

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
April 27, 2021
Minutes

Board Members Present:

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

Board Members Absent:

None

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 5:31 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 March 23, 2021 Regular Meeting as presented. Mr. Galvan seconded. The motion passed by unanimous vote.

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

The following reports were presented for the Board's consideration:

STWA Investment Report for Quarter Ended March 31, 2021
Treasurer's Report for period ending March 31, 2021
Revenue Fund Income Statement for period ending March 31, 2021
Tax Fund Income Statement for period ending March 31, 2021
Special Services Income Statement for period ending March 31, 2021
STWA Revenue Fund Balance Sheet – March 31, 2021
STWA Revenue Fund GL Account Summary Report as of March 31, 2021
STWA Debt Service Fund Income Statement for period ending March 31, 2021

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STWA Debt Service Fund Balance Sheet – March 31, 2021

STWA Debt Service Fund GL Account Summary Report as of March 31, 2021

STWA Capital Projects Fund Income Statement for period ending March 31, 2021

STWA Capital Projects Fund Balance Sheet – March 31, 2021

STWA Capital Projects Fund GL Account Summary Report as of March 31, 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	\$ 1,010.60
• City of Corpus Christi	\$ 108,311.03
• Camacho Demolition, LLC	\$ 41,985.00

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

5. Fiscal Year 2021 Budget Amendments.

Ms. Serrato reviewed the proposed amendments to the FY 2021 Budget Amendments. She stated that Total Revenues decreased by \$2,053 based on a decrease in interest income but were offset by increases from the Driscoll pay plan interest and Driscoll's M&O agreement. Total Administrative/Operations Expenditures without Capital Outlay increased by \$21,000. Capital Outlay increased by \$12,437. Other Finance Sources increased by \$3,527 and Deficiencies of Revenues over Expenditures increased by \$27,877 for a Net Income of \$264,120 compared to the original budget's ending balance of \$291,997. Ms. Serrato noted that two expenses, Ray Associates, Inc.'s recruitment services and the camera system purchase, were not budgeted last year and accounted for the majority of the decrease in Net Income. Mr. Gravely made a motion to approve the FY 2021 Budget Amendments. Mr. Galvan seconded. The motion carried.

6. 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 a walk-thru was not performed on April 15th due to unfinished punch list items at the new pump station and the existing pump station which are providing service. She presented the walk-thru punch list provided by Ardurra. She added that problems occurred at the new pump station on April 24th when the VFD controller overheated preventing the pumps from turning on. Rural customers experienced a drop in pressure and the original pump station was used for the rural system. Once the final walk-thru is completed and Nueces County accepts the project, title transfer to STWA and NWSC will need to be done.

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

Ms. Serrato reported that six applications have been received. Ms. Ray is in the process of reviewing the applications and has extended the deadline to the end of April. Ms. Serrato had nothing further to report.

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

Ms. Serrato stated that Corpus Christi Assistant City Attorney Lisa Aguilar responded to Bill Flickinger, Willatt & Flickinger, regarding the revised draft that was sent to the City and asked the purpose for removing Section 18 of the contract. Mr. Flickinger has responded with the reasons for the change. Ms. Serrato stated she and Mr. Flickinger will continue trying to get a meeting set up with the City.

9. Nueces County Water Control and Improvement District #5 Wholesale Water Supply Contract and Contract for Operations and Maintenance of Facilities.
10. Incremental Increase Policy to address Customers without a Long-Term Contract.

Ms. Serrato said that she recently attended NCWC&ID #5's board meeting and provided the District's board with information on the water supply contract including a summary of the contract. The NCWC&ID #5 board did not take any action on the Water Supply Contract and briefly discussed the Maintenance and Operations Contract. Ms. Serrato informed the District that staff would revisit the cost allocations previously calculated.

Ms. Serrato informed the STWA Board that no requests for modifications to the contract have been received and Mr. Flickinger has not received a response from the District's attorney, Gerald Benadum. She presented a draft letter to NCWCID #5 summarizing the recent discussions, notifying the District of possible action regarding the Incremental Fee, and operation of the stand-alone, existing station. Mr. Graveley made a motion to authorize sending the letter. Mr. Galvan seconded and all voted in favor.

Ms. Serrato explained that Nueces County Water Control & Improvement District #5 remains the only customer without a Water Supply Contract and recommended that the Board consider authorizing staff to request a proposal from NewGen Strategies to revisit the matter and provide an updated report. The Board agreed to wait on any action by the NCWCID #5.

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

Ms. Serrato stated that as discussed at meetings last year, she requests that the Board consider offering a retiree medical insurance benefit. She suggested making the benefit available to employees based on a minimum number of service years to STWA. She added that the number of years could be cumulative but the latest round of service should be a minimum of ten years. The Board would need to set the number of benefit months with coverage ceasing upon eligibility of Medicare or other government healthcare coverage

12. Resolution 21-06. Resolution adopting the revised South Texas Water Authority Personnel Policies – Retiree Benefits.

Ms. Lowman made a motion to adopt Resolution 21-06 approving paid health insurance (employee-only) coverage for three months to retirees with a minimum of twenty years of service and at least 10 years consecutive employment upon retirement. Mr. Gravely seconded. All voted in favor.

13. February 2021 winter storm/freeze event.

Ms. Serrato presented spreadsheets illustrating costs of the storm damage broken down by pump station. The total cost is \$32,058.83. She pointed out that as expected, the time and materials associated with the Sablatura Park Pump Station were the most expensive. Insurance claims have been filed on the damage. She will continue to provide updates to the Board.

14. Purchase of replacement tablets for Board of Directors.

Ms. Serrato stated that this agenda item was added in response to a request from a Board member due to issues with his tablet. She added that the tablets used for the Board meetings were purchased in 2013 and some have started experiencing problems accessing the internet and updating applications. She provided information from Best Buy showing a price of \$229.99 per tablet and recommended replacing the devices. Some Board members indicated that their tablets are still functioning and others said they prefer to use their own device. Mr. Graveley made a motion to authorize purchase of new tablets for those who need a replacement. Mr. Galvan seconded. All voted in favor.

15. Vacation/Personal/Compensatory Leave carryover.

Ms. Serrato stated that in July of 2020 the Board agreed to suspend the maximum hours for vacation leave and the 8-hour/December 31st carryover limit on personal leave. She asked whether the Board would like to consider rescinding this action or continue keeping the suspension in place. Mr. Graveley made a motion to table this item. Mr. Galvan seconded. All voted in favor.

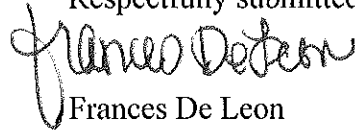
16. On-Call concerns.

Ms. Serrato reported that a possible false alarm was received by the answering service and she wanted to make the Board aware in case further problems arise. She added that the call-out resulted in overtime for the Ricardo Water Supply Corporation and the RWSC Board has been made aware of the situation. Mr. Barrera announced that the Board would convene in Closed Session at 6:27 p.m. pursuant to Section 551.074 of the Government Code to discuss personnel matters and on-call concerns. The Board reconvened in Open Session at 6:41 p.m. No action was taken during Closed Session. Mr. Gravely made a motion to report the incident to law enforcement in order to have a report of the incident on file. Ms. Garza seconded. All voted in favor.

17. Adjournment.

With no further business to discuss, Mr. Galvan made a motion to adjourn the meeting at 6:43 p.m. Mr. Graveley seconded. The motion passed by unanimous vote.

Respectfully submitted,

A handwritten signature in black ink that reads "Frances De Leon". The signature is written in a cursive style with a large initial 'F'.

Frances De Leon
Assistant Secretary