

NUECES WATER SUPPLY CORPORATION
Minutes – Regular Meeting
November 2, 2020
(This meeting was held remotely by phone and Zoom.)

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

Guests Present:

None

1. Call to Order.

Ms. Alice J. Black, President, called the Regular Meeting to order at 10:05 a.m. 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.

Ms. Zimmerman made a motion to approve the minutes of the August 4, 2020 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 July 31, 2020

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

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

TEXPOOL Participant Statement for 07/01/2020 – 07/31/2020 for General Account

TEXPOOL Participant Statement for 07/01/2020 – 07/31/2020 for Security Deposit Account

TexSTAR General Account Statement for 07/01/2020 – 07/31/2020

Treasurer's Report as of August 31, 2020

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

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

TEXPOOL Participant Statement for 08/01/2020 – 08/31/2020 for General Account

TEXPOOL Participant Statement for 08/01/2020 – 08/31/2020 for Security Deposit Account

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TexSTAR General Account Statement for 08/01/2020 – 08/31/2020

Treasurer's Report as of September 30, 2020

Account Activity for General Account for September 1, 2020 to September 30, 2020

Account Activity for Operations Account for September 1, 2020 to September 30, 2020

TEXPOOL Participant Statement for 09/01/2020 – 09/30/2020 for General Account

TEXPOOL Participant Statement for 09/01/2020 – 09/30/2020 for Security Deposit Account

TexSTAR General Account Statement for 09/01/2020 – 09/30/2020

The following bills were presented for payment:

STWA Invoice S20-122	\$52,148.23
July 2020 Water Usage, Water Cost and Handling Charge	
STWA Invoice S20-123	\$18,345.15
July 2020 General and Administration	
STWA Invoice S20-126	\$ 6,759.86
July 2020 Taps and Repairs	
STWA Invoice S20-136	\$54,193.80
August 2020 Water Usage, Water Cost and Handling Charge	
STWA Invoice S20-137	\$18,753.45
August 2020 General and Administration	
STWA Invoice S20-141	\$ 5,136.25
August 2020 Taps and Repairs	
STWA Invoice S20-151	\$47,939.28
September 2020 Water Usage, Water Cost and Handling Charge	
STWA Invoice S20-152	\$17,118.65
September 2020 General and Administration	
STWA Invoice S20-156	\$ 7,755.00
September 2020 Taps and Repairs	
STWA Invoice S20-158	\$ 395.82
Payroll expense for Stand By Pay for July 1, 2020 through September 30, 2020	
STWA Invoice S20-160	\$ 973.98
Reimburse for Fiber optic phone service (06/19/20 through 09/19/20) and High Touch Technology support (07/01/20 through 09/30/20)	

Ms. Zimmerman 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. Fiscal Year 2020 Budget Amendments.

Ms. Serrato reviewed the proposed Fiscal Year 2020 Amended Budget which reflected an increase in Revenues of \$110,000 as a result of increased water sales. She explained that the TxDOT reimbursement is reflected as income which overstates the Net Income by \$395,169. She added that Operating Expenses increased about \$182,000 as a result of approximately \$112,000 in additional water purchases and depreciation of the 500 new meters and the waterline to Cyndie Park. Mr. Lundmark made a motion to approve the Fiscal Year 2020 Budget Amendments. Ms. Zimmerman seconded. All voted in favor.

6. Proposed Fiscal Year 2021 Budget and retail water rates

Ms. Serrato presented proposed Fiscal Year 2021 Budgets based on the current rates as well as three additional scenarios based on various monthly minimums and tier rates. After review and discussion, the Board agreed that C was the most suitable option.

7. Resolution 20-04. Resolution adopting the recommended Fiscal Year 2021 Budget.

Mr. Lundmark made a motion to adopt the Fiscal Year 2021 Budget based on Option C raising both the water rates and the monthly minimum. Ms. Zimmerman seconded. All voted in favor.

8. John Womack & Co., P.C. Letter of Engagement for Auditor Services.

Ms. Serrato presented the John Womack & Co., P.C. Letter of Engagement for auditor services for the fiscal year ending December 31, 2020 with a cost of \$5,425. After the Board's review of the document, Ms. Zimmerman made a motion to accept the engagement letter for FY 2020 audit services with John Womack & Co., P.C. in the amount of \$5,425. Mr. Lundmark seconded the motion. All voted in favor.

9. TRWA Recommendations on COVID-19 and 2021 Elections.

Ms. Serrato presented TRWA's recommendations on conducting WSC Elections during the COVID-19 pandemic. Ms. Serrato stated that she wanted to make the Board aware that TRWA recommends conducting the annual meeting, even if it is held remotely, rather than postponing or canceling the meeting. TRWA also recommends that the meeting be short and to the point. She reminded the Board that if only one application is received, that person can be declared the winner by resolution. No action was taken by the Board.

10. Annual Meeting Schedule and Election Procedures.

Ms. Serrato stated that per State requirements, the Board must review election procedures for the Annual Membership meeting every year. She added that Mr. Lundmark's position is up for

election in April of 2021. She presented TRWA's Election Procedures 2020 Changes which includes four recommended changes. Ms. Serrato reviewed the four following items:

1. Additional language to provide for appointment of a replacement on the Credentials Committee in the event of a vacancy.
2. A change in the number of days from 50 to 45 before the meeting for a candidate to submit an application.
3. Modification of the language to accommodate the change in item #2.
4. The fourth item would not apply based on legal counsel's previous advice against specific places or positions on the Board.

Ms. Serrato also presented the timeline and schedule for the 2020 Annual Membership Meeting and asked for approval to proceed with the schedule and to incorporate the recommended changes in the Corporation's Election Procedures. Ms. Zimmerman made a motion to approve the schedule and to authorize inclusion of the changes in the Corporation's procedures. Mr. Lundmark seconded. All voted in favor.

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

Ms. Serrato stated that AquaTexas has contacted Right of Way Service for assistance in acquiring private easements. The water supply contract will not take effect until the waterline is in service. She had nothing further to report.

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

Ms. Serrato reported that the final 10% withheld amount has been received from TxDOT. She added that this project is now closed out and this is the final report. No action was taken by the Board.

13. Update on New Banquete Pump Station.

Ms. Serrato reported that work continues on the new Banquete Pump Station project. J.S. Haren has submitted a fifth pay request to Nueces County which Grant Administrator Maria Bedia says they will try to include on the next Nueces County agenda. The pay requests that have been submitted have exceeded the amount of available grant funds. Therefore, Nueces County has invoiced STWA and the STWA Board approved payment of the invoice. The County will continue to invoice STWA until the committed amount of \$425,000 is exhausted and then the invoices will go to NWSC for the remaining \$178,000. Ms. Serrato had nothing further to report.

14. Purchase of 114 AMR Meters.

Ms. Serrato stated that staff continues to track issues with meters that are needing to be read manually. She provided lists of three subdivisions (Fiesta Ranch, La Paloma and The Plains)

showing the number of meters requiring manual reading as of January. The total of these meters is 114. She stated that the total cost for replacement meters is \$51,765 and she proposed that field staff perform installation on the weekends for an hourly overtime cost of about \$135 rather than the \$110 per meter installation fee. She estimated that the crew of five field techs should be able to install about five meters per hour. Mr. Lundmark made a motion to authorize the purchase and installation of 114 AMR meters. Ms. Zimmerman seconded the motion. All voted in favor.

15. City of Bishop – Easement for Bishop East Pump Station.

- LNV Proposal for Survey Work at Bishop East Pump Station

Ms. Serrato stated that the Bishop Easement Committee is scheduled to meet on Wednesday, November 4th to continue discussions on the easement. She added that once an easement is entered into between STWA and the City of Bishop, another easement will be needed between NWSC and the City. She provided information outlining the areas that will require an easement. She also provided a quote from LNV Engineering for surveying the area and providing a metes and bounds description. The Corporation's cost would be \$2,500. The Board agreed to proceed with having the area surveyed.

16. Bank Depository Agreement.

Ms. Serrato presented an agreement to extend the two-year Depository Contract between Kleberg Bank and Nueces Water Supply Corporation. She stated that staff has been satisfied with the services provided by Kleberg Bank and noted that Kleberg Bank does not charge any fees to NWSC. She added that the agreement extends the contract for two years expiring September 13, 2022. Ms. Zimmerman made a motion to renew the Bank Depository Agreement with Kleberg Bank for two years. Mr. Lundmark seconded. The motion passed by unanimous vote.

17. Cyndie Park Unit 1 Public Utility Commission Application.

Ms. Serrato presented emails from Mr. Bill Flickinger regarding a second PUC application for Cyndie Park I. She explained that PUC staff advises that rather than follow the procedure previously recommended, it would be easier to dissolve the existing CCN and then have the NWSC apply to incorporate the area into its CCN. A motion to withdraw the application has been filed and once approval is received, an application to amend NWSC's existing CCN will be submitted. Ms. Serrato stated that she will keep the Board updated.

18. EPA Monitoring for Cyanotoxins.

Ms. Serrato stated that NWSC has been selected for collection of samples for cyanotoxins. Eight samples were collected and results show that there was no detection of these toxins. She had nothing further to report.

19. Adjournment.

With no further business to conduct, Ms. Zimmerman made a motion to adjourn the meeting at 11:10 a.m. Mr. Lundmark seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary