

NUECES WATER SUPPLY CORPORATION
Annual Meeting Minutes
April 12, 2016

Board Members Present:

Donald Lundmark
Alice J. Black

Board Members Absent:

Mike Benton

Membership Present:

Ruth Ann Smith
Sherry Zimmerman

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Jacob Hinojosa

Guests Present:

Margaret Kelly – John Womack & Co., P.C.
Noel Valdez – McCall, Parkhurst & Horton

1. Call to Order.

Mr. Donald Lundmark, Board President, called the Annual Meeting to order at 10:02 a.m. at the South Texas Water Authority offices in Kingsville, Texas. A quorum was present.

2. Citizen comments.

Mr. Lundmark opened the floor to citizen comments. No citizen comments were made.

3. Approval of Annual Membership Meeting 2015 Minutes.

The minutes of the April 14, 2015 Annual Meeting were presented for approval. Ms. Black made a motion to approve the minutes as presented. Mr. Lundmark seconded the motion and all were in favor.

4. Election of Directors.

Ms. Serrato explained that no nominations were received so an election cannot be held.

5. Review of proposed audit for Fiscal Year 2015.

Ms. Margaret Kelly of John Womack & Co., P.C. presented and reviewed the Fiscal Year 2015 Audit. She reported a \$247,000 increase in Net Income and pointed out that Cash and Cash Equivalents included a reimbursement from TxDOT. She stated that the Corporation is fiscally strong and reviewed the Board of Directors Communication Letter – After Audit. She added that the audit was considered unqualified meaning that there was no negative reason for the auditors to consider the audit a materially incorrect report. Ms. Serrato pointed out that although the Corporation appears to be in a good financial position, it is not yet known how future TxDOT

projects might affect the Corporation. She explained that the Corporation will be financially responsible for relocating any water lines that are not in private easement.

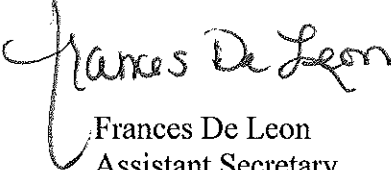
6. **Resolution 16-01. Resolution accepting the Fiscal Year 2015 Audit prepared by John Womack & Co., P.C. of Kingsville.**

Ms. Black made a motion to adopt Resolution 16-01 accepting the Fiscal Year 2015 Audit. Mr. Lundmark seconded the motion and all voted in favor.

7. **Adjournment.**

With no further business to conduct, Mr. Lundmark adjourned the meeting at 10:17 a.m.

Respectfully submitted,



Frances De Leon
Assistant Secretary