

SOUTH TEXAS WATER AUTHORITY
Regular Board of Directors Meeting
September 7, 2021
Minutes

Board Members Present:

Brandon Barrera
Frances Garcia
Imelda Garza
Jose Graveley
Kathleen Lowman
Joe Morales
Angela Pena
Patsy Rodgers

Board Members Absent:

Rudy Galvan, Jr.

Staff Present:

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

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 5:40 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 August 3, 2021 Public Hearing and Regular Meeting as presented. Ms. Rodgers seconded. The motion passed by unanimous vote.

4. Treasurer's Report/Payment of Bills.

The following reports were presented:

Corrected 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, 2021
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, 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, 2021
STWA Capital Projects Fund Trial Balance for May, 2021
Cathodic Protection Expenses Breakdown
Treasurer's Report for period ending June 30, 2021
Revenue Fund Income Statement for period ending June 30, 2021
Tax Fund Income Statement for period ending June 30, 2021
Special Services Income Statement for period ending June 30, 2021
STWA Revenue Fund Balance Sheet – June 30, 2021
STWA Revenue Fund Trial Balance for June, 2021
STWA Debt Service Fund Income Statement for period ending June 30, 2021
STWA Debt Service Fund Balance Sheet – June, 2021
STWA Debt Service Fund Trial Balance for June, 2021
STWA Capital Projects Fund Income Statement for period ending June 30, 2021
STWA Capital Projects Fund Balance Sheet – June, 2021
STWA Capital Projects Fund Trial Balance for June, 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 | \$ 126,168.98 |
| • Nueces County Appraisal District | \$ 2,625.00 |

Ms. Rodgers made a motion to approve the May 2021 Treasurer's Report, Ms. Garza seconded and all voted in favor. After review of the June Treasurer's Report, a motion was made by Ms. Lowman and seconded by Mr. Graveley to approve the June 2021 Treasurer's Reports and payment of the bills as presented. The motion carried.

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

Mr. Marez presented Chapter 49 of the Texas Water Code pertaining to Fees of Office/Reimbursement which provides for a director receiving fees of no more than \$150 a day for attending meetings or training. He said he was presenting it for the Board's review in case they would like to consider raising the current amount of \$10 per meeting. Mr. Graveley made a motion for a committee of three Board members to meet in the next couple of weeks to discuss the compensation and present a recommendation at the next meeting. Mr. Morales seconded. All voted in favor.

6. Fiscal Year 2022 budget, revenues and rates.

Ms. Wagner presented the final Fiscal Year 2022 Budget based on the current Handling Charge of \$0.426386/1000 gallons, a total tax rate of \$0.082426/\$100 valuation – a decrease of \$0.004485 or 5.16% from last year. The total tax rate is comprised of an O&M tax rate of \$0.067506/\$100 valuation and I&S tax rate of \$0.014920/\$100 valuation. The budget includes a decrease of 50 cents/1000 gallons in the Cost of Water from the City of Corpus Christi, a 4.9% average Cost of Living increase totaling \$25,819, and capital purchases of \$83,000 resulting in an ending balance of \$507,421. She added that this budget is almost identical to the budget presented at the last meeting except for four items affected by the decrease in the Corpus Christi water rate. Mr. Morales commented that the ending balance was impressive.

7. Resolution 21-19. Resolution adopting the recommended Fiscal Year 2022 budget.

Mr. Graveley made a motion to approve the FY 2022 budget. The motion was seconded by Ms. Garza and passed by unanimous vote.

8. Resolution 21-20. Resolution adopting the Fiscal Year 2022/Tax Year 2021 tax rate.

Mr. Graveley made a motion to approve Resolution 21-20 adopting the Fiscal Year 2022/Tax Year 2021 M&O tax rate of \$0.067506 per \$100 assessed valuation and the I&S tax rate of \$0.014920 per \$100 assessed valuation for a total tax rate of \$0.082426 per \$100 of taxable value. The motion was seconded by Ms. Garza and passed with all voting in favor.

9. Discussion with possible action on South Texas Water Authority Organizational Chart and job titles.

A proposed organizational chart and a worksheet of proposed salaries was presented to the Board. The organizational chart illustrates the managers' positions below Administrator/Executive Director but additionally designates the Finance Manager as the Assistant Executive Director. After the Board's discussion, Mr. Barrera requested that the Finance Manager/Assistant Executive Director be moved up just a fraction. Ms. Garza made a motion to approve the presented organizational chart. Mr. Morales seconded. All voted in favor.

10. 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.

- Utility Conveyance Agreement(s) conveying facilities from Nueces County to South Texas Water Authority and Nueces Water Supply Corporation

Mr. Marez reported that Nueces County is expected to review the Utility Conveyance Agreement soon. He suggested that the STWA Board approve the agreement contingent on Nueces County's approval. Ms. Lowman made a motion to accept the Utility Conveyance Agreement contingent on Nueces County approving the agreement. Ms. Garza seconded. All voted in favor.

11. Update of Wholesale Water Supply Contract with the City of Corpus Christi.

Mr. Marez reported that a reply has been sent to the City of Corpus Christi, but there has been no other communication from the city. He had nothing further to report.

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

There has been no activity on these contracts and no communication with the Banquete District. No action was taken by the Board.

13. City of Driscoll request to temporarily reduce monthly payment on Payment Plan and consideration of new payment plan agreement.

Ms. Wagner presented a modified Driscoll Payment Plan Agreement and explained that the city requested a two-month temporary payment reduction. Additionally, the City does not want to extend the term of the plan. The modified plan reduces the September and October 2021 payments to \$2,500 and increases the remaining payments by \$161 per month with a final payment in March 2023 of \$5,171.48. Mr. Morales made a motion to accept the new payment plan agreement as presented. Mr. Graveley seconded. All voted in favor.

14. Presentation on Vacation Leave Policy.

Mr. Marez presented the current vacation leave policy. At the last Board meeting there was discussion regarding the maximum amount of leave employees are allowed to take at a time. The only limitation in the current policy is that employees are not allowed to take more than 60 workdays in a single calendar year. Mr. Marez explained that he has been talking with staff about ways to fairly allow employees to select vacation days during holiday season.

15. STWA Depository.

Ms. Wagner presented Prosperity Bank's offer to extend STWA's depository agreement until October 31, 2023. The terms remain the same except for a change in the interest rates. The interest earnings will now be based on the Prosperity Bank NOW account plus 15 basis points (0.15%) – the current NOW account Money Market rate is 0.05%. Ms. Wagner added that STWA pays no banking fees. Ms. Lowman made a motion to accept Prosperity Bank's offer to extend the depository agreement for an additional two years. Ms. Garza seconded. All voted in favor.

16. Update on COVID-19 Response – Status of office closure to the public.

Mr. Marez stated that when he first began working at STWA, he considered looking into re-opening the office; however, the COVID numbers have begun increasing and he believes it would be best to bring this up in another month or so. Ms. Wagner added that a small amount of business is conducted at the drive-thru window. After discussing the matter, the Board agreed to

leave it as-is for now until the numbers start going down and reconsider reopening in another month.

17. Authorization to solicit bids for Fiscal Year 2022 pickup truck(s).

Mr. Marez requested authorization to solicit bids for the FY 2022 truck. He explained that although the fiscal year begins on October 1, STWA's auditor has advised that bids may be gathered and the bid awarded at the late September meeting, provided the purchase is delivered and paid for on or after October 1. Ms. Lowman made a motion to authorize staff to solicit bids for the truck purchase. Ms. Rodgers seconded. All voted in favor.

18. Ratify TXWARN Mutual Aid Agreement for Water/Wastewater Providers.

Mr. Marez presented the TXWARN Mutual Aid Agreement for Water/Wastewater Providers. He explained that the agreement is between the State of Texas and utilities who choose to participate and provides assistance for member utilities when needed. He stated he has submitted updated information to TXWARN and requested that the Board ratify the agreement. Mr. Morales made a motion to ratify the TXWARN Mutual Aid Agreement, Ms. Garza seconded and the motion passed by unanimous vote.

19. Board Training – TRWA Fall Management and Districts Conferences.

The Board reviewed information on the TRWA Fall Management and Districts Conferences to be held in San Antonio on October 6 and 7, 2021. Several Board members showed an interest in attending. Mr. Morales made a motion to allow three members to attend the San Antonio conference on October 6th and 7th. Mr. Graveley seconded. All voted in favor. Board members were asked to contact the STWA office to make arrangements.

20. Administration Report.

Mr. Marez reported that he recently had a medical issue which is requiring medical attention but he has been able to continue working. He discussed the salaries included in the budget approved earlier in the meeting and noted that Ms. Wagner's increase proposed by the previous Executive Director was actually 3% instead of the 4% applied to the majority of the staff. He stated that work remains on Ms. Wagner's and Ms. De Leon's salaries to better match their duties and responsibilities. Mr. Morales made a motion to change Ms. Wagner's adjustment to 4% and accept the other salaries as presented. Ms. Garza seconded. The motion passed unanimously. Mr. Marez stated that correcting the 4% increase was the most urgent at this time and suggested discussing and setting the proper salaries on other positions at the next meeting. Ms. Wagner added that TRWA's most recent salary survey could be used for assistance in determining salaries for staff. Ms. Lowman moved to approve Mr. Marez's suggestion, Mr. Morales seconded and all voted in favor. Mr. Marez agreed to provide additional information at the next meeting.

21. Adjournment.

With no further business to discuss, Ms. Garza moved to adjourn the meeting at 7:13 p.m. Mr. Morales seconded. The motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary