

Minutes of the Southside Steering Committee
Regional Water Supply Facilities Project
Thursday March 21, 2013 10:00 A.M.

The Lake O' the Pines Southside Steering Committee met in an open meeting on Thursday, March 21, 2013 at 10:00 a.m. The meeting was held at the Northeast Texas Municipal Water District's Executive Office located at 4180 Farm Road 250, Hughes Springs, Texas. Notice of the meeting was legally posted.

The meeting was called to order by Uvalde Stoermer.

The following steering committee voting delegates were present:

Uvalde Stoermer	-	NETMWD
Susan Whitfield	-	Diana SUD
Frank Perkins	-	Tryon Road SUD

The following additional persons participated in the steering committee:

Fred Thomas	-	Diana SUD
Walt Sears	-	NETMWD
Pete Wright	-	NETMWD
Jenny McKinney	-	NETMWD

On motion by Frank Perkins and a second by Susan Whitfield, the minutes of February 14, 2013 were approved. Motion carried, all voting aye.

During the Operations report, Pete Wright discussed the water quality and the change in the dosing rate. Mr. Wright presented a graph showing how the condition of the raw water had changed during the first three weeks in March. Mr. Wright reported that the chemical dosing rate is higher than normal due to the condition of the raw water. Mr. Wright indicated that the cost for the additional dosing is exceeding \$400 per day. Mr. Wright mentioned additional strategies that are being pursued to minimize the effects of the changing raw water quality. Mr. Wright also reported that he is evaluating possible changes to the sludge storage process. He indicated that it may be that larger storage bags should be used. He indicated that he would continue to study the options and report back to the Steering Committee. Maintenance of pipeline easements was discussed during the operations report. Concerns about subsidence and erosion were mentioned. Mr. Wright indicated that recent work has been done in that regard. Fred Thomas indicated that the work looked good and noted that a driveway over a portion of the pipeline easement needed some attention. Mr. Wright indicated that he would address that need and report the actions taken to address the driveway.

An update of some of the pending legislation before the Texas Legislature was provided by Walt Sears. HB4, SB4, HB14, SB14, HB2082, and HB 957 were some of the bills discussed. It was noted that the session is more than ½ complete and that the activity would likely intensify over the next month. Legislative topics included possible funding for water infrastructure, additional reporting requirement, changes to how wastewater permits may be issued or reviewed by TCEQ.

The financial report was presented to the Steering Committee. The report indicated that:

- Chemical expenses at 33% of the budget,
- Raw water sales at 43% of the budget,
- Debt service payment of \$252,951.56 was made in February of 2013,
- A refund on workers compensation insurance premium occurred and was due to favorable work experience.

Frank Perkins made a motion to approve the February 2013 Southside financial report. Susan Whitfield seconded the motion. Motion carried, all voting aye. During the financial report, the outstanding bonds were discussed. It was noted that the bonds will need further discussion next month and the Steering Committee will need to provide guidance about a possible refinance of some bonds to achieve savings in a lowered interest rate arrangement.

The next meeting for the Southside Committee was set for Wednesday, April 17, 2013.

The Southside Committee meeting was unanimously adjourned at 11:25 a.m. on a motion by Susan Whitfield and a second by Frank Perkins. Motion carried, all voting aye.

Uvalde Stoermer, Chair