

MINUTES OF
REGULAR MEETING

December 16, 2011

STATE OF TEXAS §

COUNTY OF NUECES §

On the 16th day of December, 2011, the Board of Directors for the Nueces County Water Control & Improvement District No. 4 convened at 2:35 p.m. in a Regular Meeting at the District Office, 315 South 9th Street, Port Aransas, Texas, there being present and in attendance the following to wit:

	President	Russ Miget
	Vice President	Marc Teller
	Secretary	Joan Holt
	Director	Ed Reed
	Secretary Pro-Tem	Suzette Freeman
Staff:	Manager	Mark Young
	Attorney	Charles Zahn
	Finance Director	Denise Fox
	Engineer	Jim Urban
	Engineer	Doug McMullan

The meeting was called to order at the scheduled hour by the presiding officer, Mr. Miget, pursuant to notice posted.

Minutes

A motion was made by Ms. Holt and seconded by Mr. Reed to approve the minutes for the September 29th, 2011 meeting. The motion carried unanimously. (The minutes were mailed to each director prior to the meeting.)

**11th Street
Waterline**

Mr. Young presented the bid for the 11th Street waterline. After discussion, Ms. Freeman made a motion to accept the bid from Island Construction at a cost of \$792,345.00. Mr. Teller seconded the motion and it carried unanimously.

Beasley

A motion was made by Mr. Teller to authorize management to:

- Transmission Line**
- a. negotiate with San Patricio MUD to bring additional capacity of potable water to the District.
 - b. conduct such tests or studies as are necessary to determine the structural integrity of the existing transmission facilities of the District in the Corpus Christi ship channel.
 - c. enter into an engineering services agreement for preliminary design of additional transmission facilities from the facilities of the District in Aransas Pass to facilities of the District in Port Aransas to bring an additional capacity of potable water to the District.
 - d. acquire the right of way and /or authority from the City of Aransas Pass to bring an additional supply of potable water to the District.
 - e. amend the budget of the District to provide the funds (excluding construction costs) necessary, not to exceed \$200,000.00, to bring an additional supply of potable water to the District.

Mr. Reed seconded the motion and it carried unanimously.

**Retirement
Policy**

Mr. Young presented an amendment to the Personnel Policy regarding retirement to the board. After discussion, Ms. Freeman made a motion to approve the amendment. Ms. Holt seconded the motion and it carried unanimously. A copy is attached and becomes a permanent part of the policy book.

**Engineer's
Contract**

A motion was made by Ms. Holt to table this item until the next meeting. The motion was seconded by Ms. Freeman and it carried unanimously.

**Attorney's
Contract**

A motion was made by Mr. Teller and seconded by Mr. Reed to approve a one-year renewal of the employment contract between the District and Attorney Charles Zahn and authorized the District Manager to execute the agreement. The motion carried unanimously. (the contract is on file in the District office)

**Purchasing
Cooperative**

Mr. Young presented information on a Government Purchasing Cooperative which has qualified vendors of commodities, goods and services at very competitive prices. This cooperative meets state procurement requirements which would save the District administrative costs. Mr. Reed made a motion to authorize management to execute the resolution to join the cooperative. Ms. Freeman seconded the motion and it carried unanimously. (The resolution is attached and becomes a permanent part of these minutes.)

**Financial
Reports**

Denise presented the Financial Reports for October and November of 2011. After review, Mr. Reed made a motion to accept the reports as presented. Ms. Holt seconded the motion and it carried unanimously. (A copy of the financial reports are on file in the District's office.)

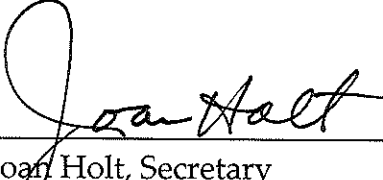
**Manager's
Report**

Mr. Young reported on maintenance and operations of the District. (A copy of this report is on file in the District's office.)

As there was no further business to come before the Board, a motion was duly made and seconded to adjourn.

NUECES COUNTY WATER CONTROL
& IMPROVEMENT DISTRICT NO. 4

ATTEST:


Joan Holt, Secretary


Russ Miget, President



RESOLUTION

State of Texas

County of Nueces

Whereas, the Texas Comptroller of Public Accounts is authorized to provide purchasing services for local governments pursuant to §§ 271.082 and 271.083 of the Local Government Code;

and WHEREAS, the Board of Directors
(e.g., Commissioner's Court, City Council, School Board, Board of Directors)

of Nueces County WCID 4, is a: (Check one of the following.)
(Name of Qualified Entity)

- | | |
|---|---|
| <input type="radio"/> County | <input type="radio"/> Independent School District |
| <input type="radio"/> Municipality | <input type="radio"/> Junior College District |
| <input checked="" type="radio"/> Political Subdivision (Special Districts, Other) | <input type="radio"/> Mental Health and Mental Retardation Community Center |
| <input type="radio"/> Assistance Organization | <input type="radio"/> Texas Rising Star Provider
(certified by the Texas Workforce Commission) |

defined as an entity qualified to participate in the Cooperative Purchasing Program of the Texas Comptroller of Public Accounts pursuant to § 271.081 of the Local Government Code; and

WHEREAS, in accordance with the requirements of 34 TAC §20.85 administrative rules, the Agent(s) of Record,
Scott Mack, Superintendent
(Name of Person) (Title)

(and Mark Young, District Manager) is/are authorized to execute
(Name of Person) (Title)

any and all documentation for Nueces County WCID 4 pertaining to its participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program; and

WHEREAS, Nueces County WCID 4 acknowledges its obligation to pay participation fees established
(Entity Name)
by the Texas Comptroller of Public Accounts.

NOW, THEREFORE BE IT RESOLVED, that request be made to the Texas Comptroller of Public Accounts to approve
Nueces County WCID 4 for participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program.
(Entity Name)

Adopted this 16th day of December 2011, by Nueces County WCID 4
(Entity Name)

By: [Signature]
(Signature of Chair)

[Signature]
(Signature of Agent of Record)

Russ Miget
(Printed Name)

Scott Mack/superintendent
(Name/Title of Agent of Record)

Board President
(Title of Chair)

[Signature]
(Signature of Agent of Record)

Mark Young/district manager
(Name/Title of Agent of Record)



State of Texas CO-OP Program

State of Texas CO-OP Application

Scott Mack

Name of Authorized Individual

(NOTE: This person is authorized to sign for purchases and will receive all correspondence from CPA. Additional authorized signers or Agents of Record may be listed on the resolution with the signatures documented at the bottom of the resolution.)

Nueces County WCID 4

Organization/Qualified Entity Name

315 S 9th Street

Address

Port Aransas, TX 78373

City, State, Zip Code

smack@ncwcid4.org

Email Address (More than one may be listed.)

361-749-5201

Phone Number

361-749-5799

Fax Number

The annual membership fee for participation in the State of Texas CO-OP is: **\$100.00 – FEE IS NON-REFUNDABLE**

Please make checks payable to:

Texas Comptroller of Public Accounts

Please mail to:

Texas Comptroller of Public Accounts
P.O. Box 13186
Austin, TX 78711

**PLEASE RETURN THIS FORM WITH PAYMENT
AND ALL REQUIRED DOCUMENTS AND SIGNATURES**

Questions? Contact the CO-OP at (512) 463-3368 or at coop@cpa.state.tx.us.

Amendment to Insurance Policy:

The District will pay 100% of Health and Dental Insurance for a permanent employee. The District will also provide Life Insurance on a permanent employee based on one year's salary. The District will pay up to \$150 for additional insurance coverage which may be used for coverage of family members or additional Life Insurance up to three times the amount of their yearly salary.

The District provides health benefits coverage to its retirees under the same medical and dental plan offered to active employees at the same contribution as charged for active employees for a period not to exceed the date on which the retiree qualifies for coverage under Medicare. At that time, the District's plan will become the secondary source. The District elects to provide the over age 65 retirees a Medicare Supplement as established annually by the Insurance Carrier. A retiree must meet the following criteria:

- 28 years of service and at least the age of 54
- 25 years of service and at least the age of 58
- 20 years of service and at least the age of 63

approved 12/16/2011

MINUTES OF
REGULAR MEETING
SEPTEMBER 29, 2011

STATE OF TEXAS §

COUNTY OF NUECES §

On the 29th day of September, 2011, the Board of Directors for the Nueces County Water Control & Improvement District No. 4 convened at 5:00 p.m. in a Regular Meeting at the District Office, 315 South 9th Street, Port Aransas, Texas, there being present and in attendance the following to wit:

	President	Russ Miget
	Vice President	Marc Teller
	Secretary	Joan Holt
	Secretary Pro-Tem	Suzette Freeman
	Director	Ed Reed
Staff:	Manager	Mark Young
	Attorney	Charles Zahn
	Finance Director	Denise Fox

The meeting was called to order at the scheduled hour by the presiding officer, Mr. Miget, pursuant to notice posted.

Minutes

A motion was made by Mr. Reed and seconded by Ms. Holt to approve the minutes for the June 16th, 2011 meeting. The motion carried unanimously. (The minutes were mailed to each director prior to the meeting.)

Personnel Policy

Mr. Young presented an amendment to the Personnel Policy to the Board. After discussion, Mr. Reed made a motion to approve the amendment. Mr. Teller seconded the motion and it carried unanimously. A copy is attached and becomes a permanent part of the Policy Book.

Financial Reports

Ms. Fox presented the Financial Statements for August 2011. After review and discussion Ms. Freeman made a motion to accept the financial reports. Mr. Reed seconded the motion and it carried unanimously. (A copy of the financial reports are on file in the District's office.)

Amend Rate Schedule and 2011-2012 Budget

The proposed Resolution and Order Amending the Rate Schedule and the 2011-2012 Operating Budget was presented for review. After discussion, Ms. Freeman made a motion to approve the Resolution and Order to increase the water and sewer rates and the 2011-2012 Operating Budget. Mr. Reed seconded the motion and it carried unanimously. (A copy of the Resolution and Order is attached and becomes a permanent part of these minutes.)

**Engineer's
Report**

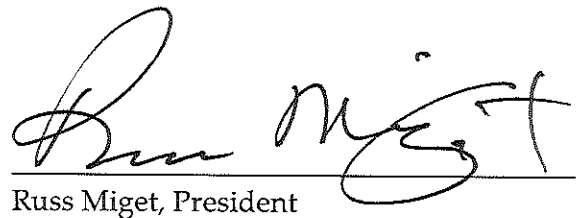
No report given.

**Manager's
Report**

Mr. Young reported on maintenance and operations of the District. (A copy of this report is on file in the District's office.)

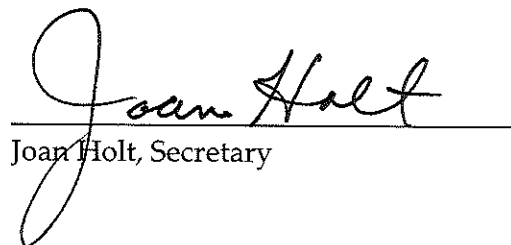
As there was no further business to come before the Board, a motion was duly made and seconded to adjourn.

NUECES COUNTY WATER CONTROL
& IMPROVEMENT DISTRICT NO. 4



Russ Miget, President

ATTEST:



Joan Holt, Secretary

NUECES COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 4

RESOLUTION AND ORDER

AMENDING THE RATE SCHEDULE

On the 29th day of September, 2011 the Board of Directors of the Nueces County Water Control & Improvement District No. 4, convened in a Regular Meeting being open to the public at the regular meeting place thereof in said District, with the following members of the Board present:

<u>Russ Miget</u>	<u>President</u>
<u>Marc Teller</u>	<u>Vice- President</u>
<u>Joan Holt</u>	<u>Secretary</u>
<u>Ed Reed</u>	<u>Director</u>
<u>Suzette Freeman</u>	<u>Secretary-Pro-Tem</u>

The President of the Board presented an order amending the Nueces County Water Control and Improvement District No. 4 Rate Schedule. Minutes of the September 29th, 2011 meeting will reflect the amended rates. Therefore, the Board of Directors organized a resolution to legally establish the amended rates.

The resolution and order was read in full and, after a full discussion thereof, Ms. Freeman made a motion that it be adopted. The motion was seconded by Mr. Reed. The motion, carrying with it the adoption of the resolution and order, prevailed by the following vote:

Ayes: 5
Nayes: -0-

The President then declared the resolution and order finally passed and adopted. The resolution and order is as follows;

BE IT ORDERED, by the Board of Directors of the Nueces County Water Control & Improvement District No. 4, that the Rate Schedule is amended as listed on the attached schedule and is effective after publication.

Passed and approved by the Board of Directors of the Nueces County Water Control & Improvement District No. 4 on the 29th day of September, 2011.

ATTEST:

Joan Holt
Joan Holt, Secretary

Russ Miget
Russ Miget, President

AMENDED RATES EFFECTIVE 10/01/2011

Water Rates		
Meter Size	Minimum Charge (For first 2,000 gallons)	Connect/Service Workorder Fee
3/4"	15.00	35.00
1"	35.00	35.00
1 1/2"	70.00	35.00
2"	140.00	35.00
3"	275.00	35.00
4"	550.00	35.00
6"	850.00	35.00
Consumption per 1,000 gal. over the minimum		3.60

Wastewater Rates	
Single Family Minimum (For first 2,000 gallons)	15.00
Multi Family and Commercial	28.00
Consumption per 1,000 gal. over the minimum (Based on Water Usage)	2.45
Out of District (Contracted)	5.15

Construction Water Rate	
(For first 2,000 gallons)	275.00
Consumption per 1,000 gal. over the minimum	5.50

Water and Wastewater Tap Fees		
Water Tap		
Size		
3/4"	1,050.00	*2
1"	1,225.00	*1*2*3
1 1/2"	2,350.00	*1*2*3
2"	2,700.00	*1*2*3
3"	3,000.00	*1*2*3
4"	3,000.00	*1*2*3
Wastewater Tap		1,500.00
*1. Min charge. Final cost based on actual cost of installation and will be billed to customer.		
*2. If street crossing is required:		
Bore		400.00
Small street cut		500.00
Medium street cut		800.00
Large street cut		1,000.00
*3 Special taps (deep sewer lines, large water lines, taps with a by-pass, or taps with special street crossing requirements) are usually contracted and will be billed at actual cost.		

Additional District Rates	
Fire Line(Monthly)	30.00
Return Check Fee	35.00
Delinquent Fee (includes re-connect)	45.00
After Hours Delinquent Re-Connect	70.00
Unauthorized Connect	100.00
Water Inspection Fee	60.00
Sewer Inspection Fee	35.00
Developer Inspection Fee (hourly)	40.00
Crew Charge (hourly) one man	40.00
Crew Charge (hourly) two man	80.00
Crew Charge (hourly) three man	100.00
Increase/Decrease meter size (minimum)	100.00
Raise/Lower meter (minimum)	100.00
Test meter (minimum)	50.00
Plan Review (per hour)	60.00
Equipment Charges	
Backhoe with operator (per hour)	70.00
Compressor (per hour)	25.00
Dewatering Equipment (per day)	250.00
Dump Truck w/operator (per hour)	50.00
Sewer Router w/crew (per hour)	120.00

**NUECES COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 4**

**PERSONNEL POLICY
AMENDMENT**

- 1. Generally, illnesses which qualify as “serious health conditions” pursuant to the Family Medical Leave Act would be considered as eligible for catastrophic illness leave donation.**
- 2. The employee may be required to produce competent medical verification of the illness or injury satisfactory to the District.**
- 3. The employee must have a minimum of one year of service with the District.**
- 4. The employee must have exhausted all paid leave, including sick leave and vacation.**
- 5. The employee must not have offered anything of value to the donor in exchange for the sick leave donation.**

These requests will be submitted to the Manager for approval. The donor may be required to retain 80 hours of sick leave.

Approved 09-29-11

MINUTES OF
REGULAR MEETING

JUNE 16, 2011

STATE OF TEXAS §

COUNTY OF NUECES §

On the 16th day of June, 2011, the Board of Directors for the Nueces County Water Control & Improvement District No. 4 convened at 5:00 p.m. in a Regular Meeting at the District Office, 315 South 9th Street, Port Aransas, Texas, there being present and in attendance the following to wit:

President	Russ Miget
Vice President	Marc Teller
Secretary	Joan Holt
Secretary Pro-tem	Suzette Freeman
Director	Ed Reed

Staff:	Manager	Mark Young
	Finance Director	Denise Fox
	Attorney	Charlie Zahn

The meeting was called to order at the scheduled hour by the presiding officer, Mr. Miget, pursuant to notice posted.

Minutes

A motion was made by Mr. Reed and seconded by Ms. Freeman to approve the minutes for the February 10th, 2011 meeting. The motion carried unanimously. (The minutes were mailed to each director prior to the meeting.)

Budget

Amendment

A motion was duly made by Mr. Reed and seconded by Mr. Teller to amend the budget by \$500,000 to include improvements to Eleventh Street. The motion carried unanimously.

**2011 Water :
System
Improvement
Bid**

Mr. Young presented the bids for the 2011 Water System Improvements which were received and opened as advertised on June 9th, 2011:

Island Construction - \$439,438.80

J.J. Fox Construction - \$529,930.00

After discussion, Mr. Teller made a motion to move to accept the recommendations of the engineer, Island Construction. Ms. Holt seconded the motion and it carried unanimously.

**District
Depository**

Mr. Young presented a contract with American Bank extending the term for 2 more years. After review, a motion was made by Mr. Reed and seconded by Mr. Teller to accept American Bank as the District's depository and to authorize Mr. Young to execute the document. The motion carried unanimously.

Management Policy Amendment An amendment to the Management Policy to include an emergency transfer of funds was presented by Mr. Young. Mr. Reed made a motion to accept the amendment. Ms. Freeman seconded the motion and it carried unanimously. The amendment is attached and a copy of the policy is on file in the district office.

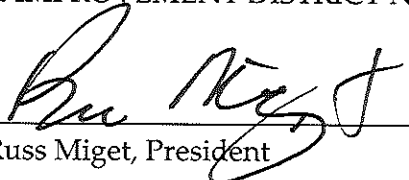
Capital Recovery Fee Resolution Mr. Young presented a resolution clarifying the "resolution on the installation of measuring devices and establishing a capital recovery fee for initial water service" and the "resolution on tapping the sanitary sewer system of the Nueces County Water Control and Improvement District No 4." After discussion Ms. Freeman made a motion to accept the resolution. Mr. Teller seconded the motion and it carried unanimously. The resolution is attached and a copy is on file in the district office.

Financial Report The Financial Reports for the period ending May 31st, 2011 were presented to the board. After review, Mr. Reed made a motion to accept the reports as presented. Ms. Freeman seconded the motion and it carried unanimously. (A copy of the reports are on file in the District's office.)

Manager's Report Mr. Young reported on maintenance and operations of the district. (A copy of this report is on file in the District's office)

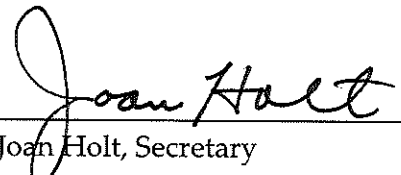
As there was no further business to come before the Board, a motion was duly made and seconded to adjourn.

NUECES COUNTY WATER CONTROL
& IMPROVEMENT DISTRICT NO. 4



Russ Miget, President

ATTEST:



Joan Holt, Secretary

EMERGENCY TRANSFER OF FUNDS

All funds deposited in the Capital Project Fund are restricted for Capital Projects and major capital repairs except in the event of an emergency. In an emergency situation, management has the authority to transfer funds from Capital Projects Fund to General Operating Fund with board notification occurring as soon as reasonably possible.

**RESOLUTION CLARIFYING THE “RESOLUTION ON THE INSTALLATION
OF MEASURING DEVICES AND ESTABLISHING A CAPITAL RECOVERY
FEE FOR INTITAL WATER SERVICE” AND THE “RESOLUTION ON
TAPPING THE SANITARY SEWER SYSTEM OF THE NUECES COUNTY
WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4**

WHEREAS, the Nueces County Water Control and Improvement District No. 4, hereinafter referred to as the “District” is a water control and improvement district and political subdivision of the State of Texas organized pursuant to Article 16, Section 59, of the Texas Constitution; and,

WHEREAS, the District, pursuant to the applicable sections of the Texas Water Code, has authority (a) to construct, maintain and operate the necessary improvements and physical facilities for a water system to serve the area within the District’s boundaries and to adopt rules and regulations to govern methods, terms, fees for and conditions of such water service, (b) to install proper measuring devices or to require that they be installed, (c) to impose a meter installation fee and such other charges as are necessary to accomplish objects of the District; and,

WHEREAS, the District, pursuant to the applicable sections of the Texas Water Code, has authority (a) to construct, maintain and operate the necessary improvements and physical facilities for a sanitary sewer system to serve the area within the District’s boundaries and to adopt rules and regulations to govern methods, terms, fees for and conditions of such sewer service, (b) to install proper measuring devices or to require that they be installed, (c) to impose a meter installation fee and such other charges as are necessary to accomplish objects of the District; and,

WHEREAS, the District recognizes that the capacity of its present water supply system is limited and that each customer who applies for “initial water service” will place an additional demand on said water system and one of the goals of the District in setting the various fees for service is to insure availability of funds to provide for the new and additional improvements that will be required in the future because of the increased demand; and,

WHEREAS, the District recognizes that the capacity of its present water supply system is limited and that each customer who applies for “initial sewer service” will place an additional demand on said sewer system and one of the goals of the District in setting the various fees for service is to insure availability of funds to provide for the new and additional improvements that will be required in the future because of the increased demand; and,

WHEREAS, the District has determined that the surest and most equitable means for providing funds for such necessary future capital improvements would be to require those parties who will be placing the additional demand upon the system (those applying for “initial water service”) and thereby adding to the necessity for additional capital

improvements to pay their proportionate cost of capital improvements in the form of a "capital recovery fee"; and,

WHEREAS, the District has determined that the surest and most equitable means for providing funds for such necessary future capital improvements would be to require those parties who will be placing the additional demand upon the system (those applying for "initial sewer service") and thereby adding to the necessity for additional capital improvements to pay their proportionate cost of capital improvements in the form of a "capital recovery fee"; and,

WHEREAS, the District adopted a "Resolution on the Installation of Measuring Devices and Establishing a Capital Recovery Fee for Initial Water Service" on November 18, 1982 thereby establishing a fee for "initial water service" which term is defined as water service to one or more tracts or parcels of land lying within the boundaries of the District which: (a) have not been previously served with water by the District, or (b) although previously served with water by the District, a greater quantity of water will be required under an Application for Service than was supplied to the land previously. The resolution further required that a capital recovery fee will be required to be paid by the Applicant in addition to any and all other fees required on each Application for Service where it is determined that the Application for Service is a request for initial water service; and,

WHEREAS, the District adopted a "Resolution on Tapping the Sanitary Sewer System of the Nueces County Water Control and Improvement District No. 4" on November 18, 1982 thereby establishing a fee for "initial sewer service" which term is defined as sewer service to one or more tracts or parcels of land lying within the boundaries of the District which: (a) have not been previously served by the sanitary sewer service of the District, or (b) although previously served by the sanitary sewer system of the District, a greater quantity of sewage will be required to be taken and treated under said Application for Service than was taken from the land previously. The resolution further required that a capital recovery fee will be required to be paid by the Applicant in addition to any and all other fees required on each Application for Service where it is determined that the Application for Service is an request for initial sewer service; and,

WHEREAS, the Texas Water Commission entered an Order authorizing the Nueces County Water Control and Improvement District No. 4 to levy an impact fee on September 15, 1988; and,

WHEREAS there has been some confusion concerning what is an initial request for service under the two resolutions establishing capital recovery fees and the Board of Directors is desirous of clarifying the term "initial request for service".

NOW, THEREFORE, be it resolved by the Board of Directors of the District, that from and after the date of the adoption of this resolution, it shall be the policy of the Nueces County Water Control and Improvement District No. 4, that if a request for either

water or sanitary sewer service substantially changes the use being made of the tract or parcel of land, the request shall be considered to be an "initial request for service". A substantial change of use would be a design or use that would cause an additional demand on the water and/or sanitary sewer system of the District. A request for water and/or sanitary sewer by an applicant who designs or constructs a use in a single family residence that is self contained within the structure or residence, that is, has a separate entrance from the remainder of the structure, has an entrance without going into the main living area of the structure, has separate bathroom facilities, and has a kitchen that includes but is not limited to a refrigerator, sink and range would be considered a use that would create an additional demand on the water and/or sanitary sewer system of the District, and as such the Application for Service would be treated as an initial request for service. A design or use that divides or separates the demand on the water and/or sanitary sewer system would not create any additional demand on the water and/or sanitary sewer system of the District, and as such would not require a new Application for Service, would be deemed to be an "initial request for service" and no additional capital recovery fee would have to be paid by the Applicant.

BE IT FURTHER RESOLVED that the determination as to whether or not an Application for Service for either water and/or sanitary sewer service is an "initial request for service" shall be made by the Manager of the District with the Manager's determination being deemed as final.

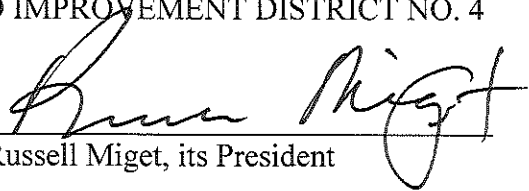
BE IT FURTHER RESOLVED that the determination as to whether or not an application for either water and/or sanitary sewer service is an "initial request for service" is subject to change at the discretion of the Manager for the District based on the information provided in the Application for Service and the actual construction of improvements on the tract or parcel of land for which water and/or sewer service is requested.

That from and after the date of the adoption of this Resolution, the same is and shall become a part of the "Resolution on the Installation of Measuring Devices and Establishing a Capital Recovery Fee for Initial Water Service" and the "Resolution on Tapping the Sanitary Sewer System of the Nueces County Water Control and Improvement District No. 4", as if originally made a part thereof at the time the Resolution on the Installation of Measuring Devices and Establishing a Capital Recovery Fee for Initial Water Service" and the "Resolution on Tapping the Sanitary Sewer System of the Nueces County Water Control and Improvement District No. 4" were adopted.


That except as modified by this Resolution, the Board of Directors of the District ratify and confirm all of the terms and provisions of, as well as amendments to, the "Resolution on the Installation of Measuring Devices and Establishing a Capital Recovery Fee for Initial Water Service" and the "Resolution on Tapping the Sanitary Sewer System of the Nueces County Water Control and Improvement District No. 4".

PASSED and APPROVED this 16 day of June, 2011.

NUECES COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 4

By 
Russell Miget, its President

Attest:


Joan Holt, its Secretary

Management Policy

The Board of Directors desires to adopt a policy to ensure better use of management information, including the use of budgets in planning and controlling costs, the establishment of a functioning audit committee, and the use of uniform reporting requirements.

Accounting Records

District accounting records shall be prepared on a timely basis and maintained in an orderly manner, in conformity with generally accepted accounting principles and the requirements of the Texas Commission on Environmental Quality. Such records shall be available for public inspection during regular business hours at the District's office.

Audit Requirements

- A. Unless otherwise exempted by the rules of the Texas Commission of Environmental Quality as described in 5.03 C., the District's fiscal accounts and records shall be audited annually in accordance with State law governing the audits of water districts, at the expense of the District, by a certified public accountant familiar with the Texas Commission on Environmental Quality's rules, regulations, standards, and guidelines applicable to water district audits. As of the date of adoption of these policies, Sections 50.371-50.379 of the Texas Water Code and 31 Texas Administrative Code section 293 (Rules of the Texas Commission on Environmental Quality) govern the audits of water districts (the "Audit Laws")
- B. The audit, or other required affidavit, shall be completed and filed within the time limits established by the Audit Laws. Copies shall be filed with the Texas Commission on Environmental Quality and the county in which the District is located, or the city in which the District is located (if within corporate limits or extraterritorial jurisdiction) together with an annual filing affidavit in a form prescribed by the Audit Laws. In the event the Board of Directors refuses to approve the annual audit report, the District shall file a statement with the audit which explains the reasons for disapproval of the audit.
- C. If the district does not have sufficient revenues or activity so that it meets the requirements of the Audit Laws for financially dormant or inactive districts, it may prepare and submit an annual financial dormancy affidavit or an annual financial report described in the Audit Laws.
- D. If the District violates the Audit Laws, it may be subject to a civil penalty.

Audit Committee

The Board of Directors shall establish an audit committee comprised of at least two (2) directors and such persons as the Board of Directors may deem appropriate. The persons selected should not be directly responsible for work subject to the audit. The audit committee shall conduct, at a minimum, an annual review of the District's financial status. The committee shall monitor variances from the District's budget, and shall make recommendations thereon to the board of Directors. The committee shall also review the annual District audit, and shall make recommendations thereon to the Board of Directors.

Budget

The District shall annually adopt a budget in accordance with Rule 31 of the Texas Administrative Code, Section 293 (J) (3), for use in planning and controlling District costs. Such budget shall take into consideration all District revenues, including, but not limited to, utility fees, taxes and surcharges, if any, and all projected District obligations and expenditures. The budget may be amended at any time but such amendment shall be approved by the Board of Directors. The manager of the District has the authority to reallocate any line item in the budget.

Emergency Transfer of Funds

All funds deposited in the Capital Project Fund are restricted for Capital projects and major capital repairs except in the event of an emergency. In an emergency situation, management has the authority to transfer funds from Capital Projects Fund to General Operating Fund with board notification occurring as soon as reasonably possible.

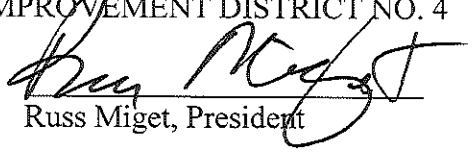
ORIGINALLY PASSED AND APPROVED on the 3rd day of February, 1994

PASSED AND APPROVED this 8th day of February, 1996.

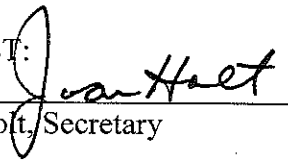
PASSED AND APPROVED this 16th day of June, 2011.

NUECES COUNTY WATER CONTROL
& IMPROVEMENT DISTRICT NO. 4

BY


Russ Miget, President

ATTEST:


Joan Hoft, Secretary

MINUTES OF
REGULAR MEETING
FEBRUARY 10, 2011

STATE OF TEXAS §

COUNTY OF NUECES §

On the 10th day of February, 2011, the Board of Directors for the Nueces County Water Control & Improvement District No. 4 convened at 5:00 p.m. in a Regular Meeting at the District Office, 315 South 9th Street, Port Aransas, Texas, there being present and in attendance the following to wit:

	Vice President	Marc Teller
	Secretary	Joan Holt
	Secretary Pro-tem	Suzette Freeman
	Director	Ed Reed
Absent:	President	Russ Miget
Staff:	Manager	Mark Young
	Finance Director	Denise Fox
	Auditor	Allan L. Johnston
	Attorney	Charles Zahn
	Engineer	Jim Urban

The meeting was called to order at the scheduled hour by the presiding officer, Mr. Teller, pursuant to notice posted.

Minutes

A motion was made by Mr. Reed and seconded by Ms. Holt to approve the minutes for the December 16th, 2010 meeting. The motion carried unanimously. (The minutes were mailed to each director prior to the meeting.)

2009-10

Audit

Mr. Johnston presented a review of the 2009-10 Audit. The Audit financial pages were mailed to each director prior to the meeting. The Audit, which also included a required management letter and the GASB 34 requirements, had no exceptions reported. Mr. Reed made a motion seconded by Ms. Freeman to accept the audit as presented. The motion carried unanimously.

Financial

Report

The Financial Report ending December of 2010 and the Quarterly Investment Report were presented to the board. After review, Ms. Freeman made a motion to accept the reports as presented. Mr. Reed seconded the motion and it carried unanimously. (A copy of the reports are on file in the District's office.)

Engineer's

Report

Mr. Urban reported on current projects. (A copy of this report is on File in the District's office.)

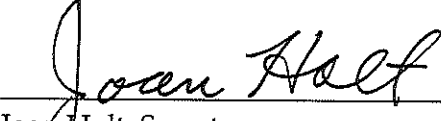
**Manager's
Report**

Mr. Young reported on maintenance and operations of the District. (A copy of this report is on file in the District's office.)

As there was no further business to come before the Board, a motion was duly made and seconded to adjourn.

NUECES COUNTY WATER CONTROL
& IMPROVEMENT DISTRICT NO. 4

ATTEST:


Joan Holt, Secretary


Mark Teller, Vice-President