

**Minutes of the Southside Steering Committee
Regional Water Supply Facilities Project
Thursday, August 19, 2010 10:00 A.M.**

The Lake O' the Pines Southside Steering Committee met in an open meeting on Thursday, August 19, 2010 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
Frank Perkins	-	Tryon Road SUD
Susan Whitfield	-	Diana SUD
Gail Weir	-	Ore City

The following additional persons participated in the steering committee:

Fred Thomas	-	Diana SUD
Glenn Hobbs	-	Tryon Road SUD
Walt Sears	-	NETMWD
Pete Wright	-	NETMWD
Christal Skinner	-	NETMWD

On motion by Gail Weir and second by Frank Perkins, the minutes of the July 22, 2010 meeting were unanimously approved as presented.

Pete Wright gave the Operations Report. Mr. Wright discussed the chemical bids that had been received for the upcoming fiscal year. Mr. Wright noted that the peak flow rate into the Tanner Plant from the raw water intake was recently as high as 6.58 million gallons per day. Mr. Wright attributed the higher flow rates to the hot dry weather. Mr. Wright mentioned the sales of harvested timber and it was noted that the sales are slightly above our original estimations. Mr. Wright reported the completion of repairs at Diana #4 due to the lightning damage. Mr. Wright mentioned that the bids on a possible purchase of a new truck for field operations would be reviewed on August 20, 2010. Additional operation topics were discussed. Following discussion of the Operations Report, the Committee took action on the items presented. On a motion by Frank Perkins and a second from Gail Weir, it was recommended that the Committee would support acquiring a new truck so long as there was an acceptable bid and that Walt Sears was delegated the authority to consent to the acquisition on behalf of the Committee. Motion carried, all voting aye. On a motion by Frank Perkins and a second from Susan Whitfield, it was recommended that the low bid on each of the chemicals be accepted. Motion carried, all voting aye. On a motion by Frank Perkins and a second from Gail Weir, it was recommended that payment of the KSA invoice as presented be approved. Motion carried, all voting aye.

The financial report was discussed. Susan Whitfield made a motion to approve the financial report for the month of July 2010 and to authorize payment of the bond payments. Frank Perkins seconded the motion. Motion carried, all voting aye.

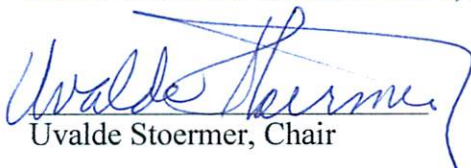
During the financial report, the previous quarterly reconciliation reports were discussed. The meter error at Avinger was identified as the reason why the adjustments were made to prior reconciliations. It was noted that the District performs monthly checks to discern possible meter error and that a physical test for accuracy would routinely be performed for meter accuracy. The physical test could be performed more frequently than annually if the circumstances warrant it.

The upcoming budget for NETMWD was discussed. It was noted that Pete Wright used the past production numbers to estimate the volume to be sold in the next fiscal year. It was noted that the weather pattern will affect the water produced. It was further noted that the next budget cycle will have a complete 12 month cycle of experience to refine the next estimation. Walt Sears discussed how the three funds of the District are separated and how the labor budgeted in Fund 300 was derived. It was noted that the budget is based on the Tanner Plant having 3 shifts of 8 hours per day. The labor cost of the Tanner Plant is allocated among Fund 200 and Fund 300. Fund 300 is not assigned any of the labor cost attributed to the water production at the NETMWD facility near Pittsburg. Following discussion, Frank Perkins made a motion to recommend that the proposed budget for Fund 300 be approved. Susan Whitfield seconded the motion. Motion carried, all voting aye.

The next meeting of the Southside Committee was scheduled for September 13, 2010.

It was noted that Christal Skinner has been a big help to keeping the financial records in good condition and that she was leaving the employment of the District. Appreciation was expressed to Christal Skinner for her hard work.

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


Uvalde Stoermer, Chair