

NUECES WATER SUPPLY CORPORATION
Minutes – Regular Meeting
July 16, 2024

Board Members Present:

Kathleen Lowman
Sherry Zimmerman
Samuel Arciniega

Board Members Absent:

None

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo
Valerie Garcia

Guests Present:

Rogelio Rodriguez, Water Finance Exchange
Dan Martinez, Winstead PC
Margaret Kelly, John Womack & Co, P.C.
Charlie Cardenas, I.C.E.

1. Call to Order.

Ms. Sherry Zimmerman, 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. Review of proposed audit for Fiscal Year 2023.

Ms. Margaret Kelly of John Womack & Co., P.C., presented the Fiscal Year 2023 Audit. She reviewed the Operating Revenue and Expenses and reported a net loss of \$126,765. She added that the Corporation is fiscally strong with a fund balance large enough to cover over 25 months of operating expenses.

4. Resolution 24-01. Resolution accepting the Fiscal Year 2023 Audit prepared by John Womack & Co., P.C. of Kingsville.

Ms. Lowman made a motion to adopt Resolution 24-01 accepting the Fiscal Year 2023 Audit. Mr. Arciniega seconded the motion and all voted in favor.

The order of the agenda was changed to accommodate the guests.

13. Consideration and approval of a Fourth Amendment to Amended and Restated Water Supply Contract between South Texas Water Authority and Nueces Water Supply Corporation.

14. Consideration and approval of a Fourth Amendment to Management Agreement.

Mr. Marez stated that Items 13 and 14 are similar. The amendments were drafted by STWA's bond counsel, Winstead, PC, so that the time frame of the agreements matches the length of the TWDB funding. The documents have been presented to the STWA Board and have been approved. Mr. Dan Martinez of Winstead stated that the amendments extend the term of the agreements to allow the contracts to be in place as a pledge of revenue towards the bonds. Mr. Rogelio Rodriguez of Water Finance Exchange said that he believes this is the last step before Texas Water Development Board commits funds and proceeds with closing. Ms. Lowman made a motion to approve the Fourth Amendment to the Amended and Restated Water Supply Contract between South Texas Water Authority and Nueces Water Supply Corporation and approval of the Fourth Amendment to the Management Agreement. Mr. Arciniega seconded. The motion passed by unanimous vote.

5. Approval of Minutes.

Ms. Lowman made a motion to approve the minutes of the April 9, 2024 Regular Meeting as presented. Mr. Arciniega seconded. All voted in favor.

6. Treasurer's Report/Payment of Bills.

The following financial reports were presented for review and approval:

Treasurer's Report as of March 31, 2024

Account Activity for General Account for March 1, 2024 to March 31, 2024

Account Activity for Operations Account for March 1, 2024 to March 31, 2024

TEXPOOL Participant Statement for 03/01/2024 – 03/31/2024 for General Account

TEXPOOL Participant Statement for 03/01/2024 – 03/31/2024 for Security Deposit Account

Treasurer's Report as of April 30, 2024

Account Activity for General Account for April 1, 2024 to April 30, 2024

Account Activity for Operations Account for April 1, 2024 to April 30, 2024

TEXPOOL Participant Statement for 04/01/2024 – 04/30/2024 for General Account

TEXPOOL Participant Statement for 04/01/2024 – 04/30/2024 for Security Deposit Account

Treasurer's Report as of May 31, 2024

Account Activity for General Account for May 1, 2024 to May 31, 2024

Account Activity for Operations Account for May 1, 2024 to May 31, 2024

TEXPOOL Participant Statement for 05/01/2024 – 05/31/2024 for General Account

TEXPOOL Participant Statement for 05/01/2024 – 05/31/2024 for Security Deposit Account

The following bills were presented for payment:

STWA Invoice S24-050

\$35,172.98

March 2024 Water Usage, Water Cost and Handling Charge

STWA Invoice S24-051 March 2024 General and Administration	\$23,834.30
STWA Invoice S24-054 March 2024 Taps and Repairs	\$10,250.19
STWA Invoice S24-073 April 2024 Water Usage, Water Cost and Handling Charge	\$36,669.42
STWA Invoice S24-074 April 2024 General and Administration	\$19,637.58
STWA Invoice S24-077 April 2024 Taps and Repairs	\$14,268.39
STWA Invoice S24-080 Standby By Pay reimbursement (January 4, 2024 – March 27, 2024)	\$ 333.60
STWA Invoice S24-088 May 2024 Water Usage, Water Cost and Handling Charge	\$41,075.55
STWA Invoice S24-089 May 2024 General and Administration	\$18,439.50
STWA Invoice S24-094 May 2024 Taps and Repairs	\$ 7,023.09
STWA Invoice S24-096 Quarterly reimbursement – Phone Service & Technology Support (01/01/24 – 03/31/24)	\$ 1,726.17

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.

7. Amended Nueces Water Supply Corporation Water Conservation and Drought Contingency Plan.

Mr. Marez presented a proposed Amended NWSC Water Conservation and Drought Contingency Plan. He explained that the plan mirrors the City of Corpus Christi’s plan.

8. Resolution 24-02. Resolution Adopting the Amended Nueces Water Supply Corporation Water Conservation and Drought Contingency Plan.

Ms. Lowman made a motion to approve Resolution 24-02 adopting the Amended Nueces Water Supply Corporation Water Conservation and Drought Contingency Plan. Mr. Arciniega seconded the motion. The motion passed by unanimous vote.

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

Mr. Charlie Cardenas of I.C.E. gave a brief update on the Vaquero Ventures project. He said the developer plans on constructing a convenience store at the intersection of FM 665 and I 69. A six-inch line will be installed to provide service to the store. The TxDOT permit has been updated and currently waiting on TxDOT approval before construction begins on the line extension.

10. Discussion – New fencing at NWSC Banquete Pump Station.

Mr. Marez stated that the fence at the Nueces WSC Banquete Pump Station had been replaced in order to meet TCEQ standards. The fence replacement was completed by S&J Fence Co. on June 11, 2024 at a total cost of \$21,921.23. Although the property is owned by South Texas Water Authority, the pump station facilities are owned by Nueces Water Supply Corporation. Mr. Marez asked the Board to consider reimbursing STWA for half of the cost. Ms. Lowman made a motion to authorize reimbursement to STWA for half the cost of the fence replacement which amounts to \$10,960.61. Mr. Arciniega seconded the motion and all voted in favor.

11. Discussion – Replacement generator at Sablatura Park Pump Station.

Mr. Marez reported that the generator at the Sablatura Park Pump Station is no longer working and needs to be replaced. A portable generator is currently being used since the existing generator is not in working condition. He provided a quote for a new 60kW generator from Taylor Power Systems in the amount of \$33,200. Mr. Arciniega made a motion to approve the quote for purchase of the new generator. Ms. Lowman seconded. All voted in favor.

12. Cost share of fence replacement at Central Pump Station.

Mr. Marez stated that the fence at the Central Pump Station is in need of replacement in order to meet TCEQ standards. He presented a quote from S&J Fence Co. in the amount of \$17,503.45 and added that if approved, the cost would be split evenly between STWA and NWSC. Mr. Arciniega made a motion to approve paying for half of the \$17,503.45 cost for the fence replacement at Central Pump Station. Ms. Lowman seconded and all voted in favor.

15. Appointment of Director to fill the unexpired term of Alice J. Black.

Mr. Marez reported that Ms. Black has resigned from her position on the Board and someone is needed to fill the vacancy. He asked that the Board bring forward names of anyone who might be available to serve on the Board and added that the Board has 60 days to fill the vacancy. No action was taken by the Board.

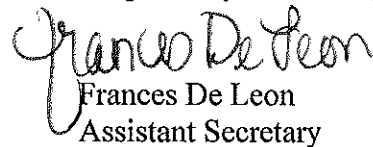
16. General Manager's Report.

Mr. Marez reported that staff continues working on several issues. He expects Seven Seas Water Group to submit a proposal as a possible water source. Work continues on finalizing a service agreement with Tesla. He hopes to have an agreement by the end of the year. Amendments to the Water Supply Contract and Management Agreements will also be considered by Ricardo Water Supply Corporation at their next meeting. He reminded the Board to let people know about signing up for alerts.

17. Adjournment.

With no further business to conduct, Ms. Lowman made a motion to adjourn the meeting at 3:10 p.m. Mr. Arciniega seconded the motion. All voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary