

BEXAR COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. TEN

8601 MIDCROWN
SAN ANTONIO, TEXAS 78239-2445

REGULAR BOARD MEETING MINUTES
JANUARY 18, 2018

- I. CALL REGULAR BOARD MEETING TO ORDER AND TAKE ATTENDANCE AND PLEDGE OF ALLEGIANCE: The Regular Board Meeting of January 18, 2018, was called to order at 6:30 p.m. by the President of the Board, Ms. Sue Alexander, at the City of Windcrest Council Chambers, 8601 Midcrown Drive, Windcrest, Texas, for the purpose of considering the following agenda. The Board's President determined that a quorum was present. Board members present were Ms. Alexander, Ms. Scheibler, Ms. Snead and Mr. Richards. Mr. Fagin was absent. Also in attendance were Ruben Barrera, Attorney, Leonard Young, Engineer and David Wallace, General Manager.
- II. ANNOUNCEMENTS: THE BOARD OF DIRECTORS OF THE BEXAR COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 10 WILL, DURING THE MEETING, CLOSE THE MEETING AND HOLD AN EXECUTIVE SESSION PURSUANT TO AND IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS OPEN MEETINGS ACT. THE BOARD OF DIRECTORS MAY, AT ANY TIME DURING THE MEETING, CLOSE THE MEETING AND HOLD AN EXECUTIVE SESSION FOR CONSULTATION WITH ITS ATTORNEYS CONCERNING ANY OF THE MATTERS TO BE CONSIDERED DURING THE MEETING PURSUANT TO CHAPTER 441 OF THE TEXAS OPEN MEETINGS ACT.
- III. READ, CORRECT/AMEND, AND APPROVE THE REGULAR BOARD MEETING MINUTES OF DECEMBER 14, 2017. Ms. Snead made a motion to approve the minutes with the correction to VIII.B.4. "Change to 2018 - 2019" Capital Improvement... This was seconded by Ms. Scheibler. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

- IV. ACCEPT VISITOR COMMENTS (STRICT 5 MINUTE TIME LIMIT PER VISITOR). VISITORS THAT WISH TO SPEAK MUST SIGN IN ON THE SIGN-UP SHEET LOCATED AT THE DOORWAY. VISITORS MUST SIGN IN BEFORE THE MEETING BEGINS. VISITOR COMMENT WILL NOT BE ALLOWED / ACCEPTED AFTER THIS TIME.

PUBLIC COMMENT SESSION OF MEETING

The Board will now open the floor to members of the public for the "Open Form - Citizens to be Heard" portion of our meeting. Individuals will be called in the order they registered on the sign-in sheet prior to the beginning of the meeting. While the Board welcomes comments and participation from the public, please be advised of the following guidelines:

- 1. Remarks shall be limited to five (5) minutes per individual.*
- 2. Remarks or comments should be directed to the entire Board and not to one individual member of the Board.*
- 3. The Board strives to maintain open, courteous and respectful communications with the public. Please extend the same courtesy to the Board when addressing your remarks.*

The Board further expects that all members of the public shall exercise decorum during the conduct of the meeting. Any individual engaging in disruptive behavior, including shouting, the use of vulgar language or gestures, or derogatory comments and statements intended to incite a breach of the peace, may be asked to leave the meeting.

Pursuant to Section 551.042 of the Texas Open Meetings Act, the Board may not deliberate or decide on any inquiry or concern raised by a member of the public or member of the board that has not been posted on the agenda. The Board may, however, consider a proposal to place the subject on the agenda item for a future meeting, or respond to a question presented

to the Board if the response is limited to either a statement of specific factual, information or a recitation of existing policy.

VISITOR SPEAKERS: Mr. Greenwood made comments regarding the Safety Glass, Fire Hydrants and the Approved Rate Increase.

V. ITEMS FOR INDIVIDUAL CONSIDERATION:

A. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON A RESOLUTION AUTHORIZING THE SALE OF THE PROPERTY DESCRIBED AS PROPERTY LOTS 1-4, BLOCK 1 AND LOTS 14-19, BLOCK 1, NEW CITY BLOCK 13758, BEXAR SUBDIVISION, CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS AND LOCATED AT 5507 RANDOLPH BLVD, SAN ANTONIO, TEXAS 78239. Ms. Alexander made a motion to Table this item. This was seconded by Mr. Richards. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

B. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON A RESOLUTION AUTHORIZING THE SALE OF WATER TO THE WASH TUB, AUTHORIZING THE ACCEPTANCE OF AND TRANSFER TO THE DISTRICT OF WATER RIGHTS FROM THE WASH TUB OR WAIVE THE REQUIREMENT OF A TRANSFER OF WATER RIGHTS TO THE DISTRICT AND ACCEPTANCE OF A CASH PAYMENT IN LIEU OF ACCEPTANCE OF AND TRANSFER TO THE DISTRICT OF WATER RIGHTS FROM THE WASH TUB; AND FURTHER AUTHORIZING AND DELEGATING TO THE GENERAL MANAGER THE AUTHORITY TO NEGOTIATE, FINALIZE AND EXECUTE A WATER SUPPLY/WATER RIGHTS CONTRACT BETWEEN THE DISTRICT AND THE WASH TUB. Ms. Snead made a motion to approve this Resolution with cost of \$5,400 per AF. This was seconded by Ms. Alexander. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

C. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON A RESOLUTION AUTHORIZING THE PURCHASE AND INSTALLATION OF BULLET PROOF SAFETY GLASS FROM TRECO TO BE INSTALLED IN THE DISTRICT OFFICE AT 8601 MIDCROWN DRIVE, WINDCREST, TEXAS, AND FURTHER AUTHORIZING AND DELEGATING TO THE GENERAL MANAGER THE AUTHORITY TO NEGOTIATE, FINALIZE AND EXECUTE THIS CONTRACT. Mr. Richards made a motion to approve this Resolution not to exceed \$24,000. This was seconded by Ms. Scheibler. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

D. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON AUTHORIZING THE GENERAL MANAGER TO LOCATE AND SUBMIT POSSIBLE IT PROFESSIONALS FOR CONSIDERATION BY THE BOARD. Ms. Scheibler made a motion to authorize the General Manager to locate and submit possible IT Professionals. This was seconded by Ms. Alexander. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

E. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON A RESOLUTION APPROVING THE FIRE HYDRANT. POLICY. Ms. Alexander stated that the Board would address this item during the discussion on V.H.

F. A PRESENTATION BY CAPEX CONSULTING GROUP AND RBC CAPITAL MARKETS, LLC AND BOARD DELIBERATION REGARDING THE DISTRICT'S COST OF SERVICE AND RECOMMENDED RATES FOR THE DISTRICT.

G. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON A RESOLUTION TO APPROVE AN INCREASE IN THE DISTRICT'S WATER RATES FOR WATER CONSUMPTION FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS WITHIN THE DISTRICT EFFECTIVE FEBRUARY 23, 2018 TO SUPPORT THE DISTRICT'S APPROVED ANNUAL BUDGET AND REVENUE REQUIREMENTS FOR FISCAL YEAR 2018 AND FURTHER APPROVE AN INCREASE IN THE DISTRICT'S WATER RATES FOR WATER CONSUMPTION FOR RESIDENTIAL AND COMMERCIAL CUSTOMERS WITHIN THE DISTRICT FOR FISCAL YEARS 2019, 2020, 2021 AND 2022 TO SUPPORT THE DISTRICT'S PROJECTED REVENUE REQUIREMENTS FOR FISCAL YEARS 2019, 2020, 2021 AND 2022 EFFECTIVE FEBRUARY 23RD OF EACH YEAR FOR FISCAL YEARS 2019, 2020, 2021 AND 2022. Ms. Scheibler made a motion to approve this Resolution. This was seconded by Ms. Alexander. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

H. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON A RESOLUTION TO APPROVE THE 2017-2018 POLICY & PROCEDURES MANUAL. Mr. Richards made a motion to approve the 2017 - 2018 Policy & Procedures Manual. This was seconded by Ms. Scheibler. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

I. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION TO APPOINT A COMMITTEE TO BE COMPRISED OF TWO BOARD MEMBERS AND THE GENERAL MANAGER FOR THE PURPOSE OF INTERVIEWING BOND LAWYERS AND FORWARDING THEIR RECOMMENDATION TO THE BOARD FOR CONSIDERATION AND POSSIBLE ACTION. Ms. Snead nominated Ms. Alexander to serve on this committee. Mr. Richards seconded this nomination. Nomination passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

Mr. Richards nominated Ms. Scheibler to serve on this committee. Ms. Alexander seconded this nomination. Nomination passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

J. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON SCHEDULING A SPECIAL BOARD MEETING TO HIRE BOND COUNCIL. TO BE HELD ON JANUARY 29, 2018 AT 11:00 A.M. Ms. Alexander made a motion to hold a Special Meeting. This was seconded by Mr. Richards. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

K. THE BOARD WILL DELIBERATE AND MAY TAKE ACTION ON A RESOLUTION TO APPROVE THE BID FOR THE WELL 3 ELECTRICAL PROJECT. AS RECOMMENDED BY THE DISTRICT'S ENGINEER AND THE GENERAL MANAGER. Ms. Alexander made a motion to approve this Resolution. This was seconded by Ms. Scheibler. Motion Passes.

4 YES 0 ABSTAIN 0 NO 1 ABSENT

L. A PRESENTATION BY THE GENERAL MANAGER AND THE DISTRICT'S ENGINEER, AND BOARD DELIBERATION REGARDING AN UPDATE OF THE DISTRICT CIP.

VI. BRIEFING SESSION

A. STATEMENT OF OPERATIONS AND INVESTMENT REPORT. SUMMARY OF INCOME AND EXPENSES FOR PREVIOUS MONTH. IN-DEPTH REPORT ON AREAS THAT EXPERIENCED SIGNIFICANTLY HIGHER OR LOWER LEVELS THAN EXPECTED. UPDATE ON INVESTMENTS, INCLUDING BALANCES, RATES OF RETURN, MATURITY DATES, AND MARKET CONDITIONS.

1. STATEMENT OF OPERATIONS: DECEMBER 2017
 - a. Operating Revenue: \$150,347.74
 - b. Operating Expenses: \$174,030.80
 - c. Operating Income (\$23,683.06)
 - d. Non-Operating Income \$ 946.20 (Interest Income)
 - e. Total Income (\$22,736.86)

2. INVESTMENT REPORT:
 - a. Operating Account Balance \$ 665,556.66
 - b. Investments: \$ 496,746.98
 - c. Grand Total \$1,545,667.30

B. MANAGER'S REPORT. SUMMARY OF SIGNIFICANT ACTIVITY THAT AFFECTED OPERATIONS OR HAS POTENTIAL OF AFFECTING OPERATIONS. INCLUDES PERSONNEL UPDATE, SIGNIFICANT EXPENDITURES, WEATHER CONDITIONS, CAPITAL IMPROVEMENT PROJECT STATUS, OPERATIONAL STATISTICS, AND RESPONSES TO INQUIRIES FROM THE BOARD AND / OR VISITORS.

1. SIGNIFICANT EXPENDITURES: (OVER \$5,000)

SAWS	Sewer Service / November 2017	\$58,100.31
EAA	Management / Program Fee	\$ 9,275.00
2. Water Usage Update: We are now in Normal Water Restrictions. Our current pumpage for December 2017 was 22,464,000 gals, Total pumpage for the year was 944.00 acre/ft. Total Edwards permit 1625.00 acre/ft. The Edwards Aquifer is currently around 663.50 ft. We are in Normal Restrictions.
3. We are still replacing old water meters that no longer function. This will be a normal operational procedure. The meter change-out program is on schedule to replace 400 residential meters this year. Still replacing bad curb-stops on meter change outs. Completed 400 new meters as of 12/31/2017.
4. Working with the Engineers and Rate Consultant on 2018 - 2019 Capital Improvement Project plans.
5. Current street repairs on main breaks are being completed by the City Contractor.
6. We have had two (2) water main breaks this month due to dry conditions.

VII. THE REGULAR SESSION OF THE JANUARY 18, 2018, REGULAR BOARD MEETING IS HEREBY RECESSED TO HOLD AN EXECUTIVE SESSION AND DISCUSS THE MATTERS LISTED BELOW PURSUANT TO SECTIONS 551.071, 552.072 AND 552.074 OF THE TEXAS OPEN MEETINGS ACT. The Board went into Closed session at 6:32 p.m.

VIII. EXECUTIVE SESSION

A. TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY DESCRIBED AS LOTS 1-4, BLOCK 1 AND LOTS 14-19, BLOCK 1, NEW CITY BLOCK 13758, BEXAR SUBDIVISION, CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS AND LOCATED AT 5507 RANDOLPH BLVD, SAN ANTONIO, TEXAS 78239 AND / OR RELATED WATER RIGHTS AS AUTHORIZED BY TEXAS GOVERNMENT CODE § 551.072.

B. TO DELIBERATE THE EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF THE DISTRICT'S EMPLOYEES, AS AUTHORIZED BY TEXAS GOVERNMENT CODE 551.074.

C. THE BOARD WILL CONSULT WITH THE DISTRICT'S LEGAL COUNSEL IN A CLOSED SESSION, AS AUTHORIZED BY TEXAS GOVERNMENT CODE § 551.071(2), TO DISCUSS AND SEEK ADVICE UPON ONE OR MORE MATTER(S) IN WHICH THE DUTY OF THE ATTORNEY TO THE DISTRICT UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF TEXAS CLEARLY CONFLICTS WITH CHAPTER 551, TEXAS GOVERNMENT CODE.

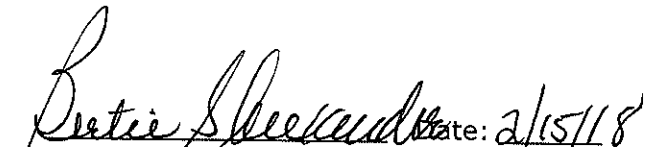
As Used Herein, "Closed Meeting" Shall Have The Definition Ascribed To That Term By Texas Government Code § 551.001. As Required By Texas Government Code § 551.102, The Final Action, Decision, Or Vote On A Matter Deliberated In A Closed Meeting Will Be Made In An Open Meeting

IX. THE REGULAR SESSION OF THE REGULAR BOARD MEETING OF JANUARY 18, 2018, IS HEREBY RECONVENED. The Board reconvened into Open Session at 6:47 p.m.

XI. OTHER BUSINESS BROUGHT BEFORE THE BOARD. (NO DELIBERATIONS AND / OR DECISION WILL OCCUR EXCEPT TO SCHEDULE AT NEXT SCHEDULED BOARD MEETING IN ORDER TO PLACE SUBJECT ON AGENDA AND GIVE STAFF TIME TO EVALUATE AND MAKE RECOMMENDATIONS.

XII. ADJOURNMENT. The Bexar County Water Control and Improvement District No. 10 Board of Directors Meeting of January 18, 2018 is hereby adjourned at 8:10 p.m.


JOHN E FAGIN, Secretary

 Date: 2/15/18
BERTIE S ALEXANDER, President