

NUECES WATER SUPPLY CORPORATION

Minutes – Regular Meeting
March 3, 2020

Board Members Present:

Alice J. Black
Mike Benton
Donald Lundmark
Ruth Ann Smith

Board Members Absent:

Sherry Zimmerman

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner

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 December 9, 2019 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, 2019

Treasurer's Report as of December 31, 2019

Treasurer's Report as of January 31, 2020

Account Activity for General Account for November 1, 2019 to November 30, 2019

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

Account Activity for General Account for January 1, 2020 to January 31, 2020

Account Activity for Operations Account for November 1, 2019 to November 30, 2019

Account Activity for Operations Account for December 1, 2019 to December 31, 2019

Account Activity for Operations Account for January 1, 2020 to January 31, 2020

NWSC Regular Meeting Minutes

March 3, 2020

Page 2

TEXPOOL Participant Statement for 11/01/2019 – 11/30/2019 for General Account
TEXPOOL Participant Statement for 11/01/2019 – 11/30/2019 for Security Deposit Account
TexSTAR General Account Statement for 11/01/2019 – 11/30/2019
TEXPOOL Participant Statement for 12/01/2019 – 12/31/2019 for General Account
TEXPOOL Participant Statement for 12/01/2019 – 12/31/2019 for Security Deposit Account
TexSTAR General Account Statement for 12/01/2019 – 12/31/2019
TEXPOOL Participant Statement for 01/01/2020 – 01/31/2020 for General Account
TEXPOOL Participant Statement for 01/01/2020 – 01/31/2020 for Security Deposit Account
TexSTAR General Account Statement for 01/01/2020 – 01/31/2020

The following bills were presented for payment:

STWA Invoice S19-182A November 2019 Water Usage, Water Cost and Handling Charge	\$45,465.01
STWA Invoice S19-183A November 2019 General and Administration	\$15,149.75
STWA Invoice S19-183 November 2019 Taps and Repairs	\$10,417.50
STWA Invoice S20-008 December 2019 Water Usage, Water Cost and Handling Charge	\$43,672.89
STWA Invoice S20-009 December 2019 General and Administration	\$16,770.70
STWA Invoice S20-011 December 2019 Taps and Repairs	\$ 7,392.50
STWA Invoice S20-013 Payroll expense for Part-time Employee for October, November and December 2019	\$ 1,636.01
STWA Invoice S20-015 Payroll expense for Stand By for September 25, 2019 through December 25, 2019	\$ 367.46
STWA Invoice S20-017 Reimburse for Fiber optic phone service (09/19/19 through 12/19/19) and High Touch Technology support (10/01/19 through 12/31/19)	\$ 990.10
STWA Invoice S20-028 January 2020 Water Usage, Water Cost and Handling Charge	\$45,720.19
STWA Invoice S20-029 January 2020 General and Administration	\$17,703.85

STWA Invoice S20-031
January 2020 Taps and Repairs

\$ 5,223.75

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 20-01. Resolution declaring unopposed candidates of Nueces Water Supply Corporation elected.

Ms. Serrato reported that only two nominations were received by the February 24th deadline. She added that since there are two positions up for election, adoption of Resolution 20-01 will declare the two candidates, Alice Black and Mike Benton, elected. She added that the Annual Membership Meeting is scheduled for April 14th 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 20-01 and to approve the agenda and meeting packet for the Annual Membership Meeting. Mr. Lundmark seconded and all voted in favor.

6. New Banquete Pump Station and existing pumps in existing pump station.

Ms. Serrato reported that Nueces County has awarded the bid for construction of the new Banquete Pump Station to JS Haren and is waiting for final approval from the Texas Water Development Board. A preconstruction conference will occur after final approval is received and notice to proceed should be issued at that time. The contract time is 240 days from the notice to proceed. Ms. Serrato added that a portable building has been purchased for storage of NWSC's inventory because the existing building will be used for the new Banquete Pump Station. Ms. Serrato asked for Board's opinion about seeking a reimbursement from STWA for the existing pumps which will no longer be used by NWSC but will be needed by Banquete. She explained that NWSC paid \$65,000 for a 2009 improvement project on the pumps which have now depreciated 25%. Ms. Black suggested approaching STWA on what type of offer their Board is willing to make. Ms. Serrato stated that she would inform the STWA Board that NWSC is not opposed to selling the pumps but prefers to see what STWA offers first.

