

NUECES WATER SUPPLY CORPORATION

Minutes – Regular Meeting
February 28, 2019

Board Members Present:

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

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances De Leon
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 comments.

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 November 26, 2018 Regular Meeting as presented. Mr. Benton 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 November 30, 2018

Treasurer's Report as of December 31, 2018

Treasurer's Report as of January 31, 2019

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

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

Account Activity for General Account for January 1, 2019 to January 31, 2019

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

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

Account Activity for Operations Account for January 1, 2019 to January 31, 2019
TEXPOOL Participant Statement for 11/01/2018 – 11/30/2018 for General Account
TEXPOOL Participant Statement for 11/01/2018 – 11/30/2018 for Security Deposit Account
TEXPOOL Participant Statement for 12/01/2018 – 12/31/2018 for General Account
TEXPOOL Participant Statement for 12/01/2018 – 12/31/2018 for Security Deposit Account
TEXPOOL Participant Statement for 01/01/2019 – 01/31/2019 for General Account
TEXPOOL Participant Statement for 01/01/2019 – 01/31/2019 for Security Deposit Account
TexSTAR General Account Statement for 11/01/2018 – 11/30/2018
TexSTAR General Account Statement for 12/01/2018 – 12/31/2018
TexSTAR General Account Statement for 01/01/2019 – 01/31/2019

The following bills were presented for payment:

STWA Invoice S18-160 October 2018 Water Usage, Water Cost and Handling Charge	\$37,949.37
STWA Invoice S18-161 October 2018 General and Administration	\$13,428.16
STWA Invoice S18-163 October 2018 Taps and Repairs	\$ 3,520.00
Willatt & Flickinger, PLLC Attorneys At Law November Legal Services	\$ 2,244.20
STWA Invoice S18-172 November 2018 Water Usage, Water Cost and Handling Charge	\$37,958.49
STWA Invoice S18-173 November 2018 General and Administration	\$13,749.64
STWA Invoice S18-175 November 2018 Taps and Repairs	\$ 2,225.00
STWA Invoice S19-008 December 2018 Water Usage, Water Cost and Handling Charge	\$39,455.47
STWA Invoice S19-009 December 2018 General and Administration	\$14,150.66
STWA Invoice S19-011 December 2018 Taps and Repairs	\$ 7,041.70
STWA Invoice S19-014 Payroll expense for Part-time Employee for October, November and December 2018	\$ 1,626.14

STWA Invoice S19-016 \$ 363.46
Payroll expense for Stand By for September 26, 2018 through December 26, 2018

STWA Invoice S19-018 \$ 330.75
Reimburse for Fiber optic phone service (10/19/2018 through 12/19/2018)

STWA Invoice S19-027 \$39,267.78
January 2018 Water Usage, Water Cost and Handling Charge

STWA Invoice S19-028 \$15,328.32
January 2018 General and Administration

STWA Invoice S19-030 \$ 7,411.15
January 2018 Taps and Repairs

Mr. Benton 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.

5. NWSC Annual Membership Meeting.
- Selection of Election Auditor
 - Approval of agenda and meeting packet for Annual Membership Meeting
 - **Resolution 19-01. Resolution declaring unopposed candidates of Nueces Water Supply Corporation elected.**

Ms. Serrato reported that only two nominations were received by the February 18th deadline. She added that since there are two positions up for election, the Board can adopt Resolution 19-01 declaring the two candidates, Ruth Ann Smith and Sherry Zimmerman, elected. She added that the Annual Membership Meeting is scheduled for April 9th but since no election will be held, appointment of an election auditor is not needed. The Board reviewed the meeting notice and agenda. Mr. Benton made a motion to adopt Resolution 19-01 and to approve the agenda and meeting packet for the Annual Membership Meeting. Ms. Smith seconded and all voted in favor.

6. Cyndie Park Projects – 4” Transmission Line and New Banquette Pump Station.

Ms. Serrato reported that work continues on the Cyndie Park I application to the Texas Public Utility Commission. She explained that a new application has been completed and will be refiled with the PUC shortly. The application for Cyndie Park II is 100% completed. Nueces County should be able to perform the tie-in to the 4” line leading to Cyndie Park. However, response to the membership and annexation paperwork sent to the customers has been very poor. The letters explaining the process for becoming a NWSC member and requesting annexation have been sent out twice and there have only been three responses. Ms. Serrato has discussed a timeline for the final tie-in with legal counsel Bill Flickinger and how to address the lack of service agreements. An option is to connect the service, send a third letter explaining the needed action and following up with a fourth letter of disconnection if no response is received. After further discussion, Ms.

Zimmerman made a motion to authorize completion of the tie-in and sending a follow up cutoff letter if the customers do not comply. Mr. Benton seconded the motion. All voted in favor.

7. All matters pertaining to NWSC waterline adjustments for TxDOT Relief Route in Driscoll, Texas.
 - Resolution 19-02. Resolution awarding the contract for relocation of 3" waterline – south end.

Ms. Serrato reported that bids for relocation of the waterline at the south end of the Driscoll Relief Route were opened on February 18, 2019 and ranged from a low of just under \$50,000 to a high of about \$100,000. Eric Villarreal of LNV has review the bids and recommends awarding the contract to Artillery LLC of Edinburg, Texas in the amount of \$49,616. Mr. Benton moved to adopt Resolution 19-02 awarding the bid to Artillery, LLC in the amount of \$49,616. The motion was seconded by Ms. Smith and passed unanimously.

8. Walker Partners Proposal for Turnkey Engineering Service related to wholesale water service for AquaTexas to provide service to Golden Acres including but not limited to design of necessary waterline(s), easement acquisition, bid advertisement and construction inspection.

Ms. Serrato reported that Brent Reeh, AquaTexas, has not responded to her latest email regarding this project. She added that without a commitment from AquaTexas this project is on hold.

9. City of Bishop Revised Water Supply Contract – License Agreement for Bishop East PS Property.

Ms. Serrato stated that after the Board approved the License Agreement between the City of Bishop and NWSC for use of the Bishop East Pump Station property, the agreement was provided to the City. South Texas Water Authority also approved and provided a License Agreement with the City of Bishop; however, the City did not approve either agreement and provided a revised agreement to STWA. Legal counsel Bill Flickinger reviewed the City's revised agreement, made changes and South Texas Water Authority approved the modified agreement which was sent to the City, but there has been no response from the City to the latest version. Ms. Serrato presented a revised License Agreement containing the provisions included by the City and Mr. Flickinger's recommended changes. She added that the City has objections to sections IV and IX but has not provided specific details on the objections. Mr. Benton made a motion to approve the revised License Agreement with the City of Bishop. The motion was seconded by Mr. Lundmark and passed with all voting in favor.

10. Replacement of Remote Read Meter and/or Registers.

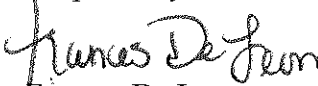
Ms. Serrato stated that as requested by the Board, staff contacted references for the Mueller system and received positive reviews from all. One of the references contacted uses both Mueller Mi.Net and HydroPro. His system is transitioning from HydroPro AMR to Mueller

AMI, which transmits data via radio signals and does not require driving by. He has been very pleased with this new AMI system. In addition, opening and closing meters can be done from the office. As a result of his feedback, Ms. Serrato contacted Roger Swain of SDI to request information on an AMI system. Mr. Swain agreed to have a propagation study of NWSC's service area performed which should take one to two weeks to complete. Ms. Serrato provided a prioritized list of subdivisions to potentially change out and added that the changeover can be done in sections. She added that the meters have a 20-year warranty but are fully warranted for only ten years. The Board consensus is to wait for further information and completion of the propagation study before taking further action.

11. Adjournment.

With no further business to conduct, Ms. Zimmerman made a motion to adjourn the meeting at 11:11 p.m. Mr. Lundmark seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary