

NUECES WATER SUPPLY CORPORATION
Minutes – Regular Meeting
August 2, 2021

Board Members Present:

Mike Benton
Donald Lundmark
Sherry Zimmerman

Board Members Absent:

Alice J. Black
Ruth Ann Smith

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner

Guests Present:

John Marez

1. Call to Order.

Mr. Mike Benton, Vice-President, called the Regular Meeting to order at 10:00 a.m. A quorum was present.

2. Citizen comments.

Mr. Benton 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 May 11, 2021 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 April 30, 2021

Account Activity for General Account for April 1, 2021 to April 30, 2021

Account Activity for Operations Account for April 1, 2021 to April 30, 2021

TEXPOOL Participant Statement for 04/01/2021 – 04/30/2021 for General Account

TEXPOOL Participant Statement for 04/01/2021 – 04/30/2021 for Security Deposit Account

TexSTAR General Account Statement for 04/01/2021 – 04/30/2021

Treasurer's Report as of May 31, 2021

Account Activity for General Account for May 1, 2021 to May 31, 2021

Account Activity for Operations Account for May 1, 2021 to May 31, 2021

TEXPOOL Participant Statement for 05/01/2021 – 05/31/2021 for General Account

TEXPOOL Participant Statement for 05/01/2021 – 05/31/2021 for Security Deposit Account

TexSTAR General Account Statement for 05/01/2021 – 05/31/2021

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Treasurer's Report as of June 30, 2021

Account Activity for General Account for June 1, 2021 to June 30, 2021

Account Activity for Operations Account for June 1, 2021 to June 30, 2021

TEXPOOL Participant Statement for 06/01/2021 – 06/30/2021 for General Account

TEXPOOL Participant Statement for 06/01/2021 – 06/30/2021 for Security Deposit Account

TexSTAR General Account Statement for 06/01/2021 – 06/30/2021

The following bills were presented for payment:

STWA Invoice S21-080	\$43,920.07
April 2021 Water Usage, Water Cost and Handling Charge	

STWA Invoice S21-081	\$17,662.74
April 2021 General and Administration	

STWA Invoice S21-084	\$ 4,997.63
April 2021 Taps and Repairs	

STWA Invoice S21-095	\$39,714.73
May 2021 Water Usage, Water Cost and Handling Charge	

STWA Invoice S21-096	\$18,523.62
May 2021 General and Administration	

STWA Invoice S21-100	\$ 8,100.94
May 2021 Taps and Repairs	

STWA Invoice S21-109	\$40,654.61
June 2021 Water Usage, Water Cost and Handling Charge	

STWA Invoice S21-110	\$17,782.82
June 2021 General and Administration	

STWA Invoice S21-114	\$ 8,610.39
June 2021 Taps and Repairs	

STWA Invoice S21-118	\$ 1,695.01
Payroll expense for Part-time Employee for April, May and June 2021	

STWA Invoice S21-120	\$ 396.07
Payroll expense for Stand By for March 25, 2021 through June 30, 2021	

STWA Invoice S21-122	\$ 1,318.42
Reimburse for Fiber optic phone service (03/19/21 through 06/19/21) and High Touch Technology support (03/01/21 through 06/30/21)	

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

5. Nueces County project for construction of Banquete Pump Station to serve the Nueces Water Control and Improvement District #5 (Banquete) and Nueces Water Supply Corporation.

Ms. Serrato stated the project is nearing completion. She presented a draft conveyance agreement and explained that once the project is completed, and then accepted by Nueces County Commissioners Court, a transfer of title can occur. NWSC should also receive a request for final payment after all work has been completed satisfactorily. Ms. Zimmerman moved to authorize final payment contingent upon Nueces County taking care of any remaining items that need to be completed. Mr. Lundmark seconded. All voted in favor.

6. February 2021 Winter Storm/Freeze Event.

Ms. Serrato presented updated spreadsheets on the damage resulting from the storm and payments from the Corporation's and STWA's insurance carriers. She explained that some NWSC items are being carried under STWA's insurance. These are items such as pumps which are considered part of STWA's building for insurance purposes. Ms. Serrato added that she feels that whatever amount is not reimbursed should be split between the two entities. She also noted that this should be the final report on this matter. No action was taken by the Board.

7. Authorization to send Final Notice of Violation of Tariff to customer without a Cut-Off Valve.

Ms. Serrato presented a draft letter for members who are in violation of the tariff requirement to install a cut-off valve outside of the Corporation's meter box. Letters informing customers of the requirement have been previously sent out and new customers are informed of the requirement during the application process. Currently, there are two customers in violation of the policy. She requested authorization to use the letter for members that are in violation of the Corporation's policy to install a cut-off valve. Ms. Zimmerman made a motion to authorize use of the presented letter as requested. Mr. Lundmark seconded. The motion passed by unanimous vote.

8. Selection of John Marez as NWSC General Manager, effective upon South Texas Water Authority hiring Mr. Marez as Executive Director.

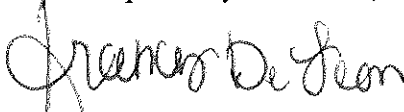
Ms. Serrato stated that the STWA Board will be meeting on August 3rd to ratify the contract signed by Mr. John Marez and STWA Board President Brandon Barrera. She added that the Ricardo Water Supply Corporation Board of Directors appointed Mr. Marez as General Manager at their July 27, 2021 meeting. Mr. Benton asked Mr. Marez his reason for applying for the executive director position. Mr. Marez replied that his previous and current experience have prepared him for this type of position and he felt a calling for it. He added that he will be

phasing out of his term as Nueces County commissioner and is currently on a six-month probationary contract with STWA. Mr. Benton also asked several questions regarding the process for selecting Mr. Marez for the position and whether Mr. Marez had been recommended for hire by the company conducting the search for STWA's executive director. Ms. Serrato described the screening process and explained that Kathryn Ray, Ray Associates, had conducted the search but the STWA Board made the decision to negotiate a contract with Mr. Marez before a recommendation was made by Ms. Ray. Mr. Marez assured the board that he will work hard to keep operations running as smoothly as possible after Ms. Serrato's departure and that if at any point he feels he cannot do the job, he will notify the board. Ms. Serrato noted that it is important for staff to have a general manager in place to turn to when needed. Selection of a general manager died for lack of a motion. Mr. Marez asked if there were any issues or concerns that could be addressed in order to convince the Board to take action and offered to call the Corporation's attorney, but no comments or requests were made and no action was taken by the board.

9. Adjournment.

With no further business to conduct, Ms. Zimmerman made a motion to adjourn the meeting at 10:48 a.m. Mr. Lundmark seconded and all voted in favor.

Respectfully submitted,



Frances De Leon
Assistant Secretary