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

Ms. Serrato reported that both the north and south sections have been completed and a request for reimbursement on the south portion has been submitted to TxDOT and is being processed. She stated that there had been some delays on the north section of the project. As reported at the previous meeting an invoice in the amount of \$1,857.42 had been submitted to Bridges Specialties due to additional work that had to be done in-house because Bridges did not complete work on schedule to avoid interference with the road construction schedule. Another invoice

was issued in the amount of \$467.50 due to more delays. In addition, since the road construction had to proceed, there were sections that could not be open cut and instead required boring which resulted in a change order in the amount of \$97,798. This amount should be reimbursable but a Supplemental Agreement will be required. She presented Pay Estimates 2, 3 and 4 and recommended release of payment contingent on all necessary paperwork being submitted and withholding \$2,324.92 from final payment if the two outstanding invoices have not been paid. Mr. Benton made a motion to approve the recommendation. Mr. Lundmark seconded. All voted in favor.

8. Proposed Project and Revised Water Supply Contract with AquaTexas to provide service to Golden Acres.

Ms. Serrato presented the latest version of the proposed contract with AquaTexas for service to Golden Acres. She stated that with the exception of two items, one dealing with the Logics bill format and the other regarding the Federal Flood Insurance Program, she and legal counsel, Bill Flickinger, believe that the NWSC's requirements are covered in this latest version. She stated that the Board could approve the contract contingent on the installation of the waterline, meter and flow regulator and notify AquaTexas that the contract will be executed with the completion of the project. Mr. Benton made a motion to inform AquaTexas that NWSC is ready to move forward and the contract will be executed with the completion of the project. Mr. Lundmark seconded. All voted in favor.

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

Ms. Serrato stated that the STWA Board will be meeting today at noon to discuss the Water Supply Contract with the City of Bishop. She explained that the contract was previously approved by STWA, but legal counsel had advised not to execute it until a license agreement for the Bishop East Pump Station Property was finalized. During negotiations it was recently discovered that the City rescinded their approval of the Water Supply Contract. Further discussion resulted in City representatives stating that if STWA signs the contract, the City will sign it upon receipt and that they should be able to execute a permanent easement within ninety days. Ms. Serrato informed the Board that once this occurs an easement between the City and NWSC should follow. The Board took no action.

10. Update on Replacement of Remote Read Meters and/or Registers.

Ms. Serrato reported that replacement of the meters is almost entirely complete and the project went well. However, two 3/4" meters remain to be replaced. In addition, about twenty meters were not installed by PMI because of small issues. These were installed by NWSC and the charges will be adjusted for the installations that were not performed by PMI.

11. NEC Power Factor/Demand Charge and quote from C.C. Electric for Variable Frequency Drive Controllers and Motors at Central Pump Station.

Ms. Serrato reported that NEC has begun assessing a demand charge for customers with a power factor less than 95% which has resulted in an increase in electric charges. She received information from NEC that a capacitor could be installed between the motor and controls to correct the problem. However, the electric company familiar with the pump stations has indicated they would not be able to provide a quote. Staff contacted Corpus Christi Electric Company and CD Electric about possible ways to correct the problem but the quotes received are very costly. Ms. Serrato stated that no action is required at this time but she wanted to make the Board aware of the situation.

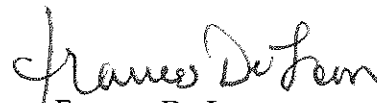
12. Proposed CDCB housing project, Casitas Los Ebanos, to be built north of Bishop on CR 81A.

Ms. Serrato reported that she received information on a proposed CDCB housing project to be built north of Bishop on CR81A. The housing project will be built within NWSC's CCN, but CDCB representatives have stated that they are interested in receiving water and sewer service from the City of Bishop. The City of Bishop and Nueces County have passed resolutions in support of the project. Ms. Serrato added that if the City of Bishop wants to provide service, paperwork will need to be filed with the PUC and then NWSC will seek payment for loss of income. No action was taken by the Board.

13. Adjournment.

With no further business to conduct, Mr. Benton made a motion to adjourn the meeting at 11:04 a.m. Mr. Lundmark seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary