

NUECES WATER SUPPLY CORPORATION

Minutes – Special Meeting
December 15, 2016

Board Members Present:

Alice J. Black
Mike Benton
Donald Lundmark
Ruth Ann Smith
Sherry Zimmerman

Board Members Absent:

None

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 Special Meeting to order at 9:30 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. Cyndie Park/TWDB – Matching funds to extend a surface water supply to Cyndie Park.

Ms. Serrato stated that the Nueces County Grant Administration office has made a request for matching funds on a Texas Water Development Board grant application for extending a surface water supply to Cyndie Park. Since this subject was last discussed by the Board, a \$500,000 grant has been secured from the Texas Department of Agriculture of which \$275,000 was used to replace distribution lines within the Cyndie Park subdivision. Nueces County received approval to use the remainder for installation of a waterline from Indian Trails to Cyndie Park. The combined funds from TDA and the TWDB funds might only allow for installation of a 4-inch line as compared to the original design of a 6-inch line. The application for a TWDB EDAP grant has been made to cover both a line from the NWSC line on FM 666 as well as for pump station improvements. Nueces County was notified that \$700,000 was made available for that purpose. In addition the County was notified that another \$100,000 could be made available but TWDB will require matching funds. Ms. Serrato requested that the Board consider providing \$50,000 in matching funds. She stated that twenty Cyndie Park accounts currently exist but this number could increase to 25. In addition, The Ranch Subdivision could potentially be served by NWSC through this waterline. In either case, this process would involve annexation since both

subdivisions are outside of STWA's taxing district. Mr. Lundmark made a motion to offer a \$50,000 match for the project. Ms. Zimmerman seconded. All voted in favor.

4. TxDOT upgrades to FM 666 and possible impact to NWSC's six-inch waterline.

Ms. Serrato presented a letter from TxDOT regarding plans to widen and make improvements along FM 666 from Bluntzer to Banquete. She stated the Corporation's 6-inch line is located in highway right of way from Banquete north to Bluntzer and there are four areas that field crews will need to pothole. She believes that additional casing will be needed where the NWSC line crosses from the east side of FM 666 to the west side of FM 666 since TxDOT's casing requirements changed after the line was installed in the early 1990's. She has made TxDOT aware of possible conflicts. These areas have been marked and crews will begin potholing on Monday, December 19th. She added that the project's let date is March 2017 and she will update the Board as needed.

5. TTHM Results and Request for Invalidation.

Ms. Serrato presented the most recent disinfection by-product test results and stated that the Trihalomethane MCL was exceeded. She said that because there have been numerous operational problems with the chemical feed system at the Bishop East Pump Station, she requested invalidation of the results but the request was not approved. She said she expects receipt of the TCEQ notification letter in the next few days and will send out the necessary notices including information on corrective action. She had nothing further to report.

6. South Texas Water Authority Taps and Repairs fees and NWSC Tariff to charge retail customers.

Ms. Serrato presented STWA's Taps & Repairs service fees schedule and stated that these fees were last increased three years ago. She reminded the Board that the cost of some of these services is recouped by passing the cost along to the NWSC customers that benefit from those services. She stated that STWA increased the Lock Out, Customer Service Inspection, Tap & Meter Set, Meter Box Installation and Non-Standard Service Connection Fees and recommended that the Board consider raising those fees in the same amounts as charged by STWA. Mr. Benton made a motion to approve increasing the Lock Out, Customer Service Inspection, Tap & Meter Set, Meter Box Installation and Non-Standard Service Connection Fees as recommended. Ms. Smith seconded. All voted in favor.

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

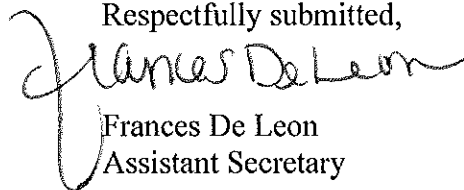
Ms. Serrato reported that the City of Bishop has requested a meeting to discuss their plans to annex a parcel of property due to construction of a 46 unit apartment complex. At this time it is unknown whether the City expects to extend a waterline serve this property. She explained that NWSC filed a Certificate of Convenience and Necessity for the location when NWSC was originally created and therefore is considered the service provider. NWSC has a line in the

vicinity that could be extended, but an analysis of the pump station's capacity would be required. In order for the City to become the provider, NWSC would need to relinquish the location. She asked if the Board had a stance on the matter which she could share with the City at the meeting which has been scheduled for December 16th at 3:30 p.m. Mr. Benton stated that more information is needed in order to make a decision. In addition, the Board asked that the City make any requests in writing.

8. Adjournment.

With no further business to conduct, Mr. Benton made a motion to adjourn the meeting at 10:19 a.m. Mr. Lundmark seconded and all voted in favor.

Respectfully submitted,

A handwritten signature in cursive script that reads "Frances De Leon". The signature is written in black ink and is positioned above the printed name and title.

Frances De Leon
Assistant Secretary