

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
September 28, 2021
Minutes

Board Members Present:

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

Board Members Absent:

None

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Dony Cantu
Nigel Gomez
Patrick Sendejo
Oscar Ortegon

Guests Present:

None

1. Call to Order.

Mr. Jose Graveley, Board Vice-President, called the Regular Meeting of the STWA Board of Directors to order at 5:32 p.m. A quorum was present.

2. Citizen Comments.

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

3. Approval of Minutes.

Mr. Galvan made a motion to approve the September 7, 2021 Public Hearing and Regular Meeting Minutes as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

The following reports were presented:

Corrected Revenue Fund Income Statement for period ending June 30, 2021
Treasurer's Report for period ending July 31, 2021
Revenue Fund Income Statement for period ending July 31, 2021
Tax Fund Income Statement for period ending July 31, 2021
Special Services Income Statement for period ending July 31, 2021

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

The following outstanding invoices were presented for Board approval:

• City of Corpus Christi	\$ 157,061.93
• Kleberg County Appraisal District	\$ 5,696.03
• New Gen Strategies	\$ 475.00

Mr. Galvan made a motion to approve the Corrected June 2021 Revenue Fund Income Statement, July 2021 Treasurer's Report and payment of the bills as presented. Ms. Garza seconded and all voted in favor.

5. Fiscal Year 2021 Budget Amendments.

Ms. Wagner reviewed the amendments to the Fiscal Year 2021 Budget. The amendments included an increase in Total Revenues of \$99,390, an increase in Total Administrative and Operations Expenditures without Capital Outlay of \$172,130, and an increase of \$74,737 in Total Capital Outlay. The amended FY 2021 Budget reflects a Net Ending Balance of \$290,779, a decrease of about \$21,000 from the original budget, which Ms. Wagner pointed out could potentially increase by \$25,000 from the Major Repair line item if no major repairs are experienced during the remainder of the fiscal year. After reviewing the amendments, Mr. Galvan made a motion to approve the Fiscal Year 2021 Budget Amendments. Ms. Lowman seconded and all voted in favor.

6. Tax Year 2021 tax roll/levy for the South Texas Water Authority's district in Kleberg County.

Mr. Marez presented the Kleberg County tax roll/levy for Tax Year 2021 reflecting a taxable value of \$1,361,749,830 and a calculated tax levy of \$1,123,300.91. He recommended approval of Resolution 21-21 adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2021.

7. Resolution 21-21. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Kleberg County for tax year 2021.

Mr. Graveley made a motion to approve Resolution 21-21 adopting the tax roll/levy for South Texas Water Authority's district in Kleberg County for tax year 2021. Mr. Galvan seconded the motion and all voted in favor.

8. Tax year 2021 tax roll/levy for the South Texas Water Authority's district in Nueces County.

Mr. Marez presented the Nueces County tax roll/levy for Tax Year 2021 reflecting a total taxable value of \$1,138,391,029 and a total tax levy of \$939,071.97 and recommended approval of Resolution 21-22 adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2021.

9. Resolution 21-22. Resolution adopting the tax roll/levy for the South Texas Water Authority's district in Nueces County for tax year 2021.

Mr. Morales made a motion to approve Resolution 21-22 adopting the tax roll/levy for South Texas Water Authority's district in Nueces County for tax year 2021. Ms. Garza 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

Mr. Marez 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. He recommended adoption of Resolutions 21-23, 21-24 and 21-25 approving the STWA General Fund, Debt Service Fund and Capital Project Fund Investment Policies.

11. Resolutions 21-23 through 21-25. 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

Ms. Rodgers made a motion to adopt Resolutions 21-23, 21-24 and 21-25. Mr. Galvan seconded. All voted in favor.

12. Discussion and possible action on Board of Directors' compensation.

Mr. Marez reported that the committee of three Board members met and recommended increasing compensation for directors to \$50 per day with an annual cap of \$750 per board member. The committee also recommended that these amounts be reviewed every September during the budget process.

13. Resolution 21-26. Resolution authorizing Director's Fees in accordance with Section 49.060 of the Texas Water Code and in the amount of \$50.00 a day for each day a director spends performing the duties of director.

Mr. Morales made a motion to adopt Resolution 21-26 setting the amount of directors' compensation at \$50 per day with an annual cap of \$750 per board member. Mr. Graveley seconded the motion. All voted in favor.

14. Bids for purchase of Fiscal Year 2022 pickup truck.

Mr. Marez stated that bid packets were delivered to several dealerships. Two bids were received, however, one of the bids which was received from Boggus Ford was delivered 38 minutes after the deadline. The lowest bid was submitted by Caldwell Country Chevrolet of Caldwell, Texas at an amount of \$39,320. Mr. Marez stated it was up to the Board to decide if the late bid should be accepted and whether to award the bid to one of the two dealerships. Mr. Morales made a motion to accept the late bid, Mr. Galvan seconded and all voted in favor.

15. Resolution 21-27. Resolution awarding the bid for the purchase of one ¾ ton pickup truck.

Ms. Garza made a motion to award the bid for the purchase of one ¾ ton pickup truck to Caldwell Country Chevrolet in the amount of \$39,320. Mr. Morales seconded. The motion passed on a vote of 8 to 1.

16. Emergency Preparedness Plan.

Mr. Marez stated that recent legislation requires that affected utilities provide emergency operations of their water system during extended power outages lasting more than 24 hours. STWA has been designated as an affected utility and will be required to submit an Emergency Preparedness Plan to TCEQ by March 1, 2022. Staff has attended training on preparation of the EPP and there is additional training available. He stated that he wanted to make the Board aware of the requirement and that it is possible that assistance from a consultant will be needed. No action was taken by the Board.

17. Review of salary surveys and STWA staff salaries.

Mr. Marez stated that this item was carried over from the previous meeting. He stated that the Board approved the salary increases presented in the budget but noted that this budget was prepared by the previous Executive Director. He added that the organizational chart was also approved and an adjustment is still needed for the Assistant Executive Director. He presented the Texas Rural Water Association 2020 Salary Survey Report and asked if the Board feels there is a need to adjust salaries. He pointed out that the jobs listed do not completely match the positions at STWA because since STWA has a small staff, each position performs multiple functions. He also commented that if the Board chooses to make the management employees salaried, he recommends that an adjustment be made in addition to the base salary to make up for any lost overtime pay. After discussion, Mr. Morales made a motion to table the item on salaries and requested that staff present recommended salaries at the next meeting. Mr. Galvan seconded.

Mr. Barrera asked what would happen with the current accumulated compensatory leave balances. Mr. Marez stated that they would remain in place. He added that exempt employees are only allowed to receive comp time and are excluded from overtime. Mr. Graveley made a motion to amend the previous motion to designate Ms. Wagner and Ms. De Leon as salaried employees. The motion for the amendment died for lack of a second. Mr. Morales commented that after reviewing salaries and benefits, he does not feel that these employees are underpaid. The motion to table the item on salaries passed with all voting in favor.

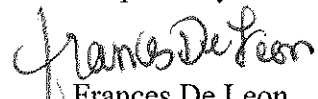
18. Administration Report.

Mr. Marez stated that he has arranged a workshop on October 19th at 5:30 p.m. with Gus Gonzalez, formerly of the City of Corpus Christi, to review water issues and the Corpus Christi's water contract. He also reported that he will be finishing his basic water class in October. He has been in contact with TxDOT about signage for Sage Road. He has also registered for the Tax Assessor Collector certification. In addition, he attended the Groundwater Management meeting in Falfurrias in their new building. He feels that the Board should consider a bond issue in 2022 to possibly finance a new building. He informed the Board that the conveyance of the new Banquete Pump Station was not on the agenda and will be brought up quarterly unless there is something to report.

19. Adjournment.

With no further business to discuss, Mr. Galvan moved to adjourn the meeting at 7:38 p.m. Mr. Graveley seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary