

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
February 22, 2017

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

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. Zavala made a motion to approve the minutes of the November 17, 2016 Regular Meeting and the January 16, 2017 Special Meeting as presented. Mr. Garza 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 November 30, 2016

Treasurer's Report as of December 31, 2016

Treasurer's Report as of January 31, 2017

Account Activity for General Account for November 1, 2016 to January 31, 2017

Account Activity for Operations Account for November 1, 2016 to January 31, 2017

TEXPOOL Participant Statement for 11/01/2016 – 11/30/2016 for General Account
TEXPOOL Participant Statement for 11/01/2016 – 11/30/2016 for Security Deposit Account
TEXPOOL Participant Statement for 11/01/2016 – 11/30/2016 for USDA Reserve Account
TEXPOOL Participant Statement for 12/01/2016 – 12/31/2016 for General Account
TEXPOOL Participant Statement for 12/01/2016 – 12/31/2016 for Security Deposit Account
TEXPOOL Participant Statement for 12/01/2016 – 12/31/2016 for USDA Reserve Account
TEXPOOL Participant Statement for 01/01/2017 – 01/31/2017 for General Account
TEXPOOL Participant Statement for 01/01/2017 – 01/31/2017 for Security Deposit Account
TEXPOOL Participant Statement for 01/01/2017 – 01/31/2017 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S16-145 October 2016 Taps and Repairs	\$ 3,610.00
STWA Invoice S16-152 November 2016 Water Usage, Water Cost and Handling Charge	\$22,963.67
STWA Invoice S16-153 November 2016 General and Administration	\$14,520.47
STWA Invoice S16-156 November 2016 Taps and Repairs	\$ 3,902.50
STWA Invoice S17-006 November 2016 Water Usage, Water Cost and Handling Charge	\$23,754.22
STWA Invoice S17-007 November 2016 General and Administration	\$15,800.44
STWA Invoice S17-010 November 2016 Taps and Repairs	\$ 4,952.50
STWA Invoice S17-011 Payroll expense for part-time employee (October, November and December, 2016)	\$ 1,756.96
STWA Invoice S17-013 Payroll expense for stand by pay (October 5, 2016 through December 28, 2016)	\$ 361.59
Willatt & Flickinger, PLLC, Attorneys at Law January 2017 Legal	\$ 60.00
STWA Invoice S17-022 December 2016 Water Usage, Water Cost and Handling Charge	\$22,059.55

STWA Invoice S17-023 December 2016 General and Administration	\$14,583.65
STWA Invoice S17-026 December 2016 Taps and Repairs	\$ 7,247.50

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

5. RWSC Annual Membership Meeting.
- Selection of Election Auditor
 - Approval of agenda and meeting packet for Annual Membership