

NUECES WATER SUPPLY CORPORATION

Minutes – Regular Meeting
June 20, 2018

Board Members Present:

Alice J. Black
Mike Benton
Ruth Ann Smith
Donald Lundmark
Sherry Zimmerman

Board Members Absent:

None

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 10:01 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. Benton made a motion to approve the minutes of the April 10, 2018 Regular Meeting as presented. Mr. Lundmark 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 March 31, 2018

Treasurer's Report as of April 30, 2018

Treasurer's Report as of May 31, 2018

Account Activity for General Account for March 1, 2018 to March 31, 2018

Account Activity for General Account for April 1, 2018 to April 30, 2018

Account Activity for General Account for May 1, 2018 to May 31, 2018

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Account Activity for Operations Account for March 1, 2018 to March 31, 2018

Account Activity for Operations Account for April 1, 2018 to April 30, 2018

Account Activity for Operations Account for May 1, 2018 to May 31, 2018

TEXPOOL Participant Statement for 03/01/2018 – 03/31/2018 for General Account

TEXPOOL Participant Statement for 03/01/2018 – 03/31/2018 for Security Deposit Account

TEXPOOL Participant Statement for 04/01/2018 – 04/30/2018 for General Account

TEXPOOL Participant Statement for 04/01/2018 – 04/30/2018 for Security Deposit Account

TEXPOOL Participant Statement for 05/01/2018 – 05/31/2018 for General Account

TEXPOOL Participant Statement for 05/01/2018 – 05/31/2018 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S18-050	\$38,110.55
March 2018 Water Usage, Water Cost and Handling Charge	

STWA Invoice S18-051	\$16,821.15
March 2018 General and Administration	

STWA Invoice S18-053	\$14,368.90
March 2018 Taps and Repairs	

STWA Invoice S18-069	\$38,748.64
April 2018 Water Usage, Water Cost and Handling Charge	

STWA Invoice S18-070	\$13,359.62
April 2018 General and Administration	

STWA Invoice S18-072	\$16,542.94
April 2018 Taps and Repairs	

STWA Invoice S18-081	\$46,960.65
May 2018 Water Usage, Water Cost and Handling Charge	

STWA Invoice S18-082	\$13,867.05
May 2018 General and Administration	

Diamond Enterprise, Inc.	\$19,900.00
Interior Painting of Driscoll 10,000 Gallon Hydropneumatic Tank	

LNV, Inc.	\$17,875.00
Professional Services – Driscoll Bypass Waterline Adjustment	

Willatt & Flickinger, Attorneys at Law	\$ 2,426.80
Professional Services – April 2018	

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Willatt & Flickinger, Attorneys at Law \$ 3,887.00
Professional Services – May 2018

STWA Invoice S18-084 \$ 6,282.50
May 2018 Taps and Repairs

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

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

Ms. Serrato reported that since the last meeting, the City of Bishop has enlisted the services of attorney Ken Fields. Bill Flickinger, Willatt and Flickinger, recommended making an offer to the City in terms of compensation for the loss of potential customers and releasing the Bishop Courts portion of the CCN. The offer is in the amount of \$45,086.65 and is based on the net income, a percentage of occupancy, the monthly minimum of a commercial size meter, estimated gallons per day per unit based on Texas Water Development Board data and a ten year period. Mr. Fields has acknowledged receipt of the letter and indicated that the City is reviewing and working on the matter.

In addition, Mr. Wesley Rogers contacted her on behalf of the City of Bishop to discuss the Bishop Courts situation. They discussed the PUC process, the available facilities, the chronology of the Bishop Courts' cost analysis and NWSC's position regarding fair compensation for the loss of revenues and CCN area. Mr. Rogers appeared to understand the Corporation's position. Ms. Serrato stated that she would keep the Board updated on the matter.

6. 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

6a. Authorization for Board President and Corporation Attorneys to File and Process an Application with the Public Utility Commission of Texas to Amend the Corporation's Water CCN No. 11948 to include the area contained in the Water CCN No. 12107 held by Cyndie Park Unit 1 Water Co-op and to Cancel Water CCN No. 12107 and Authorization to the Corporation's Attorneys to Withdraw the Prior Application Filed by the Corporation with the Public Utility Commission of Texas which was an Application for Sale, Transfer, or Merger of Cyndie Park Unit 1 Water Co-op Facilities and Certificate Rights designated at Docket No. 48372.

Ms. Serrato presented an Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity. She explained that because there is no way of reaching anyone from Cyndie Park I (CPI) in order to enter into an agreement, the CPI application was rejected. Mr. Flickinger's office will need to file a motion to withdraw the previously submitted application and file a different application. Ms. Serrato requested authorization to file the

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity and to withdraw the prior application. Mr. Lundmark made a motion to authorize both actions, Ms. Smith seconded and all voted in favor.

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

Ms. Serrato reported that the metes and bounds descriptions that will be used for the easements that will be acquired are all that is needed from LNV Engineering. Once the information is provided, the project should move forward beginning with advertising for bids for the relocation of NWSC's waterlines. No action was taken by the Board.

8. Request from AquaTexas to provide service to Golden Acres and Golden Acres Distribution Modeling and Technical Memorandum, Walker Partners.

Ms. Serrato stated that after the Board approved the Walker Partners' proposal to update the analysis for 100% of Golden Acres' subdivision needs, information from the Corporation's distribution computer model was provided to Aaron Archer of Walker Partners. A Draft Technical Memorandum (TM) was then provided by Daniel Frazer of Walker Partners. However, there was an oversight on adding the necessary connections to the computer model to loop the line on CR 77 which will likely affect the scenarios. Ms. Serrato stated that that the Board has the option to wait to review a revised TM and then provide it to Aqua Utilities, or to authorize staff to forward the report contingent upon the necessary changes being made. Ms. Smith made a motion to authorize sending the revised Technical Memorandum to Aqua Utilities once it is received. Mr. Benton seconded. All voted in favor.

9. Amended Nueces Water Supply Corporation Water Conservation and Drought Contingency Plan.

Ms. Serrato presented the proposed amended NWSC Water Conservation and Drought Contingency Plan which was prepared in response to the City of Corpus Christi amending its Drought Plan to remove one of the stages and change the trigger levels. She added that the STWA Board of Directors approved an amended STWA Water Conservation and Drought Contingency Plan which was provided to STWA's wholesale customers. The amended NWSC Water Conservation and Drought Contingency Plan reflects the City's changes. She recommended approving Resolution 18-05 adopting the Amended Water Conservation and Drought Contingency Plan.

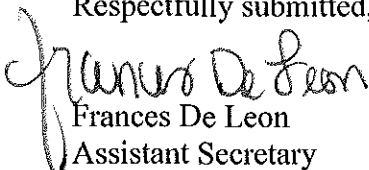
10. Resolution 18-05. Resolution adopting the Amended Nueces Water Supply Corporation Water Conservation and Drought Contingency Plan.

Mr. Benton made a motion to adopt Resolution 18-05 approving the Amended Nueces Water Supply Corporation Water Conservation and Drought Contingency Plan. Mr. Lundmark seconded. All voted in favor.

11. Adjournment.

With no further business to conduct, Ms. Black adjourned the meeting at 10:23 a.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary