

NUECES WATER SUPPLY CORPORATION

Minutes – Regular Meeting
January 13, 2016

Board Members Present:

Mike Benton
Alice J. Black
Donald Lundmark

Board Members Absent:

None

Staff Present:

Carola Serrato
Frances De Leon
Jacob Hinojosa
Jo Ella Wagner
Dony Cantu

Guests Present:

Kelly Ince
Larry Hower
Ronnie Hower

1. Call to Order.

Mr. Donald Lundmark, 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 comment.

Mr. Lundmark opened the floor for citizen comments. No comments from the public were made.

6. Customer Concern – Freedom Reins c/o Kelly Ince #302 – Water leak repair due to waterline damage caused by contractor Steve Gutierrez during fence installation.

Ms. Kelly Ince addressed the Board regarding an invoice she received for a leak repair for damage caused by her contractor, Steve Gutierrez, during installation of some fence posts. She provided some additional photographs showing the location of the two water leaks that occurred on that day. She added that she had expected Mr. Gutierrez to attend the meeting but he had not shown up. She read a statement from Mr. Gutierrez indicating that he struck the waterline but that it was not marked properly and that Mr. and Mrs. Ince should not be held responsible for the damages.

Ms. Serrato stated that she had spoken with Mr. Gutierrez who stated that he would not pay for the invoice. He said he contacted TxDOT and they supported his claim that he should not be held responsible if the waterlines were not marked correctly. Mr. Gutierrez also told her that he contacted an attorney who advised him that if the lines were marked incorrectly, he would not be responsible and that NWSC would be responsible for his legal fees.

Ms. Black asked if the line had been marked correctly and Ms. Serrato explained that line locates typically allow a 12" to 18" margin on both sides of the line and this particular waterline was within 15" to 18" of the markings. After Board discussion, Mr. Benton made a motion that NWSC not charge Ms. Ince for the repair. Ms. Black seconded and all voted in favor. Ms. Serrato said she would send Ms. Ince and Mr. Gutierrez formal notice of the Board's decision. She also explained to the Board that periodically there are problems with locating water lines and staff refers to maps and available documentation for more information. She also stated when there is a question of the location of the line, excavating may become necessary and she has reaffirmed with field staff that excavating should occur when necessary.

7. Customer Concern – Larry Hower, Account #511 – Invoice for call out and leak on customer's side of meter.

Ms. Serrato introduced Mr. Larry Hower and his nephew Ronnie Hower. She stated that Mr. Larry Hower wished to dispute charges he was invoiced for a customer side leak. She explained that Mr. Hower's property is located in the Indian Trails subdivision and the waterlines in this subdivision are not laid out in a typical arrangement which creates problems when trying to locate the lines and meters. She further explained that on November 1st, a Sunday, a field technician responded to a call from Mr. Hower regarding a water leak. There was a large amount of water and high grass throughout the area and the field technician was unable to determine the location of the leak at that time. According to the field technician, he advised Mr. Hower that he was unable to find the leak and would return another day to continue looking. Field technicians returned two days later, Tuesday, November 3rd and discovered that there were in fact two customer side leaks – one on Mr. Hower's property and another at his neighbor's.

Mr. Hower stated that he had not called the office, but instead found out about the leak from the field technician. Ms. Serrato pointed out that the answering service provided their call report showing that Mr. Hower called the office on November 1st but he insisted he had not called. He added that he spoke with a field technician who informed him that the leak was not on his side and he would not be responsible for the cost of the call out.

After Board discussion, Mr. Benton made a motion to dismiss the bill to Mr. Hower. Ms. Black seconded and told Mr. Hower that this would be the only time the Board would dismiss this type of invoice. Mr. Hower acknowledged that he understood. All voted in favor.

3. Approval of Minutes.

Ms. Black made a motion to approve the minutes of the November 10, 2015 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, 2015

Treasurer's Report as of December 31, 2015

Account Activity for General Account for November, 2015

Account Activity for General Account for December, 2015

Account Activity for Operations Account for November 1, 2015 to December 31, 2015

TEXPOOL Participant Statement for 11/01/2015 – 11/30/2015 for General Account

TEXPOOL Participant Statement for 11/01/2015 – 11/30/2015 for Security Deposit Account

TEXPOOL Participant Statement for 12/01/2015 – 12/31/2015 for General Account

TEXPOOL Participant Statement for 12/01/2015 – 12/31/2015 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S15-141	\$39,105.08
October 2015 Water Usage, Water Cost and Handling Charge	

STWA Invoice S15-142	\$11,900.13
October 2015 General and Administration	

STWA Invoice S15-144	\$ 2,565.00
October 2015 Taps and Repairs	

STWA Invoice S15-152	\$34,995.60
November 2015 Water Usage, Water Cost and Handling Charge	

STWA Invoice S15-153	\$11,836.94
November 2015 General and Administration	

STWA Invoice S15-155	\$10,406.75
November 2015 Taps and Repairs	

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

5. Customer Concern – Rafael Molina, Account #963 – Request for waiving of Lock-Out Fee for meter lock-out on November 18, 2015.

Ms. Serrato stated that Mrs. Rafael Molina has requested a \$50 lock-out fee be waived based on medical hardship. Mr. Molina is usually the person who handles matters on the account but he was recently hospitalized. Ms. Molina mailed in the payment but it did not arrive at the office by the payment deadline and the fee was assessed. Ms. Serrato added that Ms. Molina accused the office staff of holding the mail in order to collect the additional charge. Ms. Serrato informed her that the matter would be placed on a Board agenda for discussion. Mr. Benton made a motion to waive the lock-out fee and late charge. Ms. Black seconded and all voted in favor. Ms. Serrato stated that she would send a letter informing them that the Board decided to waive the fees based on hardship but that this is a one-time waiver. The Board also requested

that she remind Mrs. Molina that the Corporation is not responsible for how long it takes for the US Postal Service to deliver mail.

8. Customer Concern – Daniel Rowland, Account #765 – Ceiling damage inside residence following customer’s request to leave Corporation stop in closed position.

Ms. Serrato stated that Mr. and Mrs. Rowland were not able to attend the meeting but presented photographs that she received from Ms. Rowland just prior to the meeting. She explained that the house is currently vacant and under remodel. On December 23rd Mr. Rowland made payment on the account including a lock-out fee and requested that the corporation stop remain in the closed position upon unlocking the meter because his shut-off valve was broken and he had a leak on his side of the meter. Office personnel explained to him that such a request was against the usual procedure and that a shut-off valve is a requirement for service. Finance Manager Jo Ella Wagner eventually spoke with Mr. Rowland and agreed to have the field technician leave the corporation stop in the closed position when the lock was removed. The message was given to one of the field technicians but another field technician actually unlocked the meter and turned the corporation stop to the open position. Mr. and Mrs. Rowland went to the property on December 26th and found part of the ceiling collapsed due to a water leak. They contacted the answering service to make a complaint and stated that their attorney would be contacting the office.

Ms. Serrato explained to the Board that the week of this incident was extremely busy with a heavy number of lockouts for NWSC as well as Ricardo Water Supply Corporation. In addition, the breakdown of relaying the message seems to have occurred when the message was relayed from one field technician to another. She added that field personnel confirmed that there is a shut-off valve but it is not working and a data log on the meter indicates that thirty gallons were used before the meter was locked out and seventy gallons passed through the meter from the time the meter was unlocked and the call to report the damage. In addition, she has she has consulted with legal counsel who stated that approving this type of request results in the Corporation accepting liability. She has instructed all staff that they are not to agree to such requests as was made by Mr. Rowland. She added that staff can arrange to have estimates done on the damage and if needed a claim can be filed with the Corporation’s insurance carrier.

Mr. Benton made a motion to proceed with filing a claim for the damage. Ms. Black seconded. All voted in favor.

9. Joint Project with South Texas Water Authority – Pump Station Improvements at the Driscoll Pump Station.

Ms. Serrato reported that delivery of the pump ordered by Mercer Controls in October has been delayed because the pump supplier never placed the order. The supplier placed the order on January 5 and requested expedited delivery but at this time the estimated delivery date is unknown. Ms. Serrato added that this will likely move back the completion date of the project.

10. All matters pertaining to TxDOT Upgrades to Hwy 77 to I-69 standard from Driscoll to Kingsville and from Robstown to Driscoll.

Ms. Serrato reported that the easement for the Jerry Lawhon property has been filed and recorded at the Nueces County Clerk's office and the title policy is currently being worked on. She added that the Austin-Bay subcontractor should begin relocating the waterline on the east side of US 77 soon and then the only item remaining on the TxDOT upgrades is re-routing of the highway around the east side of Driscoll.


11. TCEQ Revised Chloramine Rules and Nitrification Plan.

Ms. Serrato presented information from TCEQ regarding revised chloramine rules. The rules require Public Water Systems to implement a Nitrification Action Plan. She said she attempted to speak with someone at TCEQ but was not able to make contact. She spoke with Aaron Archer of HDR Engineering about the rule changes and how they relate to the Enforcement Action. Mr. Archer said he will be looking into the matter and that other agencies are also seeking assistance. Ms. Serrato requested authorization to contact HDR Engineering for a quote to assist with development of the TCEQ required Nitrification Action Plan. Mr. Benton made a motion to authorize Ms. Serrato to seek a quote from HDR Engineering, Inc. for assistance with developing a Nitrification Action Plan. Ms. Black seconded and the motion carried.

12. Adjournment.

With no further business to conduct, Ms. Black made a motion to adjourn the meeting at 11:15 a.m. Mr. Benton seconded. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary