

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
September 13, 2016

Board Members Present:

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

Board Members Absent:

None

Staff Present:

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

Guests Present:

George Brown

1. Call to Order.

Board President Baldemar Garcia called the Regular Meeting of the Ricardo Water Supply Corporation Board of Directors to order at 5:30p.m. at the STWA Boardroom in Kingsville, Texas. A quorum was present.

2. Citizen comments.

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

3. Approval of Minutes.

Mr. Garza made a motion to approve the minutes of the April 12, 2016 Regular and the June 14, 2016 Special Meeting as presented. Mr. Zavala seconded and the motion carried.

4. Treasurer's Report/Payment of Bills.

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

Updated Treasurer's Report as of December 31, 2015
Treasurer's Report as of April 30, 2016
Treasurer's Report as of May 31, 2016
Treasurer's Report as of June 30, 2016
Treasurer's Report as of July 31, 2016
Treasurer's Report as of August 31, 2016
Account Activity for General Account for April 1, 2016 to August 31, 2016

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Account Activity for Operations Account for April 1, 2016 to August 31, 2016

TEXPOOL Participant Statement for 04/01/2016 – 04/30/2016 for General Account

TEXPOOL Participant Statement for 04/01/2016 – 04/30/2016 for Membership Deposit Account

TEXPOOL Participant Statement for 04/01/2016 – 04/30/2016 for USDA Reserve Account

TEXPOOL Participant Statement for 05/01/2016 – 05/31/2016 for General Account

TEXPOOL Participant Statement for 05/01/2016 – 05/31/2016 for Membership Deposit Account

TEXPOOL Participant Statement for 05/01/2016 – 05/31/2016 for USDA Reserve Account

TEXPOOL Participant Statement for 06/01/2016 – 06/30/2016 for General Account

TEXPOOL Participant Statement for 06/01/2016 – 06/30/2016 for Membership Deposit Account

TEXPOOL Participant Statement for 06/01/2016 – 06/30/2016 for USDA Reserve Account

TEXPOOL Participant Statement for 07/01/2016 – 07/31/2016 for General Account

TEXPOOL Participant Statement for 07/01/2016 – 07/31/2016 for Membership Deposit Account

TEXPOOL Participant Statement for 07/01/2016 – 07/31/2016 for USDA Reserve Account

TEXPOOL Participant Statement for 08/01/2016 – 08/31/2016 for General Account

TEXPOOL Participant Statement for 08/01/2016 – 08/31/2016 for Membership Deposit Account

TEXPOOL Participant Statement for 08/01/2016 – 08/31/2016 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S16-045	\$21,666.47
March 2016 Water Usage, Water Cost and Handling Charge	
STWA Invoice S16-046	\$17,756.30
March 2016 General and Administration	
STWA Invoice S16-049	\$ 7,923.00
March 2016 Taps and Repairs	
STWA Invoice S16-051	\$ 1,497.54
Payroll expense for part-time employee (January, February and March 2016)	
STWA Invoice S16-053	\$ 360.34
Payroll expense for stand by pay (December 31, 2015 through March 30, 2016)	
STWA Invoice S16-055	\$ 71.34
Reimburse for T-1 circuit providing phone service through AT&T for the period of January 2016 through March 2016	
STWA Invoice S16-062	\$20,563.39
April 2016 Water Usage, Water Cost and Handling Charge	
STWA Invoice S16-063	\$13,399.15
April 2016 General and Administration	
STWA Invoice S16-066	\$ 4,865.90
April 2016 Taps and Repairs	

STWA Invoice S16-073 May 2016 Water Usage, Water Cost and Handling Charge	\$23,615.87
STWA Invoice S16-074 May 2016 General and Administration	\$13,248.65
STWA Invoice S16-077 May 2016 Taps and Repairs	\$ 2,951.25
STWA Invoice S16-084 June 2016 Water Usage, Water Cost and Handling Charge	\$19,900.94
STWA Invoice S16-085 June 2016 General and Administration	\$14,399.68
STWA Invoice S16-088 Payroll expense for part-time employee (April 2016)	\$ 427.87
STWA Invoice S16-090 June 2016 Taps and Repairs	\$ 4,176.01
STWA Invoice S16-094 Reimburse for T-1 circuit providing phone service through AT&T for the period of April 2016 through June 2016	\$ 72.27
STWA Invoice S16-092 Payroll expense for stand by pay (April 6, 2016 through June 29, 2016)	\$ 361.59
STWA Invoice S16-101 July 2016 Water Usage, Water Cost and Handling Charge	\$31,953.13
STWA Invoice S16-102 July 2016 General and Administration	\$13,686.25
STWA Invoice S16-105 July 2016 Taps and Repairs	\$ 4,688.85
The 5125 Company Waterline installation on CR 2170	\$40,500.00
Mercer Controls Pump Station #1 Building Replacement	\$24,600.00

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

5. Customer Concern – Mr. Albert S. Garcia, Account #1012 – Results of meter testing due to dispute on high water bill.

Ms. Serrato stated that after Mr. Albert S. Garcia addressed the Board at the February 29, 2016 meeting regarding a bill for 126,560 gallons, the meter was sent to the manufacturer for testing. The meter had been tested in-house and the results indicated that the meter was operating within the allowable +/- 2%. At the February meeting, Mr. Garcia indicated that there had been no leaks on the property, but upon visiting the property, field staff found evidence of large consumption. The results of the manufacturer testing indicated that there was no malfunction of the meter. Ms. Serrato stated that the high water bill has been paid and the only outstanding payment is the \$40 charge for the manufacturer's testing of the meter. Mr. Zavala made a motion to bill Mr. Garcia for the \$40 cost of testing the meter and the \$90 cost of replacing the meter. Mr. Garza seconded and all voted in favor.

6. STWA FY 2017 Budget.

Ms. Serrato presented the notification letter South Texas Water Authority regarding STWA's FY 2017 budget. She explained that the budget reflects a loss of about \$140,000 which includes an expense of \$130,000 for conversion of the Driscoll Booster Station from a chlorine injection to a chloramine injection system in response to the ongoing TCEQ enforcement action. Also included in STWA's budget are a 3 percent increase in salaries, and purchase of \$55,000 in equipment. The Board made no comments on the budget.

7. TCEQ Investigation Letter.

Ms. Serrato presented a copy of a recent letter from TCEQ regarding investigation of the Corporation's system. The letter indicates that all alleged violations have been satisfactorily addressed including the previous item related to the oversizing of the elevated storage tank on CR 2160. She stated that she wanted to make the Board aware and no Board action was necessary.

8. Bank Depository Agreement.

Ms. Serrato presented the Agreement to Extend Corporation Depository Contract for 2016 – 2018 from Kleberg Bank and stated that staff has been satisfied with the services provided by Kleberg Bank. She noted that Kleberg Bank does not charge RWSC any fees and has agreed to extend the current agreement for two years. Mr. Zavala made a motion to renew the Bank Depository Agreement with Kleberg Bank for two years. Mr. Fischer seconded and the motion passed with all voting in favor.

9. Request by Allen Cumberland to Deed back a portion of Pump Station 3 Property to the Estate of G. Dwight Williams.

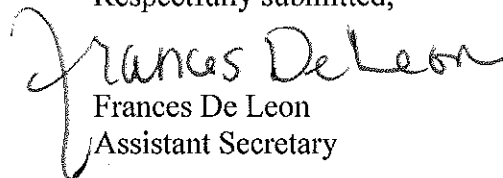
Ms. Serrato presented information related to a request from Allen Cumberland to have RWSC deed back a portion of the Pump Station 3 property on CR 2140 to the Estate of G. Dwight Williams. Mr. Garcia described the submitted drawings of the property and Mr. Zavala added

that in return, Mr. Cumberland is willing to deed the exact footage on the east side of the property to RWSC. In addition all surveying and legal expenses will be paid by the estate and there will be no cost to the Corporation. Ms. Serrato questioned whether an encroachment actually exists and Mr. Zavala pointed out that the survey will make that determination. Mr. Zavala made a motion to proceed with the process to deed back a portion of the Pump Station 3 property to the Estate of G. Dwight Williams in exchange for equal acreage on the east side of the parcel at the expense of the estate and at no cost to the Corporation. Mr. Garza seconded. All voted in favor.

10. Adjournment.

With no further business to conduct, Mr. Zavala made a motion to adjourn the meeting at 5:59 p.m. Mr. Garza seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary