

MINUTES OF
REGULAR MEETING

December 20, 2013

STATE OF TEXAS §

COUNTY OF NUECES §

On the 20th day of December, 2013, 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
	Secretary Pro-Tem	Suzette Freeman
	Director	Ed Reed
Staff:	Manager	Mark Young
	Attorney	Charles Zahn
	Engineer	Jim Urban
	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. Freeman to approve the minutes for the September 26th, 2013 meeting. The motion carried unanimously. (The minutes were mailed to each director prior to the meeting.)

Beasley Mr. Young presented the bid for the Beasley 24" waterline. After discussion, 24"
Waterline Mr. Reed made a motion to accept the bid from J.J. Fox Construction at a cost of \$2,844,725.00. Ms. Holt seconded the motion and it carried unanimously.

Highway Mr. Young presented the bid for the Highway 361 relocation. After 361
Relocation discussion, Mr. Reed made a motion to accept the bid from Island Construction at a cost of \$830,953.00. The breakdown is \$430,978.50 for the district and \$390,974.50 for the City. Mr. Teller seconded the motion and it carried unanimously.

MI WWTP Mr. Young discussed the Mid-island Waste Water Treatment Plant.

**Financial
Reports**

Denise Fox presented the Financial Reports for November of 2013. 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 financial reports are on file in the District's office.)

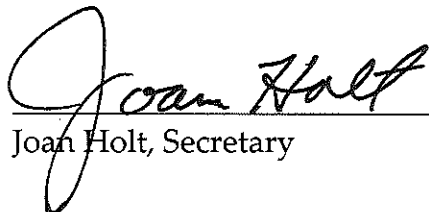
**Manager's
Report**

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


Marc Teller, Vice-President

MINUTES OF
REGULAR MEETING
SEPTEMBER 26, 2013

STATE OF TEXAS §

COUNTY OF NUECES §

On the 26th day of September, 2013, 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
	Director	Ed Reed
	Secretary Pro-Tem	Suzette Freeman
Staff:	Manager	Mark Young
	Attorney	Charles Zahn
	Engineer	Jim Urban
	Finance Director	Denise Fox
Absent:	Joan Holt	Secretary

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 June 26th, 2013 meeting. The motion carried unanimously. (The minutes were mailed to each director prior to the meeting.)

TCDRS Plan Mr. Young proposed authorization to adopt a cost of living adjustment (COLA) for annuities being paid to existing retirees or their beneficiaries. After discussion, Ms. Freeman made a motion to approve a 100% CPI-based COLA for the TCDRS 2014 plan year. Mr. Reed seconded the motion and it passed unanimously.

Drought Contingency Plan After discussion, Mr. Reed made a motion to adopt the enforcement portion of the Drought Contingency Plan. The motion was seconded by Mr. Teller and it passed unanimously.

La Pamilla Golf Course After discussion, Mr. Reed made a motion to authorize management to draft a renewal agreement for the use of an abandoned force main for non potable water transfer for La Pamillia Golf Course. The motion was seconded by Ms. Freeman and it carried unanimously.

Regular Meeting
Sept 26, 2013
Page 2

Amend Rate Schedule and 2013-2014 Budget The proposed Resolution and Order Amending the Rate Schedule and the 2013-2014 Operating Budget was presented for review. After discussion, Ms. Freeman made a motion to approve the Resolution and Order to amend the rate schedule and the 2013-2014 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.)

Financial Reports Ms. Fox presented the Financial Statements for August 2013. 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.)

Engineer's Report Jim Urban reported on current projects. (a copy of this report is on file in the district 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)


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:


Suzette Freeman, Secretary Pro-Tem


Russ Miget, President

2013-2014 Rates

AMENDED RATES EFFECTIVE 10/01/2013

Water and Wastewater Rates			
Meter Size	Water Rates		Wastewater Rates
	Minimum Charge *	Minimum Charge *	Connect/Service Workorder Fee
3/4"	15.50	15.50	35.00
1"	26.00	26.00	35.00
1 1/2"	51.00	51.00	35.00
2"	82.50	82.50	35.00
3"	154.50	154.50	35.00
4"	257.50	257.50	35.00
Consumption /1000 gallons over the min	\$3.80	\$2.60	
* Each Individual Metered Apartment, SF Units, RV's, Etc are Subjected to SF Min. Sewer Rate			
Approved Sewer Truck Dump and Refill Max 2000 Gallons			35.00

Water and Wastewater Tap Fees	
Size	Water Tap
3/4"	1,200.00
1"	1,300.00
1 1/2"	2,500.00
2"	3,000.00
3"	4,000.00
4"	5,000.00
Wastewater Tap 1,500.00	
*1. Min charge. Final cost based on actual cost of installation and will be billed to	
*2. If street crossing is required: <div> Bore 500.00 Small street cut 600.00 Medium street cut 1,000.00 Large street cut 1,500.00 </div>	
*3. Special taps (deep sewer lines, large water lines, large street patches, 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)	32.00
Return Check Fee	35.00
After Hours or Weekend call /hr.	50.00
Delinquent Fee (Includes re-connect)	45.00
Delinquent Fee & After Hours Re-Connect	70.00
Unauthorized Connect or Re-Connect	100.00
Water Inspection Fee	60.00
Sewer Inspection Fee	35.00
Developer/Const. Inspection Fee (hourly)	45.00
Crew Charge (hourly) one man	45.00
Crew Charge (hourly) two man	80.00
Crew Charge (hourly) three man	100.00
Adjust Meter Size (minimum)	100.00
Raise/Lower Meter (minimum)	100.00
Test Meter (minimum)	50.00
Plan Review/Admin Fee (per hour)	60.00

Construction Water Rates		
Minimum for a 3" Fire Hydrant Meter	Consumption /1000 over the 2000 gallon	Connect/Relocation Fee
\$254.50	\$5.70	\$35.00
		Tampering Fee / Unauthorized Use 100.00 Plus actual damages

Equipment Charges	
Backhoe with operator (per hour)	70.00
Compressor (per hour)	25.00
Dewatering Equipment (per day)	250.00
Dump/Water Truck w/operator (per hour)	50.00
Sewer Router w/crew (per hour)	120.00

Drought		
Water Restriction Violations		
Offense	Penalty	
1st	Written Notice Disconnect Service w/ \$150.00 Reconnect Disconnect Service w/ \$300.00 Reconnect Disconnect Service w/ \$500.00 Reconnect Disconnect Service w/ no Reconnect * * May File Appeal to the Water Allocation and Review Committee	
2nd		
3rd		
4th		
5th		
**In Accordance with the Resolution Concerning Enforcement Provisions in the Drought Contingency Plan for the NCWCID4		

**RESOLUTION CONCERNING ENFORCEMENT PROVISIONS IN THE DROUGHT
CONTINGENCY PLAN FOR THE NUECES COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 4**

WHEREAS, the Nueces County Water Control and Improvement District No. 4 (the "District") entered into a Treated Water Supply Contract with the City of Corpus Christi (the "Contract") on April 1, 2010 wherein the City of Corpus Christi (the "City") agreed to provide to the District a fresh supply of potable water subject to the District abiding by the provisions of said Contract; and,

WHEREAS, The Contract provided that the City would have, as a result of rules of the Texas Commission on Environmental Quality, a drought contingency plan and that any entity that the City has an agreement with to provide either treated or raw water would also have a contractual obligation to adopt a drought contingency plan consistent with the City's plan; and,

WHEREAS, in Paragraph 11. in the Contract the District agreed as follows:

"11. Water Conservation and Drought Contingency Measures.

a. The District acknowledges the terms of the TCEQ Agreed Order of April 28, 1995, which amended the operational procedures relating to Special Condition 5.B, Certificate of Adjudication No. 21-3214, and the City's responsibilities under both the Agreed Order and the Certificate of Adjudication. The District recognizes that the Agreed Order and Certificate of Adjudication may be amended in the future. The agreed order requires the City to provide in any future contracts or any amendments, modifications, or changes to existing contracts the condition that all wholesale customers and any subsequent wholesale customers must develop and have in effect a water conservation and drought management plan consistent with the City plan as required by the TCEQ rule. Therefore, the District agrees that during the term of this contract, it shall have in effect a water conservation and drought management plan consistent with the City's plan, including any changes adopted by the City. The District also agrees to bind future customers and its existing customers upon contract renewals to develop and have in effect a water conservation and drought management plan consistent with the City plan."; and,

WHEREAS, the Drought Contingency Plan adopted by the City has enforcement provisions that provide for criminal penalties in the event of violation of the plan by the users of water services in the City. The District does not have this enforcement mechanism available to it but desires to adopt provisions for enforcement that comply with the requirements of the Contract.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 4, that from and after the date of the adoption of this resolution it shall be the policy of the District that upon violation of any of the terms and conditions of the District's Drought Contingency Plan (the "Plan"), the following enforcement provisions will apply:

1. For a 1st offense violation of the provisions of the District's Plan the occupant of the property where the violation occurred will be given a written warning, sent certified mail, return receipt requested, that he is in violation of one or more of the provisions of the District's Plan in effect at that time. The notice provided for herein shall be deemed to have been received five (5) days after it is mailed, postage pre-paid by the U.S. Postal Service. The written warning will state that future violations could have economic consequences. The District will maintain a record of any written warnings given during the various stages of the Plan. The District will also notify the owner of the property where the violation occurred at the address set forth on the application for water service that there has been a violation and that future violations could have economic consequences.
2. For a 2nd offense violation of the provisions of the District's Plan the service provided by the District to the customer will be disconnected in the same manner as a customer that fails to pay his bill and a \$150.00 reconnect fee will be charged to resume service.
3. For a 3rd offense violation of the provisions of the District's Plan the service provided by the District to the customer will be disconnected in the same manner as a customer that fails to pay his bill and a \$300.00 reconnect fee will be charged to resume service.
4. For a 4th offense violation of the provisions of the District's Plan the service provided by the District to the customer will be disconnected in the same manner as a customer that fails to pay his bill and a \$500.00 reconnect fee will be charged to resume service.
5. For a 5th offense violation of the provisions of the District's Plan the existing service provided by the District to the customer will be terminated. In the event that service is terminated pursuant to this provision, then in that event, the customer can, within five (5) days after termination of service, file a written notice of his intention to appeal the termination of service. Upon receipt of the Notice of Appeal the service will be reinstated and the appeal will be sent to a Water Allocation and Review Committee (the "Committee") for consideration of the grounds for the termination of service. The Committee will be appointed by the District Manager and will be composed of two (2) residents living within the boundaries of the District, and three (3) business persons with businesses located within the boundaries of the District, one of which must be a Realtor in the District. Meetings of the Committee shall be conducted in accordance with the applicable provisions of the Texas Open Meetings Act, Texas Government Code Annotated, Section 551 Open Meetings. The Committee shall review the facts leading up to the termination of service as well as any mitigating circumstances presented by the customer appealing the termination of service. The members of the Committee shall either uphold the termination of service or set aside said termination. In the event the Committee sets aside the termination, the District will continue to provide service to the customer subject to the rules and regulations governing the providing of service by the District. In the event the District upholds


the termination of service, then, in that event, service shall be terminated until the provisions of the Plan are no longer in effect or the stage in the Plan that provided for the restriction that was violated is no longer in effect.

6. In the event that a new tenant or a new owner of the property where water service has been terminated files an application for service, then, in that event, the Committee shall determine if the tenant or new owner is entitled to new water service, and if so, whether or not any additional requirements for service, such as an additional deposit, shall be a condition of service. The District Manager shall advise the new tenant or owner if there are additional requirements for service, provided however, that the District Manager, at his sole discretion, shall have the right to waive any additional requirements for service imposed by the Committee.
7. In the event the supplier (the "City") of potable water to the District enters into Stage 3 or subsequent water restrictions, the District will impose a surcharge on the existing charge as set forth in the published rates of the District, for any water used by a customer of the District in excess of the minimum amount of water per month as provided for in the District's published rates. The amount of the surcharge may be 1½ times the published rates of the District if the District is in Stage 3 of the Drought Contingency Plan. The amount of the surcharge will be 2 times the published rates of the District if the District is in Stage 4 of the Drought Contingency Plan and 3 times the published rates of the District if the District is in Stage 5 of the Drought Contingency Plan.
8. If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end the provisions of this resolution are declared to be severable.
9. This resolution shall be made a part of the District's Drought Contingency Plan as well as the published rates approved by the Board of Directors of the District from time to time, and shall be in full force and effect from and after its passage and approval as provided by law.

PASSED and APPROVED on the ____ day of September, 2013.

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

By


Russ Miget, its President

Attest:


Suzette Freeman, its Secretary Pro-Tem

Nueces County Water Control and Improvement District #4, #450
Authorization to maintain TCDRS plan provisions
Plan Year 2014

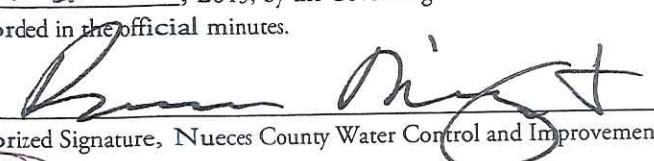
With respect to the participation of Nueces County Water Control and Improvement District #4 in the Texas County & District Retirement System (TCDRS) for the 2014 plan year, the following order was adopted:

1. Nueces County Water Control and Improvement District #4 makes no change in the plan provisions for non-retirees.
- * 2. With respect to benefit payments being paid to retirees or their beneficiaries, Nueces County Water Control and Improvement District #4 (check one box):
 - ☐ does not adopt a cost-of-living adjustment (COLA).
 - ☒ adopts a 100 % CPI-based COLA.
 - ☐ adopts a _____ % flat-rate COLA.
- * 3. The required employer contribution rate for Plan Year 2014 will be the following:

(a) Required rate without COLA:	16.05%
(b) COLA rate:	+ <u>1.88</u> (enter 0 if not adopting a COLA)
(c) Total required rate (a + b):	= <u>17.93</u>
- * 4. Employers may elect to pay a rate greater than the **total required rate** listed above. Nueces County Water Control and Improvement District #4 adopts for Plan Year 2014 (check one box):
 - ☒ the **total required rate** listed above.
 - ☐ add a new elected rate of _____ %.
5. In the event the 2014 total required rate as set out above exceeds 11%, and if a current waiver of that limit is not on file with TCDRS, the Governing Board of Nueces County Water Control and Improvement District #4 hereby waives the 11% limit on the rate of employer contributions and such waiver will remain effective with respect to future plan years until properly revoked by official action.

Certification

I certify that the foregoing authorization concerning the participation of Nueces County Water Control and Improvement District #4 in TCDRS for Plan Year 2014 truly and accurately reflects the official action taken during a properly posted and noticed meeting on Sept 26, 2013, by the Governing Board of Nueces County Water Control and Improvement District #4 as such action is recorded in the official minutes.



Authorized Signature, Nueces County Water Control and Improvement District #4

Russ Miget

Printed Name

Dated: 9/26/2013

* Please fill in the required information for items 2, 3 and 4 before signing and sending this document to TCDRS.

PLEASE FAX TO: (512) 328-8887

Apr. 1, 2013

NUECES COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 4

RESOLUTION AND ORDER
AMENDING THE RATE SCHEDULE

On the 26th day of September, 2013 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>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 26th, 2013 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: 4
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 26th day of September, 2013.

ATTEST:

Suzette Freeman
Suzette Freeman, Secretary Pro-Tem

Russ Miget
Russ Miget, President

MINUTES OF
REGULAR MEETING

June 26, 2013

STATE OF TEXAS §

COUNTY OF NUECES §

On the 26th day of June, 2013, 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
	Secretary	Joan Holt
	Secretary Pro-Tem	Suzette Freeman
	Director	Ed Reed
Staff:	Manager	Mark Young
	Attorney	Charles Zahn
	Finance Director	Denise Fox
	Engineer	Jim Urban
Members	Vice President	Marc Teller
Absent:		

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 6th, 2013 meeting. The motion carried unanimously. (The minutes were mailed to each director prior to the meeting.)

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

Attorney's A motion was made by Ms. Freeman and seconded by Mr. Reed to
Contract approve a two-year renewal of the employment contract between the District and Attorney Charles Zahn and authorized the District Manager to execute the agreement. This contract is retroactive to October 1st, 2012. The motion carried unanimously. (the contract is on file in the District office)

Effluent After discussion, Ms. Holt made a motion to ratify the effluent use
Use agreement with KM Beach. The motion was seconded by Ms. Freeman and it carried
Agreement unanimously.

**TXDOT
R-O-W**

After discussion, Ms. Freeman made a motion to approve an amendment to the 2012-2013 Capital Projects Budget of \$500,000 for the TXDOT right of way. The motion was seconded by Mr. Reed and carried unanimously.

**System
Seven
Internet**

After discussion, Ms. Freeman made a motion to authorize management to enter into a contract with System Seven Internet Provider to utilize PA Tower for antennas. Ms. Holt seconded the motion and it carried unanimously.

**Drought
Contingency
Plan**

The board discussed the enforcement portion of the Drought Contingency Plan presented by Mr. Young.

**Executive
Session**

A motion was duly made and seconded to recess the meeting and reconvene in an executive session as authorized by Texas Revised Civil Statutes G.C. § 551.072 and § 551.074 for the following business:

- a. Deliberation about the acquisition or lease of real property outside the boundaries of the district.
- b. Personnel Matters – District Manager's Contract

The board recessed the executive session and reconvened the open meeting.

**Action
Taken**

Mr. Reed made a motion to authorize management to purchase the easements for Beasely waterline not to exceed \$50,000.00. Ms. Freeman seconded the motion and it carried unanimously.

Ms. Holt made a motion to amend the manager's salary to \$100,000.00 effective July 1st, 2013. Ms. Freeman seconded the motion and it carried unanimously.

**Financial
Reports**

Denise Fox presented the Financial Reports for May of 2013. 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 financial 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 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:



Russ Miget, President



Suzette Freeman, Secretary Pro-Tem

CHARLES W. ZAHN, JR.
ATTORNEY AT LAW
2106 STATE HIGHWAY 361
P.O. BOX 941
PORT ARANSAS, TEXAS 78415
TELEPHONE: (361) 749-3442 * FAX: (361) 749-8415
June 19, 2013

Board of Directors
Nueces County Water Control
& Improvement District No. 4
315 South 9th Street
Port Aransas, Texas 78373

Re: Drought Contingency Plan for the Nueces County Water Control and
Improvement District No. 4

Gentlemen:

The Nueces County Water Control and Improvement District No. 4 (the "District") entered into a Treated Water Supply Contract with the City of Corpus Christi (the "Contract") on April 1, 2010 wherein the City of Corpus Christi (the "City") agreed to provide to the District a fresh supply of potable water subject to the District abiding by the provisions of said Contract. The Contract was an amendment to an existing contract dated January 5, 1978 and provided that the Contract would have an additional term of thirty (30) years.

The Contract provided that the City would have, as a result of rules of the Texas Commission on Environmental Quality, a drought contingency plan and that any entity that the City has an agreement with to provide either treated or raw water would also have a contractual obligation to adopt a drought contingency plan consistent with the City's plan. The language concerning the obligation for an entity receiving water from the City in said Contract is as follows:

11. Water Conservation and Drought Contingency Measures.

a. The District acknowledges the terms of the TCEQ Agreed Order of April 28, 1995, which amended the operational procedures relating to Special Condition 5.B, Certificate of Adjudication No. 21-3214, and the City's responsibilities under both the Agreed Order and the Certificate of Adjudication. The District recognizes that the Agreed Order and Certificate of Adjudication may be amended in the future. The agreed order requires the City to provide in any future contracts or any amendments, modifications, or changes to existing contracts the condition that all wholesale customers and any subsequent wholesale customers must develop and have in effect a water conservation and drought management plan consistent with the City plan as required by the TCEQ rule. Therefore, the District agrees that during the term of this contract, it shall have in effect a water conservation and drought management plan consistent with the City's plan, including any changes adopted by the City. The District also agrees to bind future customers and its existing customers upon contract renewals to develop and have in effect a water conservation and drought management plan consistent with the City plan.

The City has developed a Drought Contingency Plan and is in the process of adopting the same. In its plan it calls for stages of conservation as well as for criminal penalties for violation of the conservation measures. The City is a Home Rule City as defined by statute and as such has ordinance making powers as well as the ability to enforce the codes and ordinances of the City pursuant to criminal statutes thereby having the authority to impose criminal sanctions.

As the Board of Directors is aware, the District is a water control and improvement district and governmental body established and governed by the Constitution and laws of the State of Texas. The District does not have ordinance making powers granted to it by statute and as a result cannot enforce its rules and regulations by the imposition of criminal penalties.

As stated above, the Drought Contingency Plan being adopted by the City has enforcement provisions that provide for criminal penalties in the event of violation of the plan by the users of water services in the City. The District does not have this enforcement mechanism available to it and must find another method to enforce the provisions in a drought contingency plan that it will ask the Board of Directors to approve. This plan as written and adopted by the Board of Directors will comply with the requirements in the Contract.

Your staff has studied this complex problem and would offer for your consideration a plan that would include the following as an enforcement provision:

1. For a 1st offense (violation of the provisions of the District's Drought Contingency Plan (the "Plan")) the occupant of the property where the violation occurred would be given an oral warning that he is violating the provisions of the District's Drought Contingency Plan which is in effect at that time. The oral warning would state that future violations could have economic consequences. The District would also keep a record of any oral warnings given during the various stages of the Plan. The District would also notify the owner of the property where the violation occurred at the address set forth on the application for water service that there had been a violation and that future violations could have economic consequences.
2. For a 2nd offense the service provided by the District to the customer would be disconnected in the same manner as a customer that fails to pay his bill and a \$150.00 reconnect fee would be charged to resume service.
3. For a 3rd offense the service provided by the District to the customer would be disconnected in the same manner as a customer that fails to pay his bill and a \$300.00 reconnect fee would be charged to resume service.

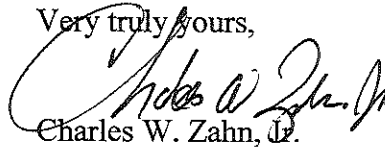
4. For a 4th offense the service provided by the District to the customer would be disconnected in the same manner as a customer that fails to pay his bill and a \$500.00 reconnect fee would be charged to resume service.
5. For a 5th offense the existing service provided by the District to the customer would be terminated. In the event that service is terminated pursuant to this provision, then in that event, the customer can, within five (5) days after termination of service, file a written notice of his intention to appeal the termination of service. Upon receipt of the Notice of Appeal the service will be reinstated and the appeal will be sent to a Water Allocation and Review Committee (the "Committee") for consideration of the grounds for the termination of service. The Committee shall be composed of two (2) residents of the District, and three (3) business persons with businesses located within the boundaries of the District, one of which must be a Realtor in the District. The Committee shall review the facts leading up to the termination of service as well as any mitigating circumstances presented by the customer appealing the termination of service. The members of the Committee shall either uphold the termination of service or set aside said termination. In the event the Committee sets aside the termination the District will continue to provide service to the customer subject to the rules and regulations governing the providing of service by the District. In the event the District upholds the termination of service, then, in that event, service shall be terminated until the provisions of the Plan are no longer in effect or the stage in the Plan that provided for the restriction that was violated is no longer in effect.
6. In the event that a new tenant or a new owner of the property where water service has been terminated files an application for service, then, in that event, the Committee shall determine if the tenant or new owner is entitled to new water service, and if so, whether or not any additional requirements for service, such as additional deposit, shall be a condition of service. The District Manager shall advise the new tenant or owner if there are additional requirements for service, provided however, that the District Manager, at is sole discretion, shall have the right to waive any additional requirements for service imposed by the Committee.

Staff would ask that you review the proposed enforcement guidelines and advise Staff of your approval or disapproval as well as concerns, so that Staff can include them in a Drought Contingency Plan for the District. This plan, of course, would have to be approved by the Board of Directors at a subsequent meeting called for that purpose.

Board of Directors
Nueces County Water Control
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I believe this is the information that the Staff for the District needs from the Board of Directors in order to complete the District's Drought Contingency Plan. Please call if you have any questions or need any additional information in order to evaluate the Staff's proposal.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Charles W. Zahn, Jr.", written over the typed name.

Charles W. Zahn, Jr.

CWZ:eg

cc: Mr. Mark Young
District Manager
Nueces County Water Control
& Improvement District No. 4
315 South 9th Street
Port Aransas, Texas 78373

MINUTES OF
REGULAR MEETING

February 6, 2013

STATE OF TEXAS §

COUNTY OF NUECES §

On the 6th day of February, 2013, 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
	Director	Ed Reed
Staff:	Manager	Mark Young
	Attorney	Charles Zahn
	Finance Director	Denise Fox
	Engineer	Jim Urban
	Auditor	Allan Lee Johnston
Members	President	Russ Miget
Absent:	Secretary Pro-Tem	Suzette Freeman

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 Ms. Holt and seconded by Mr. Reed to approve the minutes for the December 12th, 2012 meeting. The motion carried unanimously. (The minutes were mailed to each director prior to the meeting.)

2011-12 Mr. Johnston presented a review of the 2011-12 Audit. The Audit financial
Audit 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. Holt to accept the audit as presented. The motion carried unanimously.

Beasley Mr. Urban updated the board on the Beasley Transmission Line.
Transmission
Line

11th Mr. Urban updated the board on 11th Street.
Street

Lewis Wilcox Wastewater Treatment Plant After discussion, Ms. Holt made a motion to rename the North Wastewater Treatment Plant the Lewis Wilcox Wastewater Treatment Plant. Mr. Reed seconded the motion and it carried unanimously.

Effluent Use Agreement After discussion, Mr. Reed made a motion to give Mr. Zahn the authority to draft a contract providing effluent water to the new owners of Newport. Ms. Holt seconded the motion and it carried unanimously.


Financial Reports Denise presented the Financial Reports for December of 2012. 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


Marc Teller, Vice-President