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
March 24, 2020
Minutes

Board Members Present:

Kathleen Lowman
Brandon Barrera
Rudy Galvan, Jr.
Jose Graveley
Patsy Rodgers

Board Members Absent:

Filiberto Treviño
Lupita Perez

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner

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 Comments were made.

3. Approval of Minutes.

Ms. Rodgers made a motion to approve the minutes of the February 25, 2020 Regular Meeting and the March 3, 2020 Special Meeting as presented. Mr. Barrera 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 February 29, 2020
Revenue Fund Income Statement for period ending February 29, 2020
Tax Fund Income Statement for period ending February 29, 2020
Special Services Income Statement for period ending February 29, 2020
STWA Revenue Fund Balance Sheet – February 29, 2020
STWA Revenue Fund GL Account Summary Report as of February 29, 2020
STWA Debt Service Fund Income Statement for period ending February 29, 2020
STWA Debt Service Fund Balance Sheet – February 29, 2020
STWA Debt Service Fund GL Account Summary Report as of February 29, 2020
STWA Capital Projects Fund Income Statement for period ending February 29, 2020
STWA Capital Projects Fund Balance Sheet – February 29, 2020
STWA Capital Projects Fund GL Account Summary Report as of February 29, 2020

FY 2020 Cathodic Protection Expenses Breakdown through February, 2020
2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor
CP Update from CP Technician

The following outstanding invoices were presented for Board approval:

• Willatt & Flickinger	\$ 2,381.60
• Kleberg County Appraisal District	\$ 5,340.59
• City of Corpus Christi	\$ 79,895.47
• Kevin Kieschnick-Nueces Tax Assessor	\$ 4,258.81

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

5. Granting of Permanent Easement to Nueces County for the new Banquete Pump Station.

Ms. Serrato presented email correspondence between her and the Nueces County Grant Administration office regarding a Site Certification for the Banquete Pump Station. Because STWA is not the grant recipient, STWA must grant a permanent easement to Nueces County and the easement will be assigned to Nueces Water Supply Corporation by the County. She presented a permanent easement and recommended approval in order for construction of the project to begin. Mr. Graveley made a motion to approve the permanent easement. Mr. Barrera seconded. The motion passed by unanimous vote.

6. Permanent Easement with City of Bishop for Pump Station Facilities.

Ms. Serrato presented a permanent easement for the Bishop Pump Station facilities which attorney Bill Flickinger drafted as a result of the latest negotiations. She requested authorization to provide the proposed permanent easement to the Bishop committee members. Mr. Galvan made a motion to authorize staff to send the proposed permanent easement to the Bishop committee. Mr. Graveley seconded. All voted in favor.

7. Quotes for zinc anode purchase for STWA 42-inch waterline cathodic protection project.

Ms. Serrato provided quotes from Aegion/Corrpro, Farwest CCC and Stuart Steel for the purchase of 250 or 500 anodes for the cathodic protection project on the Authority's 42-inch waterline. She recommended the purchase of 500 anodes from Stuart Steel at a cost of \$34,350. She noted that Stuart Steel requires the order to be placed and locked in on the day of purchase. She added that if the Stuart Steel's price on the day of the order exceeds the cost quoted by Aegion/Corrpro, then Aegion/Corrpro should be selected instead.

8. **Resolution 20-11. Award of bid for the purchase of anodes.**

Mr. Galvan made a motion to adopt Resolution 20-11 authorizing the purchase of 500 anodes from Stuart Steel contingent on Stuart Steel's bid remaining the lowest; otherwise purchasing from Aegion/Corrpro. Ms. Rodgers seconded the motion and all voted in favor.

9. **Relocation of meter at O.N. Stevens Plant.**

Ms. Serrato stated that the City of Corpus Christi has made a request for relocation of the master meter used to measure STWA's purchases at the O. N. Stevens Water Treatment Plant to US 77 and CR 52. Relocation of the meter would result in transferring title of a portion of STWA's 42" waterline to the City. Ms. Serrato requested authorization to work with Mr. Flickinger to negotiate the terms of a transfer of a portion of the 42" waterline to the City. She added that prior to approval of a conveyance document, the Board would declare the section of the line as surplus and approve the relocation of the City's master meter. Mr. Flickinger advises that the conveyance be contingent on the City paying all costs associated with the relocation. Mr. Gravely made a motion to authorize Ms. Serrato to work with Mr. Flickinger on negotiating terms of transfer of the section of waterline. Mr. Barrera seconded and all voted in favor.

10. **Replacement of main STWA server.**

Ms. Serrato presented an updated quote from High Touch Technologies in the amount of \$11,114.18 for replacement of the main STWA server. She explained that High Touch previously provided a quote of \$14,020.28 but since the cost was more than anticipated, they were notified that the purchase would need to wait until mid-year budget amendments. However, continued issues with the server have made the upgrade necessary sooner. Mr. Galvan made a motion to authorize purchase of a server in the amount of \$11,114.18 from High Touch Technologies. Ms. Rodgers seconded. All voted in favor.

11. **Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Santos Ramirez, Jr. – Cyndie Park Unit 1, Lot 11 and 12, aka 4590 Cyndie Ln., Robstown in Nueces County, Texas).**

The Board reviewed the Annexation Petition. The owner of the property 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 20-12 setting the Public Hearing on April 28, 2020 at 5:30 p.m. at the STWA conference room.

12. **Resolution 20-12. 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. (Santos Ramirez, Jr.)**

Ms. Rodgers made a motion to adopt Resolutions 20-12 setting the Public Hearings on April 28, 2020 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notices. The motion was seconded by Mr. Galvan and passed unanimously.

13. COVID-19 response.

- Technology and services for providing audio conference of Board meetings and staff remote access of STWA network.

Ms. Serrato reported that staff has been making preparations for operations to continue despite the pandemic situation. She requested authorization to begin using Zoom or a similar service at a cost between \$1,200 and \$2,400 per year in order to conduct future Board meetings by telephone. Mr. Galvan made a motion to authorize use of an audio-conferencing service. Ms. Rodgers seconded and all voted in favor.

14. 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 the storage building for housing the Nueces Water Supply Corporation's inventory has been delivered. She had nothing further to report.

15. Purchase of existing pumps at the Banquete Pump Station from Nueces Water Supply Corporation.

Ms. Serrato stated that at Nueces Water Supply Corporation's March 3, 2020 meeting the NWSC Board discussed transfer of the existing pumps to STWA. These pumps are currently used by both the NWSC and the Banquete Water District. It is estimated that the current value of the pumps is \$15,200. The NWSC decided to approach STWA about making an offer for the pumps. After discussion, the STWA Board declined by consensus to make an offer. Ms. Serrato said she would make NWSC aware of the decision.

16. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities.

Ms. Serrato stated that Mr. Flickinger has been working on a revised Water Supply Contract between STWA and Nueces County Water Control and Improvement District #5 and a revised Contract for Operation and Maintenance of Facilities based on construction of the new pump station. Ms. Rodgers made a motion to authorize staff to offer the revised Wholesale Water Supply Contract and Contract for Operation and Maintenance of Facilities to the Banquete Water District. Mr. Galvan seconded. All voted in favor.

17. Chloramine Booster Station – Kingsville Pump Station for Ricardo WSC 12-inch waterline.

Ms. Serrato reported that she recently spoke with Sherrel Mercer of Mercer Controls who indicated that work on the construction of modifications to the controls for the transfer of chlorine and LAS injections from the Kingsville meter run to the Ricardo Water Supply

Corporation 12" waterline should be starting soon. Mr. Mercer also mentioned some changes that may result in cost savings. She had nothing else to report.

18. Water Supply Contract with the City of Driscoll.

Ms. Serrato reported that that the City of Driscoll approved the Wholesale Water Supply Contract and now needs to execute and return the Contract. She added that the City will be making a decision on whether to enter into a Maintenance Contract for the facilities. She had nothing further to report.

19. Operations and Maintenance Contract – City of Driscoll.

Ms. Serrato stated that the Driscoll City Council met and considered the O&M Contract which was offered by STWA. The Council expressed an interest in entering into the O&M Contract but requested additional time to review the information. No action was taken by the Board.

20. Review of South Texas Water Authority Personnel Policies – Retiree Benefits.

Ms. Serrato stated that she had nothing additional to add but suggested tabling this item until April. Ms. Rodgers made a motion to table the item. Mr. Galvan seconded. All voted in favor.

21. Resolution 20-10. Resolution adopting the revised South Texas Water Authority Personnel Policies – Retiree Benefits.

No action was taken by the Board.

22. TCAP Strategic Hedging Program.

- Professional Services Agreement – TCAP
- Commercial Electric Service Agreement – GEXA Energy

Ms. Serrato stated that Kingsville City Attorney Courtney Alvarez advised that the City has not taken action on this matter and may do so in April. She did not have further information to report.

23. Resolution 20-07. Resolution adopting TCAP's Professional Services Agreement and GEXA Energy's Commercial Electric Service Agreement for power to be provided on and after January 1, 2023.

Ms. Rodgers made a motion to table Resolution 20-07. Mr. Barrera seconded. All voted in favor.

24. Update on Corrpro Close Interval Potential Survey on Contract 1.

Ms. Serrato presented an updated Close Interval Potential Survey Report from Aegion/Corrpro. O&M Supervisor Armando Yruegas has been in touch with the company and another report might be submitted. She explained that the report indicates that the first 3,000 to 4,000 feet are inadequately protected, but Mr. Yruegas feels that there has been an improvement. She added

that the report indicates that there are spikes which Aegion/Corpro believes are the location of discontinuous bonds. Staff will work on checking those areas and make changes as necessary.

25. Adjournment.

With no further business to discuss, Ms. Lowman adjourned the meeting at 6:15 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary