

NUECES WATER SUPPLY CORPORATION

Minutes – Regular Meeting
February 26, 2018

Board Members Present:

Alice J. Black
Donald Lundmark
Sherry Zimmerman

Board Members Absent:

Mike Benton
Ruth Ann Smith

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Jacob Hinojosa

Guests Present:

None

1. Call to Order.

Ms. Alice J. Black, President, called the Regular Meeting to order at 10:00 a.m. at the South Texas Water Authority Boardroom, 2302 East Sage Road, Kingsville, Texas. A quorum was present.

2. Citizen comment.

Ms. Black opened the floor for citizen comments. No comments from the public were made.

3. Approval of Minutes.

Mr. Lundmark made a motion to approve the minutes of the January 8, 2018 Regular Meeting as presented. Ms. Zimmerman seconded the motion. All voted in favor.

4. Treasurer's Report/Payment of Bills.

The following financial reports were presented for the Board's review and approval:

Treasurer's Report as of December 31, 2017

Treasurer's Report as of January 31, 2018

Account Activity for General Account for December 1, 2017 to December 31, 2017

Account Activity for General Account for January 31, 2018 to January 31, 2018

Account Activity for Operations Account for December 1, 2017 to January 31, 2018

TEXPOOL Participant Statement for 12/01/2017 – 12/31/2017 for General Account

TEXPOOL Participant Statement for 12/01/2017 – 12/31/2017 for Security Deposit Account

TEXPOOL Participant Statement for 01/01/2018 – 01/31/2018 for General Account

TEXPOOL Participant Statement for 01/01/2018 – 01/31/2018 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S18-008 December 2017 Water Usage, Water Cost and Handling Charge	\$31,997.15
STWA Invoice S18-009 December 2017 General and Administration	\$13,223.68
STWA Invoice S18-010 December 2017 Taps and Repairs	\$ 2,805.00
STWA Invoice S18-013 Payroll expense for Part-time Employee for October, November and December 2017	\$ 1,534.34
STWA Invoice S18-015 Payroll expense for Stand By for October 4, 2017 through December 27, 2017	\$ 363.09
STWA Invoice S18-017 Reimburse for T-1 circuit (09/19/2017 through 12/19/2017)	\$ 355.66
STWA Invoice S18-025 January 2018 Water Usage, Water Cost and Handling Charge	\$37,454.22
STWA Invoice S18-026 January 2018 General and Administration	\$13,580.14
STWA Invoice S18-028 January 2018 Taps and Repairs	\$ 7,327.60

Mr. Lundmark made a motion to approve the Treasurer's Report and payment of the bills as presented. The motion was seconded by Ms. Zimmerman. All voted in favor.

5. NWSC Annual Membership Meeting.

- Selection of Election Auditor
- Approval of agenda and meeting packet for Annual Membership Meeting
- Resolution 18-03. Resolution declaring unopposed candidates of Nueces Water Supply Corporation elected.

Ms. Serrato reported that only one nomination was received by the February 19th deadline. She added that since there is one position up for election, the Board can adopt Resolution 18-03 declaring the one candidate, Donald Lundmark, elected. She added that the Annual Membership Meeting is scheduled for April 10th but since no election will be held, appointment of an election auditor is not needed. The Board reviewed the meeting notice and agenda. Ms. Zimmerman made a motion to approve the agenda and meeting packet for the Annual Membership Meeting.

Mr. Lundmark seconded and all voted in favor. Ms. Zimmerman then made a motion to adopt Resolution 18-03, Mr. Lundmark seconded and all voted in favor.

6. Bishop Courts apartment complex south of FM 70 on east side of US 77/I 69.

Ms. Serrato reported that she was recently contacted by Mr. Stewart Rutledge, a Mississippi attorney who is the owner and developer of Bishop Courts. Mr. Rutledge has also contacted Bill Flickinger's office and has requested conference calls through City of Bishop City Secretary Cynthia Contreras. Mr. Flickinger has declined to participate in a conference call with Mr. Rutledge and stated that he did not feel it was appropriate to have conference calls between NWSC and the City of Bishop without participation from the City's legal counsel. Ms. Serrato stated that she explained to Ms. Contreras the proper legal process for the City to provide service to Bishop Courts although Mr. Rutledge has told Ms. Contreras that it is not necessary to follow those steps of the process if all parties are in agreement. She added that Bishop Mayor Tem Miller has been in contact with both STWA Bishop Directors in order to expedite the process although this is not a South Texas Water Authority matter. Ms. Zimmerman made a motion to deny forgoing the legal process and to follow the PUC requirements for the City of Bishop to serve Bishop Courts. Mr. Lundmark seconded. All voted in favor. Ms. Serrato also noted that Bishop Courts representatives have been made aware of another potential customer, Aqua Texas/Golden Acres, that may have an impact on available capacity.

7. Nueces County Application to the Texas Water Development Board for facilities to serve the Cyndie Park II WSC and Banquete Pump Station Improvements.

- Cyndie Park II WSC/PUC sale, transfer, merger application
- Cyndie Park I Water Coop/PUC sale, transfer, merger application

Ms. Serrato presented the contract between NWSC and Cyndie Park II WSC which was recently approved by the Cyndie Park II WSC Board. The NWSC Board approved the contract previously and the information is provided only as a report. She added that she is awaiting some figures from the Nueces County Grant Administration office for the two PUC applications to be submitted for the Transfer/Merger of the Cyndie Park 1 and Cyndie Park 2 CCNs. She also reported that Nueces County has opened bids for the waterline portion of the project and Mercer Controls was the lowest bidder. In addition she expects engineering plans for the pump station improvements in Banquete to be available in the near future.

8. All matters pertaining to NWSC waterline adjustments for TxDOT Relief Route in Driscoll, Texas.

Ms. Serrato reported that final design of the overpasses is underway, easement acquisition work has begun, and the title information has been provided to Bill Flickinger, Willatt and Flickinger, in order to have the easements drafted. In addition, forms have been provided by TxDOT's consultant, Gregg Lane with TNP, which will need to be submitted. Ms. Serrato explained that a set of forms will be required for each of the two affected areas.

9. Request from AquaTexas to provide service to Golden Acres.

Ms. Serrato stated that Brent Reeh of Aqua Texas has again contacted her about having NWSC provide 100% of the Golden Acres subdivision's water needs. She informed Mr. Reeh that the previous analysis would need to be updated and he indicated that Aqua Texas is prepared to pay for those services. She presented a proposal from Walker Partners in the amount of \$10,900 for Aaron Archer, Walker Partners, to perform the update on the analysis. She stated that it is unclear if Aqua Texas is seeking to eliminate use of their facilities and have NWSC feed the system directly or if they are willing to install upgrades in order for NWSC to take over the system. She added that the subdivision includes 68 lots with a potential for 100 connections. Ms. Serrato recommended approval of the Walker Partners proposal contingent upon having Aqua Texas pay \$10,900 up front for the proposal. Mr. Lundmark made a motion as recommended. Ms. Zimmerman seconded. All voted in favor.

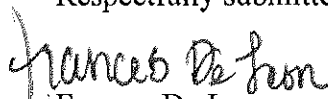
10. Amendment No. 1 to Agreement between Nueces Water Supply Corporation and Walker Partners, LLC for Professional Engineering Services.

Ms. Serrato stated that the Corporation has been using the services of Aaron Archer with Walker Partners to perform developer analyses. She added that at this time the amount of available funds on the agreement are either used or close to being used and recommended approval of Amendment No. 1 to the agreement to replenish the available funds to an amount not to exceed \$2,000. Mr. Lundmark made a motion to approve Amendment No. 1 to the Agreement between Nueces Water Supply Corporation and Walker Partners, LLC. Ms. Zimmerman seconded. All voted in favor.

11. Adjournment.

With no further business to conduct, Ms. Zimmerman made a motion to adjourn the meeting at 10:39 a.m. Mr. Lundmark seconded. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary