

NUECES WATER SUPPLY CORPORATION
Minutes – Regular Meeting
December 18, 2023

Board Members Present:

Alice J. Black
Kathleen Lowman
Sherry Zimmerman
Samuel Arciniega

Board Members Absent:

None

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo

Guests Present:

Lia Clark, Water Finance Exchange
(by Zoom)

1. Call to Order.

Ms. Alice J. Black, President, called the Regular Meeting to order at 2:47 p.m. at the South Texas Water Authority Boardroom, 2302 East Sage Road, Kingsville, Texas. A quorum was present.

2. Citizen comments.

No comments from the public were made.

3. Water Finance Exchange – Review of proposed project list.

Ms. Lia Clark of Water Finance Exchange presented a review of activities over the past year relating to the master plan and financing application. She reported that STWA has been invited to apply for \$7,829,762.00 in funding at 70% grant level. Of that amount \$1,100,000 is marked for Bishop and Central Pump Station improvements on NWSC's behalf. As funding is accepted or declined by other applicants, the grant level could change. The Intention to Apply documentation has been submitted and the application deadline for the latest funding period is March of 2024. Mr. Marez added that on December 19th he will meet with representatives from the Drinking Water State Revolving Fund and TCEQ as well as Water Finance Exchange for a pre-application meeting.

4. Approval of Minutes.

Ms. Zimmerman made a motion to approve the minutes of the August 3, 2023 Regular Meeting and August 14, 2023 Special Meeting as presented. Ms. Lowman seconded. All voted in favor.

5. Treasurer's Report/Payment of Bills.

The following financial reports were presented for review and approval:

Treasurer's Report as of July 31, 2023

Account Activity for General Account for July 1, 2023 to July 31, 2023

Account Activity for Operations Account for July 1, 2023 to July 31, 2023

TEXPOOL Participant Statement for 07/01/2023 – 07/31/2023 for General Account

TEXPOOL Participant Statement for 07/01/2023 – 07/31/2023 for Security Deposit Account

Treasurer's Report as of August 31, 2023

Account Activity for General Account for August 1, 2023 to August 31, 2023

Account Activity for Operations Account for August 1, 2023 to August 31, 2023

TEXPOOL Participant Statement for 08/01/2023 – 08/31/2023 for General Account

TEXPOOL Participant Statement for 08/01/2023 – 08/31/2023 for Security Deposit Account

Treasurer's Report as of September 30, 2023

Account Activity for General Account for September 1, 2023 to September 30, 2023

Account Activity for Operations Account for September 1, 2023 to September 30, 2023

TEXPOOL Participant Statement for 09/01/2023 – 09/30/2023 for General Account

TEXPOOL Participant Statement for 09/01/2023 – 09/30/2023 for Security Deposit Account

Treasurer's Report as of October 31, 2023

Account Activity for General Account for October 1, 2023 to October 31, 2023

Account Activity for Operations Account for October 1, 2023 to October 31, 2023

TEXPOOL Participant Statement for 10/01/2023 – 10/31/2023 for General Account

TEXPOOL Participant Statement for 10/01/2023 – 10/31/2023 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S23-130	\$ 368.71
Standby By Pay reimbursement (March 30, 20203 – June 28, 2023)	

STWA Invoice S23-139	\$42,360.36
July 2023 Water Usage, Water Cost and Handling Charge	

STWA Invoice S23-140	\$18,264.22
July 2023 General and Administration	

STWA Invoice S23-144	\$11,487.87
July 2023 Taps and Repairs	

STWA Invoice S23-152	\$40,487.16
August 2023 Water Usage, Water Cost and Handling Charge	

STWA Invoice S23-153	\$18,314.94
August 2023 General and Administration	

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STWA Invoice S23-159 August 2023 Taps and Repairs	\$10,091.25
STWA Invoice S23-171 September 2023 Water Usage, Water Cost and Handling Charge	\$32,423.14
STWA Invoice S23-172 September 2023 General and Administration	\$17,965.21
STWA Invoice S23-176 September 2023 Taps and Repairs	\$13,231.85
STWA Invoice S23-189 October 2023 Water Usage, Water Cost and Handling Charge	\$29,925.70
STWA Invoice S23-190 October 2023 General and Administration	\$18,227.32
STWA Invoice S23-194 October 2023 Taps and Repairs	\$10,552.63

Ms. Zimmerman made a motion to approve the Treasurer's Report and payment of the bills as presented. Mr. Arciniega seconded and all voted in favor.

6. Fiscal Year 2023 Budget Amendments.

Ms. Wagner reviewed the proposed Fiscal Year 2023 Amended Budget which reflected a decrease in Revenues of \$123,559 and a \$45,920 increase in Total Expenses for a Net Loss of \$412,367. She explained that Water Sales and Water Purchases line items were reduced significantly because these amounts are based on 5-year averages but the detention center has reduced consumption tremendously since installing water conservation devices. The projected amount was reduced to account for this drop in usage. Additionally, the professional services line item was increased due to legal and engineering work related to Tesla and TexIsle. Repairs and Maintenance was also increased to cover expenses related to replacement of the 8-inch pipe running under Highway 77 at CR 4 in Bishop. Although the final amount has not yet been invoiced, \$75,000 was added to this line item. Mr. Arciniega made a motion to approve the amendments as presented. Ms. Lowman seconded. All voted in favor.

7. Proposed Fiscal Year 2024 Budget and retail water rates

Ms. Wagner presented the proposed Fiscal Year 2024 Budgets based on the current rates as well as three additional scenarios based on various monthly minimums and tier rates. After reviewing the options Ms. Lowman made a motion to accept Option B which increases the monthly minimum on a 5/8" meter from \$31.50 to \$32.00 and increases the water rate for all tiers by 46 cents. Mr. Arciniega seconded the motion and all were in favor.

8. Resolution 23-04. Resolution adopting the recommended Fiscal Year 2024 Budget.

Ms. Lowman made a motion to adopt Resolution 23-04 increasing the monthly minimum on a 5/8" meter from \$31.50 to \$32.00 and the water rate by 46 cents for all tiers. Ms. Zimmerman seconded and all voted in favor.

9. John Womack & Co., P.C. Letter of Engagement for Auditor Services.

Mr. Marez presented the John Womack & Co., P.C. Letter of Engagement for auditor services for the fiscal year ending December 31, 2023 with a cost of \$6,750. Ms. Zimmerman made a motion to accept the engagement letter for FY 2023 audit services with John Womack & Co., P.C. in the amount of \$6,750. Mr. Arciniega seconded and all voted in favor.

10. Annual Meeting Schedule and Election Procedures.

Mr. Marez stated that per State requirements, the Board must review Election Procedures for the Annual Membership meeting. The only position up for election in 2024 is the one that is currently vacant. He also presented the timeline and schedule for the 2024 Annual Membership Meeting and asked for approval to proceed with the schedule. Ms. Zimmerman made a motion to approve the recommended timeline and mailing of the presented documents for the 2024 Annual Membership Meeting. Mr. Arciniega seconded and all voted in favor.


11. Authorization for DOXO, an independent payment firm not affiliated with Nueces Water Supply Corporation, to have access to NWSC's bank account at Kleberg Bank to send payment by ACH for customer using their site.

Ms. Wagner presented a doxoDIRECT Authorization agreement and a WarehamWeektoday.com article alerting readers against using doxo services. She stated that a doxo representative reached out to her for authorization to process payments on behalf of NWSC customers. She explained to the Board that some customers have used the doxo payment website without realizing that doxo is not associated with the Corporation and have been disappointed when their payments are not processed in a timely manner. Payments received from doxo can take up to 10 days to process. After discussion, Ms. Lowman made a motion to decline entering into the doxo agreement. Ms. Zimmerman seconded and all voted in favor.

12. Adjournment.

With no further business to conduct, Ms. Zimmerman made a motion to adjourn the meeting at 4:10 p.m. Ms. Lowman seconded the motion. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary