

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
June 22, 2021
Minutes

Board Members Present:

Brandon Barrera
Jose Graveley
Imelda Garza
Rudy Galvan, Jr.
Frances Garcia
Kathleen Lowman
Patsy Rodgers

Board Members Absent:

Angela Pena

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Dony Cantu
Nigel Gomez

Guests Present:

None

1. Call to Order.

Mr. Brandon Barrera, Board President, called the Regular Meeting of the STWA Board of Directors to order at 5:35 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.

Ms. Lowman made a motion to approve the minutes of the May 25, 2021 Regular Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

Ms. Wagner provided copies of the Treasurer's Report. She gave a brief review of the reports but stated that there were some issues with the General Fund and Debt Service Fund Due to/Due from amounts which will need to be corrected. She added that she will email the corrected Treasurer's Report to the Board and will present it for approval at the next meeting. The following reports were presented:

Treasurer's Report for period ending May 31, 2021
Revenue Fund Income Statement for period ending May 31, 2021
Tax Fund Income Statement for period ending May 31, 2021
Special Services Income Statement for period ending May 31, 2021
STWA Revenue Fund Balance Sheet – May 31, 2021

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STWA Revenue Fund Trial Balance for May, 2021
STWA Debt Service Fund Income Statement for period ending May 31, 2021
STWA Debt Service Fund Balance Sheet – May 31, 2021
STWA Debt Service Fund Trial Balance for May, 2021
STWA Capital Projects Fund Income Statement for period ending May 31, 2021
STWA Capital Projects Fund Balance Sheet – May 31, 2021
STWA Capital Projects Fund Trial Balance for May, 2021
Cathodic Protection Expenses Breakdown
2012 Bond Election Report
Anticipated vs. Actual Water Rate Charged
Maintenance & Technical Report from O&M Supervisor
Cathodic Protection Update

The following outstanding invoices were presented for Board approval:

- Willatt & Flickinger \$ 552.50
- Kleberg County Appraisal District \$ 5,696.04
- Nueces County Appraisal District \$ 2,626.00
- City of Corpus Christi \$ 116,001.68

A motion was made by Ms. Garza and seconded by Mr. Graveley to approve payment of the bills as presented. The motion carried.

5. Water District Truth in Taxation Notices, Effective Tax Rate Calculation, and Meeting/Hearing Schedule.

Ms. Serrato presented a proposed Truth in Taxation Meeting/Hearing Schedule for the Board's review in order to confirm that a quorum will be available for the necessary meetings and public hearing. She added that in order to avoid the expense of Nueces County sending out separate tax statements for STWA, they must receive STWA's tax information by the County's September 10th deadline. She reviewed the following schedule with the Board:

Date	Event	Action
June 22, 2021	Board Meeting	Agree on calendar & confirm quorums
July 26, 2021	CADs deliver rolls	Staff calculates ETR
August 3, 2021	Board Meeting	Board votes on proposed rate & sets hearing date/time, approves sending proposed budget to wholesale customers
August 4, 2021	Staff prep	Proposed budget is sent to wholesale customers for 30-day written comment period
Aug 5 – Sep 6	30-day comment period	Wholesale customers review & provide written comments on proposed budget
August 26 and 29, 2021	Publish newspaper notices	Publication occurs 7 days before hearing

September 7, 2021	Public Hearing followed by Board Meeting	Board adopts tax rates, water rates and Handling Charge
September 10, 2021	Nueces County Tax Collector Deadline	Failure to submit tax rates could result in STWA paying for separate tax bill mail-out

Ms. Serrato also reviewed forms provided by the Nueces County Tax Assessor/Collector's office including a 2021 Governing Body Information form. She stated that she used the Board members' email address assigned by staff and STWA mailing address on the form which will be made available on the Assessor/Collector's website. No changes to the schedule were requested. Mr. Graveley made a motion to approve submitting the forms to the Nueces County Tax Assessor/Collector's office. Ms. Rodgers seconded. All voted in favor.

6. Preliminary Fiscal Year 2022 Budget.

Ms. Serrato reviewed the preliminary Fiscal Year 2022 Budget. The preliminary budget is based on water sales of approximately 549 million gallons, the same Handling Charge and M&O tax rate as last year, an overall 4.9% salary adjustment, Executive Director salary of \$125,000 and \$72,000 in capital items. She explained that information on several essential elements has not been received and the budget will be updated as this information becomes available. An updated budget will be presented at the next regular meeting and she will request approval to send the draft budget to the Authority's wholesale customers. No changes were requested by the Board.

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

Ms. Serrato stated that training on the control system and chlorine/LAS building and controls is scheduled for June 24th and she hopes that the punch list items will be completed by that time. She had nothing further to report.

8. Any and all actions necessary or convenient to facilitate the new executive director recruitment process.

Ms. Serrato reported that Ms. Ray believes that the background checks will be completed by the end of June and it possible that interviews can begin around July 12th. Mr. Barrera asked if the Board can begin meeting the candidates in person while the screening process continues and Ms. Serrato responded that she will contact Ms. Ray about that. Ms. Serrato added that Jo Ella Wagner intends to apply for the position and will be submitting a cover letter and resumé this week. Ms. Lowman stated that experience working with a utility is needed. Ms. Rodgers also commented that this person would need to be familiar with how to deal with TCEQ issues. Ms. Serrato then expressed her preference that new, non-urgent projects be put off until the new executive director is hired. She had nothing further to report and no action was taken by the Board.

9. Wholesale Water Supply Contract with the City of Corpus Christi.

Ms. Serrato stated that there has been no contact with the City and she had nothing to report.

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

Ms. Serrato reported that the NCWC&ID#5 board has no June meetings scheduled so they have not taken action on the Water Supply Contract and the Maintenance and Operations Contract. No action was taken by the Board.

11. NewGen Strategies & Solutions Proposal for Wholesale Water System Rate Study Update.

Ms. Serrato stated that she requested a proposal from NewGen Strategies to revisit the Incremental Increase Policy and received a quote in the amount of \$7,500. She stated that she does not recommend approval of the proposal but will request another proposal to review the City of Corpus Christi's rate model. The Board took no action.

12. February 2021 winter storm/freeze event.

Ms. Serrato reported that several claim checks have been received on the Nueces Water Supply Corporation's claims and another \$5,500 is expected soon. Some of the payments will need to be reimbursed to STWA. She will continue to provide updates to the Board.

13. Approval of Annexation of Certain Lands to the South Texas Water Authority.
a. Bobbie Villarreal and Ray Villarreal, Tract 40 and 41, Cyndie Park Unit 2 in Nueces County, Texas.

Ms. Serrato stated that approval of Resolution 21-13 finalizes the annexation process for this property and she recommended adoption of the resolution.

14. Resolution 21-13. Resolution approving Annexation of Certain Lands to the South Texas Water Authority. (Bobbie Villarreal and Ray Villarreal).

Mr. Galvan made a motion to adopt Resolution 21-13. The motion was seconded by Ms. Lowman and passed unanimously.

15. FY 2021 Purchase.

Ms. Serrato reported that vehicle deliveries have been delayed due to shortages of certain mechanical parts and the truck approved by the Board as part of the FY 21 budget has not been delivered by Caldwell Chevrolet. Delivery is expected to be the end of 2021 or beginning of 2022 and the truck will be a 2022 model instead of 2021. It has not been confirmed that the price will be the same as what was quoted in the awarded bid. Mr. Flickinger has advised that STWA can cancel the order. Ms. Serrato stated that the Board can cancel the order and solicit

bids again or wait for the 2022 model. After discussion, Ms. Lowman made a motion to leave the order in place. Ms. Garza seconded. All voted in favor.

16. Board of Directors Training.

The Board discussed the various available training options. Mr. Barrera stated that he is interested in taking training even if it is online. Ms. Serrato stated that she would forward information for available training and registration to the Board by email.

17. Nomination of candidate for the Kleberg County Appraisal District Board of Directors.

Ms. Serrato stated that the Kleberg County Appraisal District sent information requesting a nomination from STWA for the KCAD Board of Directors. She recommended that the Board decide on a candidate for the nomination. Mr. Barrera nominated Mr. Graveley. No other nominations were made.

18. Resolution 21-14. Resolution submitting nomination for candidate for positions on the Board of Directors of the Kleberg County Appraisal District.

Mr. Galvan made a motion to adopt Resolution 21-14 submitting the name of Jose Graveley as STWA's nominee for the Kleberg County Appraisal District Board of Directors. Ms. Garcia seconded the motion. All voted in favor.

19. STWA Cybersecurity.

Mr. Barrera stated that in light of recent ransomware attacks he asked to place this topic on the agenda in order to discuss and ensure that proper measures are being taken to protect the Authority from attacks. Ms. Serrato explained that High Touch Technologies has been contracted to provide IT management services and added that they can be contacted about additional upgrades if the Board feels it is necessary. No action was taken by the Board.

20. Discussion with possible action on adding board members to STWA insurance.

Mr. Barrera stated that he requested this item be placed on the agenda but would like it removed. There was no discussion and no action was taken.

21. Petition for Addition of Certain Lands to the South Texas Water Authority and setting of public hearing date, time and place (Jeremy and Chavalan Carpenter, Tract 31, Tierra Verde Unit 2 in Nueces County, Texas).

The Board reviewed the Annexation Petition. The property owners recently approached the Nueces Water Supply Corporation requesting service outside of the Authority's district boundaries and filed an Annexation Petition which is the first step in the process to obtain service on the property. Ms. Serrato recommended approval of Resolution 21-15 setting the Public Hearing on August 3, 2021 at 5:30 p.m. at the STWA conference room.

22. **Resolution 21-15. 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. (Jeremy and Chavalan Carpenter).**

Ms. Lowman made a motion to adopt Resolutions 21-15 setting the Public Hearing on August 3, 2021 at 5:30 p.m. at the STWA conference room and authorizing publication of the public hearing notice. The motion was seconded by Ms. Rodgers and passed unanimously.

23. **Adjournment.**

With no further business to discuss, Ms. Lowman made a motion to adjourn the meeting at 7:00 p.m. Mr. Graveley seconded. The motion passed by unanimous vote.

Respectfully submitted,


Frances De Leon
Assistant Secretary