

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
September 29, 2020 – Corrected
(This meeting was held remotely by phone and Zoom.)

Board Members Present:

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

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner

Guests Present:

Baldemar Garcia, Ricardo Water
Supply Corporation

1. Call to Order.

Mr. Brandon Barrera., Board Vice-President, called the Regular Meeting of the STWA Board of Directors to order at 5:42 p.m. A quorum was present.

2. Citizen Comments.

Mr. Barrera opened the floor to citizen's comments. No comments were made.

3. Approval of Minutes.

Mr. Treviño made a motion to approve the minutes of the September 8, 2020 Public Hearing on Tax Rate, September 8, 2020 Public Hearing on Annexation and September 8, 2020 Regular Meeting as presented. Mr. Graveley 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, 2020
Revenue Fund Income Statement for period ending August 31, 2020
Tax Fund Income Statement for period ending August 31, 2020
Special Services Income Statement for period ending August 31, 2020
STWA Revenue Fund Balance Sheet – August 31, 2020
STWA Revenue Fund GL Account Summary Report as of August 31, 2020
STWA Debt Service Fund Income Statement for period ending August 31, 2020
STWA Debt Service Fund Balance Sheet – August 31, 2020
STWA Debt Service Fund GL Account Summary Report as of August 31, 2020
STWA Capital Projects Fund Income Statement for period ending August 31, 2020

approval of Resolution 20-29 adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2020.

7. **Resolution 20-29.** Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2020.

Mr. Graveley made a motion to approve Resolution 20-29 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2020. Mr. Treviño seconded the motion and all voted in favor.

8. Tax year 2020 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 2020 reflecting a total taxable value of \$1,071,305,287 and a total tax levy of \$932,007.21 and recommended approval of Resolution 20-30 adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2020.

9. **Resolution 20-30.** Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2020.

Mr. Barrera made a motion to approve Resolution 20-30 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2020. Ms. Rodgers 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 recommended adoption of Resolutions 20-31, 20-32 and 20-33 approving the STWA General Fund, Debt Service Fund and Capital Project Fund Investment Policies.

11. **Resolutions 20-31 through 20-33.** 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. Barrera made a motion to adopt Resolutions 20-31, 20-32 and 20-33. Mr. Treviño seconded. All voted in favor.

12. Chapter V – Employee Compensation and Procedure for Compensation and Interim Salaries for Management Positions.

Ms. Serrato presented Chapter V – Employee Compensation and Procedure for Compensation of STWA’s Personnel Policy and pointed out that an underlined paragraph had been added to Section 5-Charges in Rate of Pay and read the section aloud. Mr. Galvan announced that the Board would convene in Closed Session at 6:04 p.m. pursuant to Section 551.074 of the Government Code – Personnel Matters – to discuss salaries of interim employees. The Board reconvened in Open Session at 6:41 p.m. No action was taken during Closed Session. Mr. Treviño made a motion to provide 10% step-up pay for interim management positions until the employee returns to their original position. Mr. Barrera seconded the motion. All voted in favor. Ms. Serrato agreed to write a policy reflecting the Board’s decision for formal approval at the next meeting.

13. FY 2021 Staffing.

- Executive Director anticipated retirement in August 2021 and Replacement Procedures: Selection Committee, Advertisement, Qualifications, Use of Consultant

Ms. Serrato asked the Board’s opinion on whether to contact a consultant for information on their services and the cost for a search for an Executive Director. She also asked if any changes to the job description were needed. The Board discussed the desired background but Mr. Barrera pointed out that he prefers to keep it broader in hopes of not limiting candidates. Mr. Galvan stated that he would like to move forward with advertising in Quench Magazine for six months. Mr. Treviño added that it would be good to begin contacting recruiters to get an idea on the cost for those services. Ms. Serrato agreed to begin research on the cost of recruiting services and how these companies conduct their searches.

14. Discussion with possible action on camera and/or security system.

Ms. Serrato provided updated information for a system with a camera that the salesman claims should produce images at longer distances that can capture license plate numbers. The direct purchase quote for \$15,484.70 requires a larger up-front payment and lower monthly payments. The lease purchase quote for \$22,071.80 requires a smaller down payment but a larger monthly payment. Both of these quotes include a sixty-month contract and cover repairs or replacements. A third option is to pay the direct purchase cost of \$10,200 only without recurring monthly payments but repairs or replacements would not be covered. These systems record using a DVR. After discussing the options, the Board requested further information on a cloud-based system. Ms. Serrato agreed to contact the company for more information to present at the next Board meeting.

15. Vehicle, trailer and equipment GPS devices.

Ms. Serrato requested authorization to purchase GPS devices for the Authority’s vehicles, trailers and mobile equipment. The devices cost \$235 each and are equipped with a battery that should last five years if pinged once daily. The total cost for the entire fleet including trailers and equipment is \$4,700. Mr. Treviño made a motion to purchase the devices. Mr. Barrera seconded and all voted in favor.

16. Request by the City of Driscoll to Pay Past Due Invoices in Installments – Written Agreement – Authorization to Work with Legal Counsel to Develop Agreement, Presentation to the City of Driscoll for Approval and Execution if Approved by the City of Driscoll Council.

Ms. Serrato reported that the City of Driscoll did not approve the offered payment plan within the 30-day time frame and ultimately decided not to enter into the payment plan as a result of their most recent financial reports. The City is now asking to pay \$5,000 in addition to their regular invoices. Ms. Serrato discussed the matter with Bill Flickinger, Willatt and Flickinger, and they agree that without an interest charge there is no incentive for the City to make the payments regularly. Ms. Serrato and Mr. Flickinger also agreed that deletion of the default clause would need to be replaced with a penalty clause or interest needs to be assessed. Ms. Serrato explained that calculating the payment for 24 months at 10% interest results in monthly payments of approximately \$5,300. She added that she has made the City aware that a retail water rate adjustment is needed in order to recoup the cost of water purchased from STWA. A clause will be included in the agreement that within 90 days, the City will adjust the rates so that they are not losing money. Mr. Barrera made a motion to authorize Ms. Serrato to work with Mr. Flickinger to develop an alternative payment plan. Mr. Treviño seconded. All voted in favor.

17. Purchase of updated time clock system.

Ms. Serrato presented information on a new time clock system, Time Clock Plus, which provides enhanced features which can be integrated with the Black Mountain software package to allocate employee time among STWA, NWSC and RWSC and will provide assistance to the Finance Department for Special Services budgeting. She provided a quote for \$3,609 for a three-year contract. A motion was made by Mr. Treviño and seconded by Mr. Graveley to approve purchase of the Time Clock Plus system on a three-year price of \$3,609. The motion passed by unanimous vote.

18. C. Ekrut, NewGen Strategies, Summary of City of Corpus Christi Rate Model – Proposed Rates – Wholesale Water Rate Review.

Ms. Serrato presented a summary from NewGen Strategies stating that “NewGen is unable to provide an opinion regarding the rates proposed to be charged by the City to STWA” and that the City appears to have complied with the agreement but additional requested information requires review. She added that currently STWA is on one-year rates with the City of Corpus Christi, but the City is now open to offering two-year rates. Ms. Serrato also stated that she has asked about beginning negotiations on a water supply contract. Mr. Galvan added that since STWA agreed to their request to transfer a section of the 42-inch pipeline to the City, they should agree to work with STWA on a new contract. Ms. Serrato has an appointment on October 7th with Mr. Ekrut to discuss this further. No action was taken by the Board.

19. 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 reported that work continues on the project and invoices will most likely be presented at the next meeting. She had nothing further to report.

20. Adjournment.

With no further business to discuss, Mr. Barrera made a motion to adjourn the meeting at 7:19 p.m. Mr. Treviño seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary