

NUECES WATER SUPPLY CORPORATION
Minutes – Regular Meeting
December 7, 2021

Board Members Present:

Alice J. Black

Board Members Absent:

Ruth Ann Smith
Sherry Zimmerman

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner

Guests Present:

Kathy Lowman

1. Call to Order.

A Regular Meeting was scheduled for 2:30 p.m. on December 7, 2021. Ms. Smith and Ms. Zimmerman were not in attendance therefore a quorum was not present. Under the advice of legal counsel, the following items were presented to NWSC President Alice J. Black for approval since a quorum was not available.

2. Citizen comments.

No comments from the public were made.

3. Approval of Minutes.

Ms. Black approved the minutes of the August 2, 2021 Regular Meeting as presented.

4. Treasurer's Report/Payment of Bills.

The following financial reports were presented for review and approval:

Treasurer's Report as of July 31, 2021

Account Activity for General Account for July 1, 2021 to July 31, 2021

Account Activity for Operations Account for July 1, 2021 to July 31, 2021

TEXPOOL Participant Statement for 07/01/2021 – 07/31/2021 for General Account

TEXPOOL Participant Statement for 07/01/2021 – 07/31/2021 for Security Deposit Account

TexSTAR General Account Statement for 07/01/2021 – 07/31/2021

Treasurer's Report as of August 31, 2021

Account Activity for General Account for August 1, 2021 to August 31, 2021

Account Activity for Operations Account for August 1, 2021 to August 31, 2021

TEXPOOL Participant Statement for 08/01/2021 – 08/31/2021 for General Account

TEXPOOL Participant Statement for 08/01/2021 – 08/31/2021 for Security Deposit Account

TexSTAR General Account Statement for 08/01/2021 – 08/31/2021

NWSC Regular Meeting Minutes

December 7, 2021

Page 2

Treasurer's Report as of September 30, 2021

Account Activity for General Account for September 1, 2021 to September 30, 2021

Account Activity for Operations Account for September 1, 2021 to September 30, 2021

TEXPOOL Participant Statement for 09/01/2021 – 09/30/2021 for General Account

TEXPOOL Participant Statement for 09/01/2021 – 09/30/2021 for Security Deposit Account

TexSTAR General Account Statement for 09/01/2021 – 09/30/2021

The following bills were presented for payment:

| | |
|----------------------------------------------------------------------------------------------------|-------------|
| STWA Invoice S21-130 July 2021 Water Usage, Water Cost and Handling Charge | \$41,097.73 |
| STWA Invoice S21-131 July 2021 General and Administration | \$17,444.66 |
| STWA Invoice S21-135 July 2021 Taps and Repairs | \$17,643.06 |
| STWA Invoice S21-143 August 2021 Water Usage, Water Cost and Handling Charge | \$38,440.22 |
| STWA Invoice S21-144 August 2021 General and Administration | \$17,633.33 |
| STWA Invoice S21-148 August 2021 Taps and Repairs | \$15,663.05 |
| STWA Invoice S21-158 September 2021 Water Usage, Water Cost and Handling Charge | \$30,330.72 |
| STWA Invoice S21-159 September 2021 General and Administration | \$17,398.97 |
| STWA Invoice S21-163 September 2021 Taps and Repairs | \$ 9,092.80 |
| STWA Invoice S21-165 Payroll expense for Part-time Employee for July, August and September 2021 | \$ 908.05 |
| STWA Invoice S21-167 Payroll expense for Stand By for July 7, 2021 through September 29, 2021 | \$ 396.07 |

STWA Invoice S21-169 \$ 1,318.42
Reimburse for Fiber optic phone service (06/19/21 through 09/19/21) and High Touch
Technology support (07/01/21 through 09/30/21)

STWA Invoice S21-177 \$29,251.91
October 2021 Water Usage, Water Cost and Handling Charge

STWA Invoice S21-178 \$17,428.40
October 2021 General and Administration

STWA Invoice S21-182 \$ 3,775.00
October 2021 Taps and Repairs

Ms. Black approved the Treasurer's Reports and payment of the bills as presented.

5. Resignation of Donald Lundmark and Mike Benton and appointment of directors to fill the unexpired terms.
6. Election of officers.

Mr. Marez explained that the resignations of Mr. Donald Lundmark and Mr. Mike Benton have left two vacancies on the Board which can be filled at the next Annual Meeting. Ms. Kathy Lowman has volunteered to serve on the NWSC board. A new Vice-President will need to be elected as well. He added that once all Board members are elected or appointed, selection of a new Vice-President can take place.

7. Fiscal Year 2021 Budget Amendments.

Ms. Wagner reviewed the proposed Fiscal Year 2021 Amended Budget which reflected a decrease in Revenues of \$32,116 and a \$66,898 increase in Total Expenditures for a Net Loss of \$245,774. She pointed out that the depreciation expense of \$333,000 is not a cash flow item. Ms. Black accepted the amendments as presented.

8. Proposed Fiscal Year 2022 Budget and retail water rates

Ms. Wagner presented the proposed Fiscal Year 2022 Budgets based on the current rates as well as three additional scenarios based on various monthly minimums and tier rates. She explained that the City of Corpus Christi water rate will decrease in January 2022 by 50 cents per thousand gallons and recommended maintaining the current rates. She added that keeping the same rate could help accumulate funds for system repairs. Ms. Black agreed with leaving the rates the same.

9. Resolution 21-04. Resolution adopting the recommended Fiscal Year 2022 Budget.

Ms. Black gave verbal approval in support of Resolution 21-04 keeping the same water rates for Fiscal Year 2022.

10. John Womack & Co., P.C. Letter of Engagement for Auditor Services.

Mr. Marez presented the John Womack & Co., P.C. Letter of Engagement for auditor services for the fiscal year ending December 31, 2021 with a cost of \$5,575. Ms. Black gave approval to accept the engagement letter for FY 2021 audit services with John Womack & Co., P.C. in the amount of \$5,575.

11. Annual Meeting Schedule and Election Procedures.

Mr. Marez stated that per State requirements, the Board must review Election Procedures for the Annual Membership meeting. The positions currently held by Ms. Smith and Ms. Zimmerman are up for election in April of 2022. In addition, the two vacancies remaining on the board after Mr. Benton's and Mr. Lundmark's resignations need to be filled. He presented TRWA's Election Procedures 2021 Changes and reviewed the following recommended changes:

1. The COVID-19 letter has been updated with TRWA's current advice on holding meetings during the ongoing pandemic.
2. Language was stricken from page 4 of the TRWA Elections Procedures which previously allowed board candidates' personal information to be kept confidential.

He also presented the timeline and schedule for the 2022 Annual Membership Meeting and asked for approval to proceed with the schedule and to incorporate the recommended changes in the Corporation's Election Procedures. Ms. Black reviewed the proposed schedule and the notice to members on submitting an application for the NWSC Board of Directors and authorized incorporating the changes into NWSC's procedures, mailing of the presented documents and proceeding with the recommended schedule.

12. Emergency Preparedness Plan.

- Ardurra Proposal for Engineering Services

Mr. Marez stated that the documentation needed to complete the Emergency Preparedness Plan is extremely complex and many water providers have outsourced the task. He added that Ms. Wagner requested a bid from Ardurra for completion of the document. He presented Ardurra's quote in the amount of \$5,620 and recommended entering into the agreement. Ms. Black gave approval to accept Ardurra's proposal in the amount of \$5,620.

13. Purchase of materials to build up NWSC stockpile of materials due to stagnation in PVC production and transportation issues.

Mr. Marez reported that over the last few months, staff has noticed an increased cost and scarcity of materials in the water utility industry including shortages of PVC pipe, fittings, valves and similar materials. The Corporation's supplies remain in adequate amounts, but there is a delay of 1 ½ to 8 months in delivery of materials. He requested authorization to look into purchasing

materials to serve as a stockpile to ensure the availability of materials for repairs and other projects. He added that a Houston manufacturer is available to provide material but at a steep price. Ms. Black gave approval to do so and when an estimate is ready, to proceed with acquiring the materials.

14. Request for service – Vaquero Ventures on FM 666.

Mr. Marez reported that developer Vaquero Ventures is looking into building a convenience store on FM 665 on the east side of the bypass. Vaquero is interested in taking on the majority of the cost for expanding to this area but has asked that NWSC consider sharing the cost of installing the waterline since it could lead to future customers for the corporation. Currently a two-inch line provides service to the area but this line does not have the capacity to service the proposed development. A four-inch line will need to be installed costing approximately \$80,115.16. If the cost is shared, Vaquero's portion would be \$62,489 and NWSC's portion would be \$17,654. Ms. Black agreed for NWSC to share the cost and pay \$17,654.

15. Update on Texas 811 changes.

Mr. Marez reported that because of recent changes, the Texas 811 emergency locate policy now provides up to three hours for locaters to mark lines during emergency situations. He stated that he wanted to make the Board aware of the changes since, in some cases, crews might have to wait up to three hours to begin excavations on repairs. No action was taken by the Board.

16. Acceptance of easements for NWSC for Triple-T Farms Grain Facility.


- Triple-T Farms & Cattle Co.
- Toby Robertson

Ms. Black reviewed the easements provided by Triple-T Farms and approved accepting the easements.

17. Adjournment.

With no further business to conduct, Ms. Black adjourned the meeting at 3:21 p.m.

Respectfully submitted,


Frances De Leon
Assistant Secretary