

Minutes of Regular Meeting
Northeast Texas Municipal Water District
Board of Directors
March 22, 2010 –10:00 A. M.

The Board of Directors of the Northeast Texas Municipal Water District met in an open meeting on Monday, March 22, 2010 at 10:00 A.M. The meeting was held at Northeast Texas Municipal Water District's Executive Office located at 4180 Farm Road 250, Hughes Springs, Texas 75656. Notice of the meeting was legally posted.

Present: William W. Brown - President, Jefferson
Patrick Smith - Pittsburg
Stan Wyatt - Daingerfield
Uvalde Stoermer - Lone Star
Jack Salmon, Jr. -Avinger
Joseph W. Weir, III -Ore City
Carol H. Leftwich -Hughes Springs

Staff: Walt Sears, Jr.
Pete Wright
Lou Richards

Others: Glenn Lawler -Tanner Plant

President Brown called the meeting to order and welcomed everyone to the meeting. Invocation was given by Patrick Smith. Landon Tidmore and Glenn Lawler were recognized for their ten years of service at the Tanner Water Treatment Plant.

Patrick Smith made a motion to approve the minutes of the February 22, 2010 meeting. Jack Salmon, Jr. seconded the motion. Motion carried, all voting aye.

Jack Salmon made a motion to approve the financial reports and investment report on all current accounts and funds. Stan Wyatt seconded the motion. Motion carried, all voting aye. Jack Salmon made motion to authorize payment of the invoices for professional services as presented. Carol H. Leftwich seconded the motion. Motion carried, all voting aye.

Walt Sears gave an update on the Lake O' the Pines Southside project. Mr. Sears reported to the Board that we sustained another water leak. Mr. Sears explained that this leak was the same nature as the previous leaks where the HDPE pipe joined the ductile iron. Pete Wright stated that there were at least 10 – 15 more connections of this nature and that KSA was aware of the problem. Mr. Wright further stated that this type of connection was a design flaw and the Board continued their support that KSA should be made aware of any other problems since the warranty period was about to expire.

On motion by Stan Wyatt and second by Carol H. Leftwich, the Board unanimously approved membership in the Red River Valley Association for 2010 in the amount of \$500.00.

Walt Sears gave a presentation on the North East Texas Regional Water Planning Group (Region D). Mr. Sears discussed the creation of the regional water planning process, the interest groups involved, the basic steps of regional water planning and the 2012 State Water Plan Timeline. Mr. Sears discussed the progress of the Special Study Commission and that Region C was implementing conservation and reuse with success. Mr. Sears also told the committee that TWDB has estimated that Region C will have a projected deficit by 2060 of at least 750,000 acre feet because of the influx of people to Region C even with the full implementation of the planned conservation and reuse.

As part of the planning overview, Mr. Sears gave the Board a several spreadsheets showing the 2009 Rates for Water/Wastewater Rates for our member cities, wholesale rates charged by area providers and the RWSS Operational Cost Summary 1995 – YTD 2010.

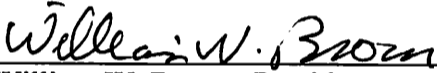
Mr. Sears presented the following items in the Manager's Report: (a) the financial review by the Texas Water Development Board and the District's response and (b) the possible response by the end of month for the projected ARRA for the maintenance cost for the Lake O' the Pines.

Pete Wright gave the Operations Report. Mr. Wright told the Board that he contacted Kelly Sullins with Irv Nelson and she would begin contacting landowners this week for possible right-of-way access for the raw water pump station road. Mr. Wright said the Ore City 100,000 tank was completed and back in service. Mr. Wright also told the committee the HAA5's at Jefferson and Hughes Springs were high and that he was monitoring those. Mr. Wright also stated that a final punch list for the contractors for the Southside project was being prepared. Mr. Wright said that he was seeing some initial start up activity by Ward Timber, the contractors for the timber harvest on some of the District's property.

Joseph W. Weir, III made a motion to set the next regular meeting date for April 28, 2010. Jack Salmon seconded the motion. Motion carried, all voting aye.

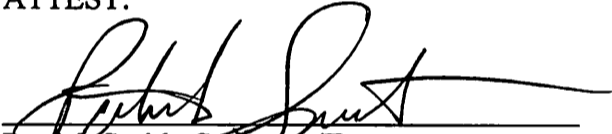
Jack Salmon made a motion to adjourn. The motion was seconded by Carol Leftwich. Motion carried, all voting aye.

APPROVED:



William W. Brown, President

ATTEST:



Patrick Smith, Secretary/Treasurer