

NUECES WATER SUPPLY CORPORATION

Minutes – Regular Meeting
April 10, 2018

Board Members Present:

Alice J. Black
Donald Lundmark
Ruth Ann Smith
Sherry Zimmerman

Board Members Absent:

Mike Benton

Staff Present:

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

Guests Present:

Tony Vargas, Winters Construction
Nathan Garza, City of Bishop
Council Member

1. Call to Order.

Ms. Alice J. Black, President, called the Regular Meeting to order at 10:15 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. Election of officers.

Ms. Zimmerman made a motion to re-elect the current slate of officers. Ms. Smith seconded. All voted in favor.

The slate of officers remains as follows:

President – Alice Black
Vice-President – Mike Benton
Secretary/Treasurer – Ruth Ann Smith

4. Approval of Minutes.

Mr. Lundmark made a motion to approve the minutes of the February 26, 2018 Regular Meeting as presented. Ms. Zimmerman seconded the motion. All voted in favor.

5. Treasurer's Report/Payment of Bills.

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

Treasurer's Report as of February 28, 2018

Account Activity for General Account for February 1, 2018 to February 28, 2018

Account Activity for Operations Account for February 1, 2018 to February 28, 2018

TEXPOOL Participant Statement for 02/01/2018 – 02/28/2018 for General Account

TEXPOOL Participant Statement for 02/01/2018 – 02/28/2018 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S18-039 \$31,621.84

February 2018 Water Usage, Water Cost and Handling Charge

STWA Invoice S18-040 \$13,791.74

February 2018 General and Administration

STWA Invoice S18-042 \$ 4,860.00

February 2018 Taps and Repairs

STWA Invoice S18-055 \$ 1,859.96

Payroll expense for Part-time Employee for January, February and March 2018

STWA Invoice S18-057 \$ 366.59

Payroll expense for Stand By for January 3, 2018 through March 28, 2018

STWA Invoice S18-059 \$ 355.66

Reimburse for T-1 circuit (01/19/2018 through 03/19/2018)

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

6. Appointment of Credentials Committee.

Ms. Zimmerman made a motion to appoint Mr. William Staff, Mr. Lundmark and Ms. Smith to the Credentials Committee. Mr. Lundmark seconded the motion. All voted in favor.

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

Ms. Serrato stated that legal counsel Bill Flickinger has advised that since the City of Bishop has furnished notice of their intent to provide water service to Bishop Courts, negotiations can now begin with the City. She has been working on an analysis of the possible loss of revenue resulting from the City serving Bishop Court. She is using factors such as Texas Water Development Board per capita usage for multi-family residential connections, the monthly

minimum on a 2-inch meter and 80% occupancy of the 64-unit complex to estimate a monthly bill for the complex and then deducting the cost from STWA to estimate the loss of revenue for Mr. Flickinger's review. Ms. Smith made a motion to proceed with negotiations with the City of Bishop. Mr. Lundmark seconded. All voted in favor.

8. 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 stated that progress continues on the two PUC applications to be submitted for the Transfer/Merger of the Cyndie Park 1 and Cyndie Park 2 CCNs. She does not expect that the PUC will deny the applications.

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

Ms. Serrato reported that another meeting to discuss the Driscoll relief route is scheduled for April 18th at 1:30 p.m. She has also been in contact with Eric Villarreal of LNV Engineering regarding the project. She added that she was contacted by TxDOT's consultant, Gregg Lane of TNP, who requested a status update and asked if the City of Driscoll has provided information on transferring service of two residential customers located on the north side of FM 665. Ms. Serrato responded that NWSC has not been contacted about those customers.

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

Ms. Serrato stated that Brent Reeh of AquaTexas has indicated that it is not a problem for NWSC to invoice AquaTexas directly for Walker Partners' update on the analysis to service Golden Acres. She also questioned Mr. Reeh about the number of connections and he agreed that the analysis should be based on 100 connections. Aaron Archer, Walker Partners, has indicated that the update should take about one month and should be billed to NWSC under one invoice. NWSC will then be able to invoice AquaTexas for reimbursement of the work. Ms. Serrato added that Mr. Reeh has informed her that the intention is for the system to continue operating in the same manner but with a regular sized meter with no flow restrictor. He also mentioned that although another well had been dug, the quality of the water was not good. The Board consensus was to proceed with the analysis and then invoice AquaTexas.

11. Mercer Controls, Inc. quote for probe control system upgrades at the Central and Sablatura Park Pump Stations.

Ms. Serrato presented a quote from Mercer Controls, Inc. for replacement of two pressure control systems – one for the Central Pump Station and the other for the Sablatura Park Pump Station. The instrumentation to be replaced is from the original installation in 1986. The parts are no longer available and the company that originally manufactured the system no longer exists. The cost to replace each system is \$5,708 for a total of \$11,416. Mr. Lundmark made a

motion to approve the bid from Mercer Controls, Inc. for replacement of the pressure control systems at both pump stations for a total of \$11,416. Ms. Smith seconded. All voted in favor.

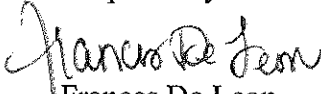
12. Diamond Enterprise, Inc. quote for interior painting of the Driscoll hydropneumatic tank.

Ms. Serrato stated that TCEQ requires inspection of the interior of hydropneumatic tanks every five years. The inspection was completed recently and the Driscoll hydropneumatic tank showed rusting in some areas after being cleaned out by South Texas Pressure Systems. Ms. Serrato presented a quote from Diamond Enterprise, Inc. in the amount of \$19,900 for interior painting of the tank. She added that she compared the cost per square foot on the quote to cost of previous work done by Diamond Enterprise. The quoted price results in a cost of \$22.95 per square foot compared to previous costs ranging from \$20.84 to \$24.09 per square foot. Ms. Zimmerman made a motion to approve the Diamond Enterprise, Inc. quote for interior painting of the Driscoll hydropneumatic tank in the amount of \$19,900. Mr. Lundmark seconded. All voted in favor.

13. Adjournment.

With no further business to conduct, Ms. Smith made a motion to adjourn the meeting at 10:42 a.m. Ms. Zimmerman seconded. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary