

NUECES WATER SUPPLY CORPORATION

Minutes – Regular Meeting
February 22, 2017

Board Members Present:

Alice J. Black
Donald Lundmark
Ruth Ann Smith

Board Members Absent:

Sherry Zimmerman
Mike Benton

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 10:03 a.m. at the South Texas Water Authority Boardroom, 2302 East Sage Road, Kingsville, Texas. A quorum was present.

2. Citizen comment.

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 17, 2016 Regular Meeting and the December 15, 2016 Special Meeting as presented. Ms. Smith 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, 2016

Treasurer's Report as of December 31, 2016

Treasurer's Report as of January 31, 2017

Account Activity for General Account for November 1, 2016 to January 31, 2017

Account Activity for Operations Account for November 1, 2016 to January 31, 2017

TEXPOOL Participant Statement for 11/01/2016 – 11/30/2016 for General Account

TEXPOOL Participant Statement for 11/01/2016 – 11/30/2016 for Security Deposit Account

TEXPOOL Participant Statement for 12/01/2016 – 12/31/2016 for General Account

TEXPOOL Participant Statement for 12/01/2016 – 12/31/2016 for Security Deposit Account

TEXPOOL Participant Statement for 01/01/2017 – 01/31/2017 for General Account
TEXPOOL Participant Statement for 01/01/2017 – 01/31/2017 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S16-146 October 2016 Taps and Repairs	\$ 6,997.09
STWA Invoice S16-154 November 2016 Water Usage, Water Cost and Handling Charge	\$33,361.90
STWA Invoice S16-155 November 2016 General and Administration	\$11,944.87
STWA Invoice S16-157 November 2016 Taps and Repairs	\$ 7,348.80
STWA Invoice S17-008 December 2016 Water Usage, Water Cost and Handling Charge	\$31,068.20
STWA Invoice S17-009 December 2016 General and Administration	\$15,715.36
STWA Invoice S17-012 Payroll expense for part-time employee (October, November and December, 2016)	\$ 1,756.96
STWA Invoice S17-014 Payroll expense for stand by pay (October 5, 2016 through December 28, 2016)	\$ 361.59
STWA Invoice S17-015 December 2016 Taps and Repairs	\$ 5,710.00
Willatt & Flickinger, PLLC, Attorneys at Law January 2017 Legal	\$ 3,175.90
STWA Invoice S17-024 January 2017 Water Usage, Water Cost and Handling Charge	\$36,759.55
STWA Invoice S17-025 January 2017 General and Administration	\$13,179.39
STWA Invoice S17-027 January 2017 Taps and Repairs	\$ 8,533.60

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

5. NWSC Annual Membership Meeting.

- Selection of Election Auditor
- Approval of agenda and meeting packet for Annual Membership Meeting
- Resolution 17-01. Resolution declaring unopposed candidates of Nueces Water Supply Corporation elected.

Ms. Serrato reported that two nominations were received by the February 20th deadline. She added that since there are two positions up for election, the Board can adopt Resolution 17-01 declaring the two candidates, Mike Benton and Alice Black, elected. She added that the Annual Membership Meeting is scheduled for April 11th but no election will be held so no election auditor is needed. The Board reviewed the meeting notice and agenda. Mr. Lundmark made a motion to adopt Resolution 17-01 and approve the agenda and meeting packet for the Annual Membership Meeting. Ms. Smith seconded and all voted in favor.

6. TxDOT upgrades to FM 666 and bids from outside contractors for relocation of NWSC's six-inch waterline.

Ms. Serrato stated that as discussed at the December 2016 Board meeting, TxDOT plans to widen and make improvements along FM 666 from Bluntzer to Banquete. In response to these plans, field crews excavated the areas including the casing where the NWSC 6-inch line crosses from the east side of FM 666 to the west side of FM 666. No modifications to the casing will be needed but two 30-foot sections of NWSC's waterline will require relocation in order to accommodate two stormwater concrete collection boxes that will be installed on the east side of FM 666. TxDOT intends to award the bid on the improvement project in March. She presented proposals from Bridges Specialties Inc. and The 5125 Company for relocating the two 30-foot sections of waterline. The Bridges proposal offered two options. One uses the conventional method which will require more down time of the line and costs \$25,512.00. The other option uses line stops and reduces the down time considerably but is more costly at \$43,372.80. In addition, this option includes installation of valves which do not currently exist. The proposal submitted by The 5125 Company estimates a cost of \$25,000 for relocation by the conventional method. This company does not have the equipment to perform line stops. Ms. Serrato stated that she consulted with Aaron Archer of Walker Partners who recommended use of the line stops. After reviewing the bids, Mr. Lundmark made a motion to award the contract work for relocation of the two 30-foot sections using line stops to Bridges Specialties Inc. in the amount of \$43,372.80. Ms. Smith seconded. All voted in favor.

7. Disinfection by-product results and TCEQ sampling.

Ms. Serrato presented results from three in-house disinfection by-product samples taken recently. The first two are below the Maximum Contaminant Level for Trihalomethanes, but although it appeared that operational issues with the motor operated valve which affects how the chlorination system operates had been resolved, the third sample exceeded the MCL. She stated

that a different valve and actuator may need to be installed as well as reconfiguring the yard piping and staff is obtaining quotes for these parts. She added that Third Coast is expected to take samples on February 23rd and she will keep the Board updated on this matter.

8. City of Bishop plans to service apartment complex south of FM 70 on east side of US 77/I 69.

Ms. Serrato reported that the meeting with the City of Bishop to discuss the proposed apartment complex occurred on January 18, 2017 with Ms. Serrato, Ms. Black, legal counsel Bill Flickinger, Bishop Mayor Joe Morales, Councilman Albert Guajardo, City Administrator Cynthia Contreras, Public Works Director Panfilo Flores and City Attorney Gerald Benadum in attendance. The development is named Bishop Courts and is a 60-unit facility. Ms. Serrato reported that three items were discussed – NWSC’s CCN, the City’s claim that the area should have been within Bishop’s city limits and it is unknown how it became excluded, and the matter that NWSC may be entitled to compensation if the City were to provide service within NWSC’s CCN. She said that at one point the City representatives took a moment to consult in private and when they returned, Mayor Morales asked that the developer begin discussions with NWSC. Ms. Serrato stated that she has since exchanged emails with Mr. T. Craig Carney, the contact person whose information was provided by Mayor Morales, but Mr. Carney has not called her as he indicated in his last email. She added that an analysis would be required and additional information on capacity requirements is needed. Ms. Serrato stated that she would update the Board as information becomes available.

9. Leak repair on 10-inch waterline on CR 81A south of Bishop-East Pump Station on January 11, 2017.

Ms. Serrato provided photos of a leak repair that occurred on January 11th on CR 81A. She stated that it appears the leak began during the night or early morning but the Field Technician on call did not receive any call-outs until later in the morning. After assessing possible issues, the field tech began searching for a leak which was located in a low area close to the creek. The crew worked to repair the leak as quickly as possible. Ms. Serrato said she received an email from an upset customer and called him to explain the action taken to perform the repair. She told the Board that she was presenting the information in case they had any questions or concerns. Mr. Lundmark stated that he had only received one phone call about the leak.

10. CallFire Notification System.

Ms. Serrato stated that due to recent water issues, she researched means of quickly communicating important information, such as emergencies, to the Corporation’s members and customers and presented information on a company named CallFire. She explained that the company charges a flat rate charge per minute of text or call and there is no contract to sign. An account would be set up and NWSC would deposit funds, and the calls or texts would be charged against the balance. A database would need to be created which would require a survey asking for persons to opt in and provide the necessary information. She said that this seems like a useful tool, but added that Nueces County’s Emergency Management Office has the capability of

sending out emergency notifications. She said that if the Board is interested, staff can survey the Corporation's customers and members to determine if there is an interest in the service. She also mentioned that this information will be presented to the Ricardo Water Supply Corporation Board and if approved, the NWSC can reconsider the notification system later. Mr. Lundmark made a motion table this discussion. Ms. Smith seconded and all voted in favor.

11. 2017 Allocations for Administrative Expenses Associated with the Senate Bill 1 Regional Water Planning Program for the Coastal Bend Region.

Ms. Serrato presented an invoice from the Coastal Bend Regional Water Planning Group in the amount of \$241.87. She explained how this group works with others throughout the state to produce a State Water Plan in an effort to balance available supplies with anticipated demand and develop strategies to address shortfalls. She stated that previously the City of Corpus Christi, as the largest regional provider, paid the majority of the local administrator's cost. However, this planning cycle the Texas Water Development Board determined that it is a more accurate representation to allocate the water demands by utility. Therefore entities are no longer under the City's umbrella resulting in the presented invoice. She added that this will become an annual expense. Ms. Smith made a motion to authorize payment of the invoice in the amount of \$241.87, Mr. Lundmark seconded and all voted in favor.

12. Texas Rural Water Association 48th Annual Meeting and Election.

Ms. Serrato presented information on the Texas Rural Water Association 48th Annual Meeting and Election. She read descriptions of the three Bylaw amendments proposed by TRWA and recommended voting in favor of all three. Ms. Smith made a motion to vote in favor of all three amendments. Mr. Lundmark seconded. The motion passed by unanimous vote.

13. Designation of authorized signatories on Nueces Water Supply Checking accounts.

Ms. Serrato stated that checking accounts at NWSC's depository, Kleberg Bank, need updating in order to add and remove names of individuals authorized to sign on the General Account and Operations Account. She recommended changing the manner in which signatories are identified by naming the officer position rather than their specific names in order to avoid having to take formal action every time there is a change in officers.

14. Resolution 17-02. Resolution designating authorized signatories on Nueces Water Supply Corporation checking accounts.

Ms. Serrato presented Resolution 17-02 and noted that the format of resolution was changed to identify officers and staff by position. Ms. Smith made a motion to adopt Resolution 17-02. Mr. Lundmark seconded. All voted in favor.

15. Adjournment.

With no further business to conduct, Ms. Smith made a motion to adjourn the meeting at 11:09 a.m. Mr. Lundmark seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary