

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
November 16, 2022

Board Members Present:

Baldemar Garcia
Tim Robertson
Oliver Hinojosa
Robert Garza

Board Members Absent:

Frank Escobedo
James Fischer
Robert Zavala, Jr.

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Nigel Gomez

Guests Present:

Luis Olivarez
Rosa Alaniz

1. Call to Order.

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

2. Citizen comments.

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

3. Approval of Minutes.

The Board reviewed the minutes of the September 22, 2022 Regular Meeting. Mr. Robertson requested that the minutes be changed to reflect that he was present at that meeting and made a motion to approve the minutes of the September 22, 2022 Regular Meeting with that change. Mr. Garza seconded. All voted in favor.

The order of the agenda was changed.

5. Discussion and action on request for access to Luis Olivarez property behind Pump Station #1 for a new service connection.

Mr. Garcia informed Mr. Luis Olivarez that at the last meeting, the Board reviewed the request and decided to table action on this item until Board members had an opportunity to visit the location in order to better understand the situation. He added that legal counsel recommends that the board not approve the request and the Board is in agreement with legal counsel's recommendation. Mr. Olivarez responded that three times this year, RWSC's storage tank has overflowed and flooded his property and that he would be sending the corporation a bill the next time his property gets flooded. Mr. Robertson made a motion to not approve Mr. Olivarez's request based on legal counsel's recommendation. Mr. Garza seconded. All voted in favor.

15. Discussion and possible action on Contractor Retainage Request – Hwy 77/I-69 Waterline reroute.

Mr. Marez reported that he was contacted by a Max Underground representative informing him that about \$7,000 is still owed on the waterline adjustment project in Ricardo. Mr. Marez then contacted Eddie Pena and Eric Villarreal of Ardurra who explained that Max Underground previously tried to charge the corporation \$7,000 for downtime and but Ardurra struck the amount from the invoice and notified Max Underground that they would not recommend payment. Ardurra had agreed to review and consider payment for some hours but Max Underground did not provide the needed information. Mr. Marez consulted with legal counsel Bill Flickinger who recommends allowing Ardurra to resolve the issue and suggested reaching out to Max Underground with a deadline for the requested information. The Board agreed with the recommendation.

4. Treasurer's Report/Payment of Bills.

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

Treasurer's Report as of July 31, 2022

Account Activity for General Account for July 1, 2022 to July 31, 2022

Account Activity for Operations Account for July 1, 2022 to July 31, 2022

TEXPOOL Participant Statement for 07/01/2022 – 07/31/2022 for General Account

TEXPOOL Participant Statement for 07/01/2022 – 07/31/2022 for Membership Deposit Account

TEXPOOL Participant Statement for 07/01/2022 – 07/31/2022 for USDA Reserve Account

TexSTAR General Account Statement for 07/01/2022 – 07/31/2022

Treasurer's Report as of August 31, 2022

Account Activity for General Account for August 1, 2022 to August 31, 2022

Account Activity for Operations Account for August 1, 2022 to August 31, 2022

TEXPOOL Participant Statement for 08/01/2022 – 08/31/2022 for General Account

TEXPOOL Participant Statement for 08/01/2022 – 08/31/2022 for Membership Deposit Account

TEXPOOL Participant Statement for 08/01/2022 – 08/31/2022 for USDA Reserve Account

TexSTAR General Account Statement for 08/01/2022 – 08/31/2022

Treasurer's Report as of September 30, 2022

Account Activity for General Account for September 1, 2022 to September 30, 2022

Account Activity for Operations Account for September 1, 2022 to September 30, 2022

TEXPOOL Participant Statement for 09/01/2022 – 09/30/2022 for General Account

TEXPOOL Participant Statement for 09/01/2022 – 09/30/2022 for Membership Deposit Account

TEXPOOL Participant Statement for 09/01/2022 – 09/30/2022 for USDA Reserve Account

TexSTAR General Account Statement for 09/01/2022 – 09/30/2022

The following bills were presented for payment:

STWA Invoice S22-145 \$ 6,445.00

August 2022 Taps and Repairs

STWA Invoice S22-147 \$ 54.88

Reimbursement Invoice to STWA

STWA Invoice S22-154 \$18,863.95

September 2022 Water Usage, Water Cost and Handling Charge

STWA Invoice S22-155 \$18,269.22

September 2022 General and Administration

STWA Invoice S22-160 \$ 3,822.00

September 2022 Taps and Repairs

STWA Invoice S22-162 \$ 1,844.96

Payroll Expense for Part-time Employee (July, August and September 2022)

STWA Invoice S22-164 \$ 339.60

Payroll Expense for Stand By Pay (June 30, 2022 through September 28, 2022)

STWA Invoice S22-166 \$ 1,321.74

Reimburse for Fiber optic phone service (06/19/22 through 09/19/22) and High Touch Technology support (07/01/22 through 9/30/22)

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

6. Fiscal Year 2022 Budget Amendments.

Ms. Wagner reviewed the proposed Fiscal Year 2022 Amended Budget which reflected a Revenue increase of \$8,701 and an increase of \$53,034.39 in Total Operating Expenses resulting in a net balance of -\$7,607.24.

Mr. Robertson made a motion to approve the Fiscal Year 2022 Budget Amendments. Mr. Garza seconded. All voted in favor.

7. Proposed Fiscal Year 2023 Budget and retail water rates.

The Board reviewed a proposed Fiscal Year 2023 Budget based on the current rates along with three additional scenarios with various monthly minimum and thousand-gallon rate increases. After reviewing the options, Mr. Garcia and Mr. Robertson stated that they were leaning towards option C which increases both the monthly minimum and the water rates as follows:

Monthly	5'8" meter	\$42.00	Water Rates: Up to 20,000 gallons	\$4.55
Minimum	3/4" meter	\$63.77	Above 20,000 gallons	\$4.75
	1" meter	\$89.38		
	2" meter	\$106.77		
	Compound	\$213.00		

8. Resolution 22-06. Resolution adopting the recommended Fiscal Year 2023 Budget.

Mr. Hinojosa made a motion to adopt the Fiscal Year 2023 Budget based on option C raising the monthly minimum to \$42.00 on a 5/8" meter and water rates to \$4.55/1000g up to 20,000 gallons and \$4.75/1000g over 20,000 gallons. Mr. Robertson seconded and all voted in favor.

9. John Womack & Co., P.C. Letter of Engagement for auditor services.

The Board reviewed the John Womack & Co., P.C. Letter of Engagement in the amount of \$5,975 for auditor services for a basic audit of RWSC's financial statements for the year ended December 31, 2022. After reviewing the letter, Mr. Garza made a motion to accept the engagement letter for FY 2022 audit services with John Womack & Co., P.C. in the amount of \$5,975. Mr. Hinojosa seconded the motion. All voted in favor.

10. Annual Meeting Schedule and Election Procedures.

Mr. Marez stated that per State requirements, the Board must review Election Procedures for the Annual Membership meeting. The positions currently held by Mr. Garcia, Mr. Garza and Mr. Robertson are up for election in April of 2023. He also presented the timeline and schedule for the 2023 Annual Membership Meeting and asked for approval to proceed with the schedule and to incorporate recommended changes in the Corporation's Election Procedures. Mr. Robertson made a motion to authorize incorporating necessary changes into RWSC's procedures, to approve mailing of the presented documents and proceed with the recommended schedule. Mr. Hinojosa seconded. All voted in favor.

11. Bank Depository Agreement.

Mr. Marez stated that Finance Manager Jo Ella Wagner contacted Kleberg Bank about extending the two-year Depository Contract between Kleberg Bank and Nueces Water Supply Corporation; however, instead of extending the current agreement, Kleberg Bank offered a concurrent six-month term ending on March 31, 2023 to allow RWSC an opportunity to renegotiate a contract with Kleberg Bank. Mr. Hinojosa made a motion to approve the six-month extension. Mr. Garza seconded. All voted in favor.

12. Agreement with Ricardo Wastewater Improvement Corporation for billing and collecting of wastewater charges.

Mr. Garcia stated that he and Finance Manager Jo Ella Wagner discussed the current agreement and associated billing costs and agreed on increasing the monthly per customer fee to \$4.00. He added that he has contacted Mary Mora of Ricardo Wastewater Improvements Corporation to inform her that there would likely be an increase in the fee and urged her to meet with her board and approve the new agreement because the rate increase would take effect in January 2023.

13. Resolution 22-04. Resolution renewing the agreement with Ricardo Wastewater Improvement Corporation for billing and collecting of wastewater charges.

Mr. Robertson made a motion to approve the new agreement increasing the monthly per customer fee to \$4.00, Mr. Garza seconded and all voted in favor.

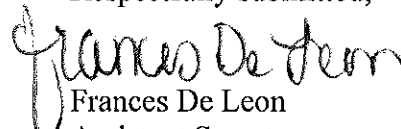
14. Authorize TRWA Agreement for GIS Mapping Services.

Mr. Marez presented an Agreement for GIS mapping services sponsored by Texas Rural Water Association. He explained that GIS mapping can be very beneficial in locating drinking water infrastructure. In addition, information can be easily shared with large companies seeking to locate in the area. He stated that training on the mapping system is included and recommended approval of the agreement at an amount not to exceed \$10,000. He added that STWA has approved a similar agreement. Mr. Garza made a motion to accept the TRWA Agreement for GIS Mapping Services at a cost not to exceed \$10,000. Mr. Robertson seconded the motion. All voted in favor

16. Adjournment.

With no further business to discuss, Mr. Robertson made a motion to adjourn the meeting at 6:32 pm. Mr. Hinojosa seconded and the motion carried.

Respectfully submitted,


Frances De Leon
Assistant Secretary