

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
April 11, 2017

Board Members Present:

Robert Zavala
Oliver Hinojosa
Kathy Brown
James Fischer
Briseida Mendoza
Robert Garza

Board Members Absent:

Baldemar Garcia

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Jacob Hinojosa

Guests Present:

George Brown
Bucky Wheeler
Sherrel Mercer-Mercer Controls, Inc.

1. Call to Order.

Board Vice-President Robert Zavala called the Regular Meeting of the Ricardo Water Supply Corporation Board of Directors to order at 7:15 p.m. at the STWA Boardroom in Kingsville, Texas. A quorum was present.

2. Citizen comments.

Mr. Zavala opened the floor to citizen comments. No citizen comments were made.

3. Election of officers.

Mr. Zavala stated that he had spoken to Mr. Baldemar Garcia who voiced his interest in continuing to serve as President of Ricardo Water Supply Corporation. Mr. Fischer made a motion to re-elect the current slate of officers. Ms. Brown seconded Mr. Fischer's motion and there were no other nominations. All voted in favor.

The slate of officers remains unchanged as follows:

President – Baldemar Garcia
Vice-President – Robert Zavala
Secretary/Treasurer – Oliver Hinojosa

4. Approval of Minutes.

Mr. Hinojosa made a motion to approve the minutes of the February 22, 2017 Regular Meeting as presented. Mr. Garza seconded and the motion carried.

5. Treasurer's Report/Payment of Bills.

The following financial reports were presented for Board review and approval:

Treasurer's Report as of February 28, 2017

Account Activity for General Account for February 1, 2017 to February 28, 2017

Account Activity for Operations Account for February 3, 2017 to February 28, 2017

TEXPOOL Participant Statement for 02/01/2017 – 02/28/2017 for General Account

TEXPOOL Participant Statement for 02/01/2017 – 02/28/2017 for Membership Deposit Account

TEXPOOL Participant Statement for 02/01/2017 – 02/28/2017 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S17-033	\$18,726.07
February 2017 Water Usage, Water Cost and Handling Charge	

STWA Invoice S17-034	\$14,546.76
February 2017 General and Administration	

STWA Invoice S17-037	\$ 2,210.00
February 2017 Taps and Repairs	

A motion was made by Mr. Hinojosa and seconded by Mr. Garza to approve the Treasurer's Report and payment of the bills. The motion carried.

The order of the agenda was changed in order to accommodate the guests.

12. Mission Automation Group radio survey and SCADA system.

Ms. Serrato distributed copies of Mercer Control Inc.'s proposal for a radio survey and SCADA system and explained that she contacted Mr. Sherrel Mercer after several issues surfaced with the radio survey performed by Mission Automation Group which was previously authorized by the Board. The issues resulted in Mission withdrawing their invoice for \$6,600.11. Ms. Serrato stated that she and O&M Supervisor Jacob Hinojosa met with Mr. Mercer on March 29th to discuss a radio survey and the functions desired in a SCADA system. Mr. Mercer approached the Board and said he was interested in providing services for RWSC's SCADA system project. He reviewed his qualifications, described the types of projects performed by his company and discussed his proposal. He stated that he has performed calculations (at no charge to the Corporation) and he believes that a 30 – 35 foot antenna mounted on the Kingsville ground storage tank will provide the needed signal. He also described his preference for computer and communication equipment that would use a 10-inch touch screen with displays of the overall Ricardo system, facilities at each pump station and possibly a screen for monitoring system alarms. The system could be monitored through various communication devices. One of the elevated storage tanks would be designated as a repeater station and the other two stations would communicate with the master unit at the Kingsville location through that repeater station using a 900 megahertz frequency. There would be no interconnection with South Texas Water

Authority's SCADA system and RWSC's master unit could be relocated in the future if needed. The proposed system would be a monitor-only system with limited override capabilities and would include 16 nodes. Mr. Mercer's estimate for a basic SCADA system as described is \$50,000. The proposed cost to perform a radio survey is \$4,800 and includes all labor and instrumentation to verify and analyze the communication path between STWA's Kingsville facility and the two elevated storage tanks in Ricardo. If an adequate signal is received at the first tower, the cost of the survey will be reduced by the cost to climb the second tower. Ms. Serrato recommended proceeding with the radio survey. Ms. Mendoza made a motion to approve using Mr. Mercer's services for conducting a radio survey. Mr. Fischer seconded. All voted in favor. Ms. Serrato pointed out to Mr. Mercer that currently there is no ability to monitor as referred to in his proposal.

15. Painting of Elevated Storage Tank at Pump Station #1.

Ms. Serrato reported that she received a quote from Mr. Archie Wilkins of Diamond Enterprise, Inc. for work that may be needed for the elevated storage tank at Pump Station #1. She stated that although his preliminary estimate for the repairs was \$10,000, the formal quote is much higher. Ms. Serrato said that in Mr. Wilkins' opinion, painting of the outside area, Section A on the Diamond Enterprise quote, does not need to be addressed immediately. Section A includes cleaning rusted areas with a power tool, prime coating the rusted areas, applying middle coat on all spotted areas and a full coat of finish at a cost of \$28,900. Ms. Serrato added that of the repairs listed under Section B, Item 4 – Repair or change lights (\$1,700) would not be necessary since that work was completed recently. The remaining repairs under Section B, Item 1 – Vent & screen, Item 2 – two manways, and Item 3 – Wire box on inside of wet area, are recommended. These repairs total \$11,800 if the Item 4 charge is removed. Mr. Wilkins also recommends painting of the inside wet area (Section C) at a cost of \$32,990. Work inside the dry area from top to bottom (Section D - \$24,900) is another item that can be scheduled for a later time, except for a flange that is leaking. Ms. Serrato stated that she is willing to contact Mr. Wilkins for a quote for repairing the flange. She also provided a Report Proposal from U.S. Underwater Services which show that not all of the work on Section C is recommended, only replacement of the interior, wet area ladder. After reviewing the recommendations, Mr. Garza made a motion to authorize staff to negotiate with Diamond Enterprise, Inc. for repairs to the inside wet ladder, the flange, and Items B.1, B.2 and B.3 at a cost of up to \$25,000. Ms. Mendoza seconded and all voted in favor.

8. Request from Tina and Alan Wheeler to relocate waterline to CR 2180.

Ms. Serrato stated that she was contacted by Tina and Alan Wheeler regarding their plans for a trailer park on property purchased from Ms. Frankie Pattillo. There is a waterline which is located within an easement but is not along CR 2180. The Wheelers have requested that the line be relocated to CR 2180. Ms. Serrato described the area and location of the waterline and existing meters and explained that the line runs along CR 1050 which is an unopened road. At one point, the 3" line running through the property reduces to a 1 ½" line. She asked if the Board was interested in paying for or sharing the cost to move the waterline to CR 2180. She explained that there are two issues to be considered – the request to relocate the existing line within an easement on the Wheeler's property further south along CR 2180 and determining capacity

requirements and resulting changes to the distribution system. Mr. Bucky Wheeler addressed the Board on behalf of his parents and stated that he has no knowledge of the reasoning behind placing the line at the current location, but he and his family want it moved. He is unsure how large a trailer park is planned but said that there are ten trailer spots and they hope to have the park set up within six months. Mr. Zavala explained to him that the family needs to decide how many trailers will be served so that water needs can be determined. He also stated that he feels the Corporation should only be responsible for replacing the 1 ½" section of line with 2" or 3" line and other upgrades should be the responsibility of the Wheelers. Mr. Wheeler agreed to provide additional information when it becomes available so that the Board can discuss the matter further. The Board took no action at this time.

6. Appointment of Credentials Committee.

Ms. Serrato stated that last year the Board appointed Mr. Oliver Hinojosa, Ms. Briseida Mendoza and Mr. Robert Wagner to the Credentials Committee. Mr. Hinojosa made a motion to re-appoint the current committee contingent on Mr. Wagner agreeing to serve. Mr. Garza seconded and all voted in favor.

7. Request by property owner Dean Radford for a commercial meter to service Strike, LLC. offices on FM 1118.

Ms. Serrato stated that the office was contacted by Mr. Dean Radford who requested service for one trailer on the property on behalf of Strike, a company installing an oil/gas pipeline through Kleberg County. When crews arrived to place the meter, a larger meter was requested. Through further discussion with Strike it was determined that there would be nine trailers, which ultimately became eight, with four ice makers resulting in the need for a second engineering analysis. Since then, the meter has been installed and is in service. Ms. Serrato stated that she was providing the information as a report only.

9. Disinfection by-product results and TCEQ Notice of Total Trihalomethane MCL, LRAA Violation.

Ms. Serrato reported that the samples collected in February resulted in exceedance of the 80 ppb MCL for Total Trihalomethanes. She presented a copy of the notice sent to RWSC customers as required by TCEQ. She added that flushing continues in response to the high level of the samples. She also stated that the chlorine burn currently underway by the City of Corpus Christi should address any nitrification problems within RWSC's distribution system, and sampling will continue once the City reverts to the use of chloramines.

10. Remote Read Meter System and possible financing including State Water Implementation Fund for Texas (SWIFT) Abridge Application.

Ms. Serrato distributed an analysis of information from Kleberg Bank, Government Capital and the State Water Implementation Fund for Texas (SWIFT) for financing a remote read system which has been quoted by HydroPro Solutions at \$241,432 for a remote read drive-by system and \$451,012 for a base station system. She stated that she has provided RWSC's financial

information to Kleberg Bank and Government Capital. In addition, she has researched SWIFT funding and has confirmed with TWDB staff that this type of funding is available for this kind of project; however, the Corporation would need to wait for the next funding cycle to begin the application process since the current funding cycle closed in February. Mr. Zavala stated that he feels the Corporation should look further into SWIFT funding. Ms. Serrato said she is willing to continue working towards securing SWIFT funding and would ask if refunding is available for projects that are funded through conventional means. No action was taken by the Board.

11. Replacement of Building at Pump Station #2.

Ms. Serrato reported that Mercer Controls has arrived and started demolition of the building at Pump Station #2. She stated that the pumps have been covered with a tarp and the wall that holds the controls will be left until the end. She expects the replacement to be completed within a couple of weeks.

13. Limited English Proficiency Plan.

Ms. Serrato reviewed an email notice from the Texas Rural Water Association pertaining to the Limited English Proficiency (LEP) requirements. She said it appears RWSC may be required to adopt a LEP Plan and she will place this item on the next agenda. She added that she has been gathering some of the needed information and will continue working on the plan.

14. CallFire Notification System.

Ms. Serrato reported that there has been minimal response to the survey sent out regarding an emergency notification system. Mr. Zavala said he has been in contact with Kleberg County Judge Rudy Madrid about a county-wide system and asked to place this item on hold until the matter is researched further by Kleberg County.

16. Public Funds Investment Act and Investment Policies.

Ms. Serrato stated that South Texas Water Authority has investment policies in place for their various funds which the STWA Board reviews and approves annually. The policies keep STWA in compliance with the Texas Public Funds Investment Act. Recently when Finance Manager Jo Ella Wagner attempted to initiate a transfer of RWSC funds into TexPool Prime, she was questioned about RWSC's investment policy. TexPool agreed to allow the transfer based on STWA managing the Corporation and STWA's investment policies being on file with TexPool. Ms. Serrato stated that although non-profit water supply corporations are not required to comply with the Texas Public Funds Investment Act, she felt the Board should discuss adoption of an investment policy. She presented a draft RWSC Investment Policy which is virtually identical to STWA's General Fund Investment Policy. She added that an investment policy could provide future guidance on investing the Corporation's funds. Mr. Hinojosa made a motion to adopt the RWSC Investment Policy for the General, Debt Service and Reserve Funds as presented by Ms. Serrato. Ms. Brown seconded and all voted in favor.

17. Information from Texas Rural Water Association regarding Proposed White House Budget Cuts and Rural Water and Wastewater Programs.

Ms. Serrato presented an email from Texas Rural Water Association regarding announcements on proposed White House budget cuts, specifically those related to rural water and wastewater funding programs. The email urges utilities to contact their legislators to oppose the cuts and remind the legislators that rural communities depend on these programs to provide essential services to rural America. She explained that a 21% cut is included which could affect the rural development division of USDA. Mr. Garza made a motion to send a letter to RWSC's federal legislators opposing cuts to these programs. Mr. Hinojosa seconded. All voted in favor.

18. Adjournment.

With no further business to conduct, Mr. Garza made a motion to adjourn the meeting at 9:08 p.m. Ms. Brown seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary