

NUECES WATER SUPPLY CORPORATION

Minutes – Regular Meeting
August 19, 2015

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

Guests Present:

None

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.

3. Approval of Minutes.

Ms. Black made a motion to approve the minutes of the June 24, 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:

Corrected Treasurer's Report as of May 31, 2015

Treasurer's Report as of June 30, 2015

Treasurer's Report as of July 30, 2015

Account Activity for General Account for June, 2015

Account Activity for General Account for July, 2015

Account Activity for Operations Account for May 1, 2015 to July 31, 2015

TEXPOOL Participant Statement for 06/01/2015 – 06/30/2015 for General Account

TEXPOOL Participant Statement for 06/01/2015 – 06/30/2015 for Security Deposit Account

TEXPOOL Participant Statement for 07/01/2015 – 07/31/2015 for General Account

TEXPOOL Participant Statement for 07/01/2015 – 07/31/2015 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S15-073 May 2015 Water Usage, Water Cost and Handling Charge	\$27,961.97
STWA Invoice S15-074 May 2015 General and Administration	\$11,809.84
STWA Invoice S15-084 June 2015 Water Usage, Water Cost and Handling Charge	\$26,919.89
STWA Invoice S15-085 June 2015 General and Administration	\$11,741.56
STWA Invoice S15-087 June 2015 Taps and Repairs	\$29,248.50
STWA Invoice S15-089 Payroll expense for part-time employee (April, May and June 2015)	\$ 1,351.84
STWA Invoice S15-091 Payroll expense for stand by pay (March 31, 2015 through June 30, 2015)	\$ 358.09
STWA Invoice S15-093 Reimburse for T-1 circuit providing phone service through AT&T for the period of January 2015 through June 2015	\$ 142.58

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. Investment Options for Funds.

The Board reviewed an analysis of the various investment options available to the Board including \$250,000 and \$500,000 Certificates of Deposit and one and two-year investments in TexPool, TexPool Prime, TexStar, Logic and Texas CLASS. The analysis showed that First Community Bank offered the highest CD rates and Texas CLASS held the most favorable rates on investments. After Board discussion, Mr. Benton made a motion to purchase a one-year \$250,000 CD at First Community Bank and to invest additional funds in TexPool Prime. Ms. Black seconded the motion and all voted in favor. Ms. Wagner stated that no additional paperwork is need for TexPool Prime investments and if paperwork is needed before investing at First Community, she will temporarily move the funds to TexPool Prime. She added that a Texas CLASS Resolution to Participate would be presented for Board approval at the next meeting.

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

Ms. Serrato stated that a pre-construction conference was held on July 1st, bids were opened on July 16th and the bid was awarded to Mercer Controls. A pre-construction meeting is scheduled for August 24th and the STWA Board will consider issuing a notice to proceed at their August 25th board meeting. Mr. Benton made a motion to support the award of the bid to Mercer Controls. Ms. Black seconded and all voted in favor.

7. Request from Austin Bay for second tap west of existing meter on property located on CR 34 outside of NWSC's CCN and STWA's district.

Ms. Serrato stated that Mr. Norman Moczygemba of Bay, on behalf of the owner, Dennis Berry, made a request for a second meter on the property servicing Austin Bay in order to service facilities used strictly by Bay. He has indicated that they need only a residential size meter with a 10,000 gallon per month requirement. Ms. Serrato said she made him aware of the required fees and the company appears willing to pay the necessary cost. She added that if the Board chooses to authorize the request, she can draw up another agreement for the service with a two-year stipulation. Mr. Benton made a motion to enter into the second agreement, Ms. Black seconded and all voted in favor.

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

Lawhon Easement

The Board reviewed the Lawhon easement drafted by Mr. Jerry Lawhon's attorney. Ms. Serrato explained that this easement is needed for the relocation of the waterlines north of FM 70. She noted that the terms of the easement raises numerous issues such as the lack of a warranty and some very restrictive provisions related to construction. She recommended that the Board reject the easement. Mr. Benton made a motion to reject the easement for the Lawhon property. Ms. Black seconded. All voted in favor.

Primm/Driver/Doebbler Easement for Etheridge Service

Ms. Serrato explained that this easement is for the property immediately north of the Eldridge property. She added that the easement contains some minor changes from the typical easement format, but she feels that none of the requested changes are unreasonable and recommended approval of the easement. Ms. Black made a motion to approve the easement for the Primm property. Mr. Benton seconded. All voted in favor.

9. TCEQ Notice of Total Trihalomethane MCL, LRAA Violation.

Ms. Serrato presented a notice from the TCEQ regarding NWSC's recent disinfection by-product results as well as the violation notice sent out to customers. She explained that despite extensive flushing and the recent free chlorine burn, the results were much higher than expected and resulted in a violation that triggered the notices. She said that a chlorine burn might be needed in the future and would require a 30-day notice to TCEQ. The burn would be followed by a waiting period before sampling. She said that in the meantime, the field crew is performing additional sampling in hopes of pinpointing the origin of the problem. She added that until the problem is corrected and as long as the running quarterly average exceeds the MCL, the notices must be sent to the customers.

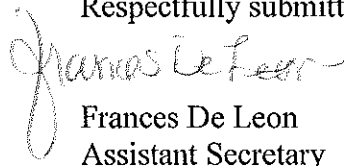
10. Flush valve on CR 77 – Consider looping waterline to avoid flooding on surrounding properties.

Ms. Serrato stated that the office was recently contacted by a member of the Roewe family on CR 77 regarding the water being flushed from a flush valve located close to their property. She said that other complaints were received in the past regarding the same issue. The most recent complaint was made by Mr. Jerry Faske who complained that the water on the west side of CR 77 drains into a field which may prevent harvesting of the entire crop. Ms. Serrato said she advised Mr. Faske to take measurements if that happened so that compensation could be considered by the Board. Ms. Serrato explained to the Board that the matter of looping the lines between the southern portion on CR 77 with the northern portion on CR 77 teeing off the line on FM 70 was previously considered, but the Board did not approve looping the lines. She asked that the Board reconsider the matter. She also noted that Golden Acres is in very close proximity to this area and AquaTexas has previously communicated concerns about the disinfection byproduct levels. After a brief discussion, the Board asked that a cost estimate for the job be presented at the next meeting.

11. Adjournment.

With no further business to conduct, Ms. Black made a motion to adjourn the meeting at 10:56 a.m. Mr. Benton seconded the motion. The motion carried.

Respectfully submitted,



Frances De Leon
Assistant Secretary