

RICARDO WATER SUPPLY CORPORATION  
Regular Meeting Minutes  
October 30, 2017

Board Members Present:

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

Board Members Absent:

James Fischer

Staff Present:

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

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 5:30 p.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. Zavala made a motion to approve the minutes of the July 18, 2017 Regular Meeting as presented. Ms. Brown seconded and the motion carried.

4. Treasurer's Report/Payment of Bills.

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

Treasurer's Report as of June 30, 2017

Treasurer's Report as of July 31, 2017

Treasurer's Report as of August 31, 2017

Treasurer's Report as of September 30, 2017

Account Activity for General Account for June 1, 2017 to June 30, 2017

Account Activity for General Account for July 1, 2017 to July 31, 2017

Account Activity for General Account for August 1, 2017 to August 31, 2017

Account Activity for General Account for September 1, 2017 to September 30, 2017

Account Activity for Operations Account for June 1, 2017 to September 30, 2017

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TEXPOOL Participant Statement for 06/01/2017 – 06/30/2017 for General Account  
TEXPOOL Participant Statement for 06/01/2017 – 06/30/2017 for Membership Deposit Account  
TEXPOOL Participant Statement for 06/01/2017 – 06/30/2017 for USDA Reserve Account  
TEXPOOL Participant Statement for 07/01/2017 – 07/31/2017 for General Account  
TEXPOOL Participant Statement for 07/01/2017 – 07/31/2017 for Membership Deposit Account  
TEXPOOL Participant Statement for 07/01/2017 – 07/31/2017 for USDA Reserve Account  
TEXPOOL Participant Statement for 08/01/2017 – 08/31/2017 for General Account  
TEXPOOL Participant Statement for 08/01/2017 – 08/31/2017 for Membership Deposit Account  
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TEXPOOL Participant Statement for 09/01/2017 – 09/30/2017 for General Account  
TEXPOOL Participant Statement for 09/01/2017 – 09/30/2017 for Membership Deposit Account  
TEXPOOL Participant Statement for 09/01/2017 – 09/30/2017 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S17-093	\$ 72.53
Reimburse for T-1 circuit (04/19/2017 through 06/19/2017)	
STWA Invoice S17-091	\$ 363.09
Payroll expense for stand by pay (March 30, 2017 through June 28, 2017)	
STWA Invoice S17-089	\$ 1,535.91
Payroll expense for part-time employee (April, May and June, 2017)	
STWA Invoice S17-100	\$28,056.54
July 2017 Water Usage, Water Cost and Handling Charge	
STWA Invoice S17-101	\$15,778.97
July 2017 General and Administration	
STWA Invoice S17-104	\$ 2,825.00
July 2017 Taps and Repairs	
STWA Invoice S17-111	\$25,476.06
August 2017 Water Usage, Water Cost and Handling Charge	
STWA Invoice S17-112	\$14,351.82
August 2017 General and Administration	
STWA Invoice S17-115	\$ 6,053.70
August 2017 Taps and Repairs	
STWA Invoice S17-122	\$23,971.54
September 2017 Water Usage, Water Cost and Handling Charge	

STWA Invoice S17-123 September 2017 General and Administration	\$14,842.61
STWA Invoice S17-126 Payroll expense for part-time employee (July, August and September, 2017)	\$ 1,748.60
STWA Invoice S17-128 Payroll expense for stand by pay (June 28, 2017 through September 27, 2017)	\$ 364.21
STWA Invoice S17-130 Reimburse for Fiber optic phone service (07/19/2017 through 09/19/2017)	\$ 355.66
STWA Invoice S17-132 September 2017 Taps and Repairs	\$ 4,818.90

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: Englantina Martinez #223 – Request for extended payment plan.

Ms. Serrato stated that Ms. Englantina Martinez has requested an extended payment plan for payment of a large water bill. There was no leak on the property but an outside faucet was left on without the owner's knowledge resulting in a bill of \$1,079.74 for 271,360 gallons. Ms. Serrato said that the Corporation's leak plan does not apply in this situation since the high usage was not the result of a leak. Ms. Martinez has indicated that she can afford to pay \$100 per month, including the regular monthly bill. Mr. Garcia stated that he is familiar with the location and mentioned that there are horses on the property as well as a mobile home. After reviewing and discussing 17-month and 23-month payment plans, the Board agreed on an 18-month plan. Mr. Zavala made a motion to offer Ms. Martinez an 18-month payment plan. Mr. Garza seconded. All voted in favor. Mr. Garcia also requested that the property be checked for a multiple tap.

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

Ms. Serrato presented a letter from the TCEQ dated October 20, 2017 regarding a record review investigation that resulted in TCEQ initiating formal enforcement action due to the outstanding TTHM violations. She stated that she contacted TCEQ personnel who informed her that once the LRAA falls below the MCL, RWSC will return to compliance; however, they could not provide an answer to whether or not there would be a fine associated with this action. Ms. Serrato pointed out that the most recent TTHM results are well under the MCL. She added that field personnel continue disinfecting at the 4:1 ratio and she believes the City of Corpus Christi's use of chlorine dioxide as a permanent treatment appears to be helping to maintain residuals in the system. Staff also continues collecting samples for in-house testing.

7. Amended RWSC Water Conservation and Drought Contingence Plan.

Ms. Serrato presented the proposed amended RWSC Water Conservation and Drought Contingency Plan discussed at the previous Board meeting. She stated that the City of Corpus Christi has amended its Drought Plan to take into consideration the water resources available through the Mary Rhodes I and II pipelines. She added that since the last meeting, the STWA Board of Directors approved an amended STWA Water Conservation and Drought Contingency Plan which was provided to STWA's wholesale customers. The amended RWSC Water Conservation and Drought Contingency Plan reflects the same changes as the City of Corpus Christi's trigger levels. She recommended approving Resolution 17-05 adopting the Amended Water Conservation and Drought Contingency Plan.

8. Resolution 17-05. Resolution adopting the Amended Ricardo Water Supply Corporation Water Conservation and Drought Contingency Plan.

Mr. Hinojosa made a motion to adopt Resolution 17-05 approving the Amended Ricardo Water Supply Corporation Water Conservation and Drought Contingency Plan. Mr. Zavala seconded. All voted in favor.

9. Participation in reverse call system through Kleberg County Sheriff's Department.

Ms. Serrato reported that during a recent conversation with Kleberg County Sheriff Richard Kirkpatrick, he indicated that it might be possible for the Corporation to use the department's reverse call system to provide emergency notifications to isolated geographical areas of the county. She was not provided details on the process or cost for using the system. Mr. Zavala said he still believes using this type of system is a very good idea. The Board agreed for Ms. Serrato to continue exploring this option.

10. Remote Read Meter System and possible financing through Texas Water Development Board including State Water Implementation Fund for Texas (SWIFT) Abridged Application or other Texas Water Development Board Finance Programs.

Ms. Serrato stated that during her research of Texas Water Development Board funding opportunities, she discovered that pursuing funding through the TWDB SWIFT program would require a minor amendment to the Coastal Bend Regional Water Plan. She made the request for the amendment but found that it involved a cost of \$6,000. After discussing the matter with Board President Baldemar Garcia, she withdrew the request. She added that development of the 2021 Plan is already underway and that including this project in the 2021 Plan would not require any cost. The Board discussed the various projects currently underway and agreed to put this project on hold due to the expenses related to ongoing projects.

11. Proposals for repairs/reconditioning of ground storage tank at Pump Station #3.

Ms. Serrato reported that the north concrete ground storage tank at Pump Station #3 is experiencing a slow leak. Various repair methods have been attempted but have proven unsuccessful. She presented two proposals for repair or reconditioning of the tank. One is from

Mercer Controls, Inc. in the amount of \$7,400 to install a liner. The other is from U.S. Underwater Services for patching the area of the leak at a cost of \$3,070. The Board questioned the warranty provided on the liner. Ms. Serrato stated that she did not know but usually this type of work comes with a one-year warranty. Mr. Zavala made a motion to approve the \$7,400 Mercer Controls quote contingent on Mercer providing a minimum one-year warranty. Mr. Garza seconded. The motion passed by unanimous vote.

12. Request by Allan Cumberland to deed back a portion of Pump Station #3 property to the Estate of G. Dwight Williams.

Ms. Serrato reported that Mr. Allan Cumberland has provided the Warranty Deed necessary to exchange a 13.51 foot by 244 foot section on the east side of the Pump Station #3 property for a 20 foot by 165 foot section on the south side. Legal Counsel Bill Flickinger reviewed the documents and provided slightly modified Warranty Deeds and Resolution 17-06 approving the exchange of the property. The modifications include the following: 1. Language prohibiting drilling for minerals within the property which will be transferred to the Corporation, 2. Wording requiring that all property taxes be paid by the Grantor on the property being transferred to the Corporation, and 3. A clause on the deed from the Corporation allowing for use of the existing driveway. Mr. Flickinger recommended that the Co-Trustees sign both documents before execution by RWSC.

13. Resolution 17-06. Resolution approving exchange of real property at Pump Station #3.

Mr. Zavala made a motion to adopt Resolution 17-06 approving the exchange of the property at Pump Station #3. Ms. Brown seconded. The motion passed unanimously.

14. Update on use by Ricardo Volunteer Fire Department.

Ms. Serrato stated that the matter of possible unauthorized use by the Ricardo Volunteer Fire Department was placed on a Kleberg County agenda and was discussed in Closed Session. No action was taken by the Court. Ms. Serrato spoke to Kleberg County Judge Rudy Madrid and Commissioner Roy Cantu about the matter and mentioned that the Corporation would be requesting usage information from the RVFD. The Billing Clerk emailed a usage form to Patrick Guzman of the RVFD but the requested information has not been provided. The Board agreed to allow more time for a response. Ms. Serrato also stated that she will contact Commissioner Cantu again about the matter and email Mr. Guzman.

15. Overtime and South Texas Water Authority Personnel Policy.

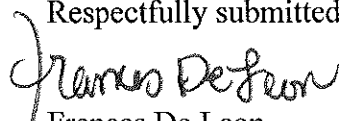
Ms. Serrato provided information to the Board regarding STWA's Personnel Policy pertaining to overtime. She said that due to recent concerns regarding accumulation of compensatory time, she discussed the issues with a labor law attorney which led to amending the Personnel Policy. Under the revision, the O&M Supervisor, Business/Risk Manager and Finance Manager will be paid overtime and no longer earn compensatory time for overtime worked on behalf of the Corporation. Mr. Garcia said he agreed with the current arrangement of having support staff at

the Board meetings but added that he feels that only one field supervisor's attendance is needed. The Board made no comments in opposition of the changes.

16. Adjournment.

With no further business to conduct, Mr. Zavala made a motion to adjourn the meeting at 6:37 p.m. Mr. Garza seconded and all voted in favor.

Respectfully submitted,



Frances De Leon  
Assistant Secretary