

RICARDO WATER SUPPLY CORPORATION  
Regular Meeting Minutes  
January 14, 2016

Board Members Present:

Baldemar Garcia  
Oliver Hinojosa  
Kathy Brown  
James Fischer  
Christina Titus

Board Members Absent:

Robert Garza  
Robert Zavala

Staff Present:

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

Guests Present:

George Brown  
Larry Ruiz

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.

Ms. Brown made a motion to approve the minutes of the December 10, 2015 Regular Meeting as presented. Mr. Hinojosa seconded and the motion carried.

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

5. Customer Concern – Larry Ruiz #1112 – Complaint regarding additional cost for road bore on quote for obtaining service on East Chavez Road.

Mr. Larry Ruiz, Account #112, addressed the Board in dispute of the added cost of a road bore for installation of a meter. He stated that he had a written agreement showing a cost of \$1,105 which he paid. He presented his copy of his service agreement showing a handwritten amount of \$1,105 and "SS" (Short Service) in the "Corporation Use Only" section of the agreement. He said he was later informed that an additional \$815.75 payment was required because a road bore was needed. He said he consulted with an attorney who agreed with him that the original quote was binding. He explained that the location he would like the meter installed is 235 feet from the existing meter and that he is considering placing the second meter next to the current meter.

Ms. Titus asked what amount was quoted by Ms. Noemi Flores and Ms. Serrato responded that Ms. Flores does not normally give a quote without going through the proper process but Mr. Ruiz had been pressuring her for a response. As a result, Ms. Flores provided the verbal quote for a standard service because although field verification was performed, field personnel believed the waterline was located on Mr. Ruiz's property side of the road based on the existing valves. She explained that when the field crew went to work on what they believed was a standard service, they discovered that the waterline was not where they expected and a long service connection would be needed. Mr. Ruiz responded that the mistake was not his fault. Mr. Garcia compared the situation to a request for electric service and stated that if additional cost was involved, it would have to be paid and that paying for the road bore is part of paying for Mr. Ruiz's share of the cost for service.

Ms. Serrato asked Mr. Ruiz if he would be willing to split the cost of the bore and he responded that he would. After Mr. Ruiz left, the Board discussed his grievance. Mr. Hinojosa stated that Mr. Ruiz should only be responsible for the original amount quoted and that the Corporation should absorb the cost of the bore. Ms. Brown added that if we provided that quote, we should honor it. Mr. Fischer made a motion to split the fee for the bore. Ms. Titus seconded, but the motion failed on a vote of 3 to 2. Ms. Brown followed with a motion to absorb the fee for the bore. Mr. Hinojosa seconded and the motion passed on a 4 to 0 vote with one member abstaining.

Ms. Serrato stated that she has informed staff that all means including researching the system maps should be used for locating waterlines and that if there is a doubt about the location, waterlines need to be excavated.

4. Treasurer's Report/Payment of Bills.

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

Treasurer's Report as of November 30, 2015

Treasurer's Report as of December 31, 2015

Account Activity for General Account for November, 2015

Account Activity for General Account for December, 2015

Account Activity for Operations Account for November 1, 2015 to December 31, 2015

TEXPOOL Participant Statement for 11/01/2015 – 11/30/2015 for General Account

TEXPOOL Participant Statement for 11/01/2015 – 11/30/2015 for Membership Deposit Account

TEXPOOL Participant Statement for 11/01/2015 – 11/30/2015 for USDA Reserve Account

TEXPOOL Participant Statement for 12/01/2015 – 12/31/2015 for General Account

TEXPOOL Participant Statement for 12/01/2015 – 12/31/2015 for Membership Deposit Account

TEXPOOL Participant Statement for 12/01/2015 – 12/31/2015 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S15-154	\$ 4,701.75
November, 2015 Taps and Repairs	

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

6. Replacement of 10-inch waterline on CR 2170.

Ms. Serrato provided a quote from Ferguson Enterprises, Inc. for 10" SDR 21 pipe in the amount of \$6.70/lf and added that HD Supply provided a quote of \$6.90/lf. In addition, two construction companies have been contacted about replacing the 10-inch waterline on CR 2170. She presented three options for the Board's consideration. The first option is replacing a 1,500 lf section of the line at a cost of \$10,050 for material and \$6,800 for labor if the job is done in-house. The second option is replacement of 5,095 lf between CR 1050 and CR 1060 at a cost of \$34,136.50 for materials and estimated labor of \$22,977.50. The last option is replace of 6,445 lf from Pump Station #2 to CR 1060 at a cost of \$43,181.50 for materials and \$29,052.50. Ms. Serrato advised that she has serious reservations that options 2 or 3 could be completed in-house in a timely manner.

Mr. Garcia asked about getting quotes from outside contractors for the entire line. Ms. Serrato stated that Brian Bridges and Pat Esperiqueta with the 5125 Company have visited the site and will be submitting quotes. She added that the majority of leaks on the waterline have been between the two isolation valves. Mr. Garcia stated that there is time to wait on quotes and that he would provide contact information for Bill Tiffie of Mayan Insulation who may also be interested in providing a quote.

7. Report on bids for repairs/replacement of Pump Station buildings.

Ms. Serrato reported that she is waiting for quotes from EGH Construction and DLR Builders. She had nothing further to report.

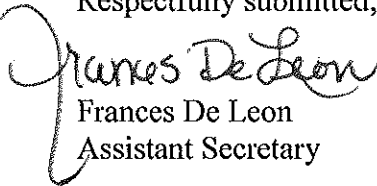
8. Disinfection By-Product Results and TCEQ Sampling.

Ms. Serrato reported that the quarter four 2015 results for trihalomethanes were well below the 80 ppb MCL and additional notices should not be necessary. She said she believes the free chlorine burn had a positive impact on any nitrification that may have been occurring in the Corporation's distribution system. She added that per Board approval, she contacted HDR Engineering, Inc. regarding a proposal for development of a Nitrification Action Plan. She presented HDR's Engineering Services Proposal in the amount of \$7,540. Completion should take approximately two months after being granted notice to proceed. Ms. Serrato recommended approval of the proposal. Mr. Hinojosa made a motion to approve the Engineering Services Proposal with HDR Engineering, Inc. for services related to development of a Nitrification Action Plan in the amount of \$7,540. Ms. Brown seconded. All voted in favor.

9. Adjournment.

With no further business to conduct, Mr. Hinojosa made a motion to adjourn the meeting at 6:13 p.m. Ms. Brown seconded and all voted in favor.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary