

NUECES WATER SUPPLY CORPORATION
Minutes – Regular Meeting
April 9, 2024

Board Members Present:

Alice J. Black (Phone)
Kathleen Lowman
Sherry Zimmerman
Samuel Arciniega

Board Members Absent:

None

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo

Guests Present (By Zoom):

Rogelio Rodriguez, Water Finance Exchange
Ivan Luna, I.C.E.
Angie Flores, Raftelis

1. Call to Order.

Ms. Alice J. Black, President, called the Regular Meeting to order at 2:08 p.m. at the South Texas Water Authority Boardroom, 2302 East Sage Road, Kingsville, Texas. A quorum was present.

2. Citizen comments.

No comments from the public were made.

3. Election of officers.

Ms. Lowman made a motion to elect Ms. Zimmerman as President, Ms. Lowman as Secretary/Treasurer and Mr. Arciniega as Vice-President. The motion was seconded by Mr. Arciniega. All voted in favor.

4. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the December 18, 2023 Regular Meeting as presented. Mr. Arciniega seconded. All voted in favor.

5. Treasurer's Report/Payment of Bills.

The following financial reports were presented for review and approval:

Treasurer's Report as of November 30, 2023
Account Activity for General Account for November 1, 2023 to November 30, 2023
Account Activity for Operations Account for November 1, 2023 to November 30, 2023

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TEXPOOL Participant Statement for 11/01/2023 – 11/30/2023 for General Account
TEXPOOL Participant Statement for 11/01/2023 – 11/30/2023 for Security Deposit Account
Treasurer's Report as of December 31, 2023
Account Activity for General Account for December 1, 2023 to December 31, 2023
Account Activity for Operations Account for December 1, 2023 to December 31, 2023
TEXPOOL Participant Statement for 12/01/2023 – 12/31/2023 for General Account
TEXPOOL Participant Statement for 12/01/2023 – 12/31/2023 for Security Deposit Account
Treasurer's Report as of January 31, 2024
Account Activity for General Account for January 1, 2024 to January 31, 2024
Account Activity for Operations Account for January 1, 2024 to January 31, 2024
TEXPOOL Participant Statement for 01/01/2024 – 01/31/2024 for General Account
TEXPOOL Participant Statement for 01/01/2024 – 01/31/2024 for Security Deposit Account
Treasurer's Report as of February 29, 2024
Account Activity for General Account for February 1, 2024 to February 29, 2024
Account Activity for Operations Account for February 1, 2024 to February 29, 2024
TEXPOOL Participant Statement for 02/01/2024 – 02/29/2024 for General Account
TEXPOOL Participant Statement for 02/01/2024 – 02/29/2024 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S23-204 November 2023 Water Usage, Water Cost and Handling Charge	\$36,180.27
STWA Invoice S23-205 November 2023 General and Administration	\$18,329.65
STWA Invoice S23-209 November 2023 Taps and Repairs	\$11,513.67
STWA Invoice S23-212 Quarterly reimbursement – Phone Service & Technology Support (10/1/23 – 12/31/23)	\$ 1,765.65
STWA Invoice S23-214 Standby By Pay reimbursement (September 28, 2023 – December 27, 2023)	\$ 366.46
STWA Invoice S24-008 December 2023 Water Usage, Water Cost and Handling Charge	\$34,293.90
STWA Invoice S24-009 December 2023 General and Administration	\$18,308.62
STWA Invoice S24-012 December 2023 Taps and Repairs	\$ 9,611.66

STWA Invoice S24-014 Supplies reimbursement – December 2023	\$ 348.69
STWA Invoice S24-022 January 2024 Water Usage, Water Cost and Handling Charge	\$41,670.40
STWA Invoice S24-023 January 2024 General and Administration	\$19,931.78
STWA Invoice S24-026 January 2024 Taps and Repairs	\$ 9,541.01
STWA Invoice S24-028 Supplies reimbursement – January 2024	\$ 1,105.76
STWA Invoice S24-037 February 2024 Water Usage, Water Cost and Handling Charge	\$40,719.40
STWA Invoice S24-38 February 2024 General and Administration	\$18,308.04
STWA Invoice S24-041 February 2024 Taps and Repairs	\$15,821.97
STWA Invoice S24-042 Supplies reimbursement – February 2024	\$ 393.02
International Consulting Engineers December 2023 On-Call Services	\$ 6,303.12
Willatt & Flickinger, PLLC, Attorneys At Law Professional Services – March 2024	\$ 5,065.00

Ms. Lowman made a motion to approve the Treasurer's Report and payment of the bills as presented. Mr. Arciniega seconded and all voted in favor.

6. Appointment of Credentials Committee.

Ms. Lowman made a motion to appoint Ms. Lowman, Mr. Arciniega and Mr. Donald Lundmark to the Credentials Committee. Mr. Arciniega seconded the motion. All voted in favor.

7. NWSC Master Plan.

Mr. Rogelio Rodriguez of Water Finance Exchange reported that South Texas Water Authority's application for funding of NWSC, RWSC and STWA projects is in good standing for the first

round of funding. He added that funding looks promising for the end of Quarter 3 into Quarter 4 and application has been made for the second round of funding as well. He explained that federal funding runs out next year so application was made for as much as possible before funding runs out. Mr. Ivan Luna of International Consulting Engineers (I.C.E.) stated that Water Finance Exchange has done a great job working on funding for the master plan. Ms. Lowman made a motion to approve the project list along with the opinion of probable cost. Mr. Arciniega seconded and the motion passed by unanimous vote.

8. Lead and Copper Rule Lead Service Line Inventory and compensation for after-hours work to complete the project.

Mr. Marez informed the Board that October 16, 2024 is the deadline for public water systems to complete lead service line inventories. He explained that the GIS system is set in place and maps out the service lines. Staff is working on classification of the service lines and updating the software with the needed information. However, because office staff is limited on work time during the business day, he requested that the Board consider approving up to \$5,000 for overtime expenses for the work to continue after-hours as needed. Mr. Arciniega made a motion to approve the request of \$5,000 to accommodate staff working on behalf of the Corporation to complete the mandate by the deadline. Ms. Lowman seconded. All voted in favor.

9. Ratification of Rate Study for large volume users.

Mr. Marez stated that Raftelis has been selected to provide a review and recommendations for STWA and the Ricardo and the Nueces Water Supply Corporation rate studies. Ms. Angie Flores provided a brief rate study presentation of the current customer base, the cost of water from the City of Corpus Christi and the impact of expected and potential additional large volume users. She stated that for a large volume user such as Tesla, Raftelis calculated a Fixed Charge of \$2,620 and a Volumetric Charge of \$5.21 per thousand gallons. Mr. Arciniega moved to adopt the rates as recommended by Raftelis. Ms. Lowman seconded. All voted in favor.

10. NWSC Water Conservation and Drought Contingency Plan.

Mr. Marez stated that the Corporation's Water Conservation and Drought Contingency Plan was last updated in 2018 and it is now due for the required 5-year update. He requested that the Board approve updating the Water Conservation and Drought Contingency Plan contingent on the final calculations being determined by staff and verified by the Corporation's engineers. He added that he would present the final plan to the Board for approval. Mr. Arciniega made a motion to approve updating the NWSC Water Conservation and Drought Contingency Plan based on Mr. Marez's contingencies. Ms. Lowman seconded and all voted in favor.

11. City of Corpus Christi Drought Contingency Plan – Implementation of Stage 2 Water Restrictions.

Mr. Marez presented official notice that the City of Corpus Christi has implemented Stage 2 Water Restrictions. He stated that staff will begin working on preparing a notice informing

NWSC customers that Stage 2 of the Corporation's Drought Contingency Plan is being implemented. Mr. Arciniega made a motion to authorize staff to mail out the Stage 2 notice to all NWSC customers. Ms. Lowman seconded. All voted in favor.

12. Update on Vaquero Ventures' request for service on FM 665.

Mr. Marez reported Vaquero Ventures has been in contact with staff and I.C.E. regarding development of a convenience store at I-69 and FM 665 east of Driscoll. Meetings with Vaquero Ventures are scheduled for every two weeks. He added that the TxDOT permit has expired and Vaquero Ventures is now working with I.C.E. for approval of the new permit. Mr. Marez stated he would keep the Board updated on progress.

13. Tariff Amendment.

Mr. Marez presented the large volume water rates recommended by Raftelis and requested that the Board adopt the rates for new industrial customers. Ms. Lowman made a motion to approve the rate schedule as presented. Mr. Arciniega seconded and all voted in favor.


14. Acceptance of easement from Andres DeLeon Jr. and San Juanita DeLeon.

Mr. Marez presented a Right of Way Easement from Mr. Andres DeLeon Jr. and Ms. San Juanita DeLeon for their property at 5791 CR12 in Bishop and recommended approval as presented. Ms. Lowman made a motion to approve the easement as presented upon approval of legal counsel. Mr. Arciniega seconded. All voted in favor.

15. Adjournment.

With no further business to conduct, Ms. Lowman made a motion to adjourn the meeting at 3:18 p.m. Mr. Arciniega seconded the motion. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary