

**THE SOUTH CENTRAL TEXAS REGIONAL CERTIFICATION AGENCY, INC.
SPECIAL BOARD OF DIRECTORS MEETING**

Monday, December 12, 2022
2:03 p.m.

South Central Texas Regional Certification Agency
In Person and Virtual Meeting Via Zoom

Member Entities	Representative's Name	Present/Absent
Alamo Colleges	Torence White	Present
	Gary O'Bar	Absent
Bexar County	Renee Watson	Present
	Patricia Torres	Absent
Brooks Development Authority	Lucynda Massey	Present
San Antonio ISD	April Alcorta	Present
Edwards Aquifer	Shelly Hendrix	Absent
	Maggie Veliz	Present
Port Authority of San Antonio	Wyndie Tanner-Applewhite	Present
City of San Antonio	Shuchi Nagpal	Present
	Barbara Patton	Absent
San Antonio Housing Authority	George Ayala	Present
	Lucio Tovar	Absent
CPS Energy	Maria Garcia	Absent
	James Massey	Present
San Antonio River Authority	Emily Hanson	Absent
San Antonio Water System	Marisol V. Robles	Present
	Tracy Burns	Present
University Health System	Latifah Jackson	Present
	Pauline Oyer	Absent
VIA Metropolitan Transit	Maurice Bridges	Present
	Dyanne Sampson	Absent

Staff: Charles Johnson (Outgoing Executive Director), Sandra Ramos (Incoming Director), Mida Tijerina (SCTRCA)

Counsel: Lisa Tatum

Guests: Michael Bryant (TXDOT), Ross Mitchell (Alamo Nex Construction), Michael Sindon (COSA), Ben Sumpter (CSI Compliance)

I. Call to Order - Board Chair M. Robles called the Board of Directors meeting to order both in person and virtual at 2:03 pm on Monday, December 12, 2022.

II. Citizens to be Heard – None.

III. Board Chairs Report

A. Introduction of Sandra Ramos, the new SCTRCA Executive Director - Board Chair introduced and welcomed the new Executive Director Sandra Ramos. S. Ramos advised the Board that she has background in and knowledge of the DBE Federal Program. She helped with the revisions that are now the new CFR 49 Regulations that will be presented in the upcoming year.

B. Recognition of Charles Johnson - Board Chair thanked C. Johnson for his work and dedication to the Agency as well to the SMWVBE Community. In addition to his tenure as the Executive Director, he previously served the Board as Chair. Several Board Members individually thanked C. Johnson for his contribution to the Agency.

C. Briefing and Discussion of the Member Entities' Priorities – Board Chair M Robles advised the Board that on December 2, 2022, an email was sent out asking the Board to provide the top 3-5 priorities for S. Ramos to accomplish. Some input has been received and input from all Members is encouraged and requested as soon as possible. R. Watson stated that the Certification Audit should be the highest priority over the next six months, through June 5, 2023.

IV. Review, Discussion, and Consideration of the Minutes for September 26, 2022, and October 24, 2022 – A. Alcorta motioned to approve the Minutes for the September 26, 2022, BOD Meeting. This motion was seconded by S. Nagpal. Motion to approve carried. L. Jackson abstained. The Board was advised that minutes for the October 24, 2022, meeting which consisted of ED candidate interviews were not yet ready for review.

V. Finance Committee Report

A. Briefing, Discussion, and Consideration of Financial Report for September 2022 – Item Pulled.

B. Briefing, Discussion, and Consideration of Financial Report for October 2022 – Item Pulled.

C. Briefing, Discussion, and Consideration of a Banking Resolution to authorize Sandra Ramos as an authorized signatory on the SCTRCA Bank Account and Money Market Account – L. Jackson motioned to approve. S. Ramos as an authorized signatory for the SCTRCA Bank Accounts. R. Watson seconded the motion. The motion to approve carried.

- D. Briefing, Discussion, and Consideration of Transactions of the Money Market Account** – Board discussed the recent transactions of the Money Market Account.
- E. Briefing, Discussion, and Consideration of Staff Incentive Bonus** – The Board was presented with a recommendation to give staff incentive pay, \$1,000.00 per staff member and \$500.00 for outgoing Executive Director C. Johnson. The Board entered into Closed Session at 5:02 p.m. and resumed Open Session at 5:20 p.m. with no action or deliberation having taken place in Executive Session.
- F. Briefing, Discussion, and Consideration of Lease Agreement Options for the SCTRCA** – C. Johnson presented the Board with the timeline for the lease renewal and the proposed renewal lease term. The Board requested Mr. C. Johnson inquire about a shorter-term lease agreement such as a 1-, 2- or a 3- year lease term.
- G. Briefing, Discussion, and Consideration of Outstanding Membership Dues** – The Board discussed the Outstanding Membership Dues.

VI. Ad-Hoc Certification Audit Committee Report

- A. Briefing on the draft Certification Audit Report by Mr. Benjamin Sumpter II of CSI Compliance** – Committee Chair R. Watson introduced the topic and a brief summary before turning the presentation over to CSI Compliance. Mr. Benjamin Sumpter provided a briefing on the draft Certification Audit Report to the Board as required under the contract for Certification Audit services. B. Sumpter walked the Board through the audit process and a summary. B. Sumpter presented his company's recommendations to the Board. He noted challenges to and/or delays in the audit processes as he educated the Board on CSI Compliance's timeline to completion. This included some stoppage time in order to assure access to all the information the auditor requested. B. Sumpter commented on the fact that the SCTRCA does not contract out its certification process. R. Watson noted that VIA and the City of San Antonio, as USDOT Recipients, are responsible for the certification even though they delegate authority to the SCTRCA through their participating in the Inter-Local Agreement. B. Sumpter walked the Board through the scope of work of the Report, its review of (1) governing documents, policies and procedures related to certification and the administration of certification and (2) certification files. The report discussed deficiencies and recommendation related to the observations made. B. Sumpter noted, though the Agency has a Certification/Certification Appeals Committee, additional Board member training was encouraged, and he advised the observations noted can be easily addressed through additional training. B. Sumpter noted no informal appeals through the Agency's process were docketed during the period covered by the scope of work. B. Sumpter commented on the Agency's Bylaws, procurement practices, and personnel practices related to training and retention. B. Sumpter explained the review took a holistic approach after its interviews with the Ad Hoc Certification Committee members. The review was subsequently expanded to incorporate contracts, checks, deposits and funds and the segregation of duties and financial checks and balances. The Auditor recommended policies addressing fraud, waste, and abuse be explored and implemented as recommended in consultation with a financial professional. B. Sumpter reported the

review found the Board's procurement policy to be ambiguous and shared his experience in the contracting process for this audit. Though the entity is small, procedures could be clearer and better fitting the entity's size and procurement activity. B. Sumpter discussed the focus on personnel recruitment, salary and training, noting interviews with staff. He explained how the report identifies and addresses any material weaknesses or significant deficiencies. B. Sumpter discussed the importance of certification for recipients of federal transit funds and encouraged an immediate review of UCP and Interlocal Agreement by the Board to ensure compliance. He discussed appeals to the USDOT in examples to help the entity improve its practices. The SCTRCA is doing a good job of completing its application review and decision process well within the 90-day period. B. Sumpter gave an overview of the review of both federal and local procedures. In moving into details, B. Sumpter was asked not to share information that may be personally identifiable or is required to be kept confidential. B. Sumpter agreed that the detail is not appropriate for an Open Session discussion and stopped sharing his screen.

R. Watson recommended not delegating the work of the report to the respective Standing Committees and encouraged the work remain with the Ad Hoc Certification Committee as the presentation of the report concluded.

B. Discussion of the draft Certification Audit Report –

S. Nagpal thanked B. Sumpter noting the Audit provides an opportunity to continue improvement for the Agency and thanked the Ad Hoc Certification Committee for its work.

W. Applewhite asked questions about personnel for recruitment and staffing looking for examples of better and best practices. B. Sumpter referred the Board to the TUCP as a model and other Texas entities and outside of Texas to Oregon OMWBE and State of Washington's program. M. Bridges noted he has received requests from his organization to see Oregon OMBWE as a benchmark. R. Watson asked Texas Unified Certification Programs (TUCP) and Texas Department of Transportation (TXDOT) for help with the improvements to certification going forward. M. Bryant availed his organization to assist as requested.

L. Jackson asked about the accuracy of the certifications of the SCTRCA and Mr. Sumpter advised that there was a 98% accuracy rate in the fields for the 12,000 records reviewed in the assessment; but noted there were 223 records that need updating. There were discrepancies noted; however, the certification fields related to ethnicity were accurate. The discrepancies did come into play with overlaying of fields, to include the vendor input of data as well. B. Sumpter recommended to assess the number of fields the Agency uses. The Agency staff were appropriately identifying and entering fields at that accuracy rate. M. Veliz asked about the vendor input fields for further clarification. M. Veliz thanked B. Sumpter and commented in the report referencing the Personnel, Policy and Procedure Committee meeting and inquired about its relevancy. She was concerned that she as Committee Chair has not been contacted in the process.

The Board Chair commented on the Board's desire to have a certification audit without being required to do so, seeing this as an opportunity to continue to improve the entity and its operations. The decision came after Bexar County raised the issue in December 2021 of reported errors in the Agency's database and requested an Audit for Internal Controls in the Administration of Certification Services as well as subsequent Board discussion to conduct an assessment. The Board Chair asked B. Sumpter to discuss how the decisions were reached to determine which Board members would be interviewed. The interviews began with the Ad Hoc Certification Committee and then included individuals based upon conversations with the Executive Director and information contained on the Agency's website, which included an interview with the Certification Committee Chair. The Board Chair inquired about the interviews conducted with the staff, which consisted of questions about job satisfaction. M. Robles mentioned S. Ramos' plan to have all staff cross-trained on DBE certification and the plan for a management response to the Audit Report.

The Board members discussed the next steps in the continued review of the draft report, its management response to the Audit Report and its planning of the next action steps based upon what is learned. Legal counsel recommended a Special Board meeting in order to enable the Ad Hoc Committee to meet with the Committee Chairs of the Standing Committees tasked with responsibilities related to the Audit Report and subsequent Agency action. It was also proposed that a meeting be scheduled at which the Executive Director would work with the Chairs of the committees who oversee aspects of business operations that are mentioned in the draft Certification Audit Report. Board members discussed the Committee Chairs working with the Executive Director moving forward and using resources such as TXDOT and TUCP.

B. Sumpter asked about the next steps in the process as it relates to CSI Compliance's contracted work. M. Robles explained the Board will work through its committees, working with the Executive Director to prepare a formal Management Response to the draft Certification Audit Report what will be addresses by the full Board at the January 23, 2023 Board Meeting.

R. Watson stated B. Sumpter's contract is complete, and, at the Ad Hoc Certification Committee Meeting, the Committee will prepare the Board a response in order to address any deficiencies on CSI Compliance's part. R. Watson moved to approve the Audit Report and send the report to the Ad Hoc Committee for its members to address audit concerns. The Certification Audit Report was not posted as an action item. The Board Chair asked for thoughts from the Board members on next steps. There were process questions about how Board members would pose their questions to the auditor, as they complete their review of the Audit Report. The process was explained that it is the Board's intention to provide feedback through a Management Response coming out of the January 23, 2023 Board Meeting, and that the feedback would be incorporated into the final Audit Report.

R. Watson recommended live Board training take place before the January Board meeting. Online training modules from USDOT information will be sent to the Board members. W. Applewhite asked about the initial DBE Board training versus in-person training. B. Sumpter explained the post-COVID world has changed the training opportunities.

Mr. B. Sumpter and the Board discussed the contract terms as structured versus the actual process that took place, how to finalize the report and attend to payment for services rendered. The Board discussed scheduling an Ad Hoc Committee Meeting at which the Certification Committee Chair and the Policies and Procedures Committee Chair will be included, and they will be joined by TXDOT and TUCP, who will provide guidance, as the Board addresses the Member concerns and next steps for the Agency working with the Executive Director. The Board agreed that if notice of changes to the report were not sent to CSI before the following Friday, CSI would be paid.

C. Referral of the draft Certification Audit report to standing committees:

- 1. Certifications/Appeals Committee** – The findings and recommendations from the audit report will be addressed by Ms. S. Ramos working with the committee.
- 2. Policies & Procedures/Personnel Committee** –The findings and recommendations from the audit report will be addressed by Ms. S. Ramos working with the committee.

VII. Nominations and Elections Committee Report -

- A. Briefing and Discussion of the Nominations and Elections of 2023 SCTRCA Officers** – Ms. L. Jackson advised the Board of the process for Nominations for the 2023 year and that the committee anticipated presenting a full slate of officers for consideration.

VIII. Executive Director’s Report

- A. Certification Activity Report** – Pulled.
- B. Outreach Activity Report** - Pulled.
- C. SCTRCA Entity Update** – Pulled.

IX. Future Business – None.

- X. Adjournment** – L. Jackson motioned to adjourn. The motion to adjourn was seconded by S. Nagpal. Motion carried and Meeting adjourned at 5:27 p.m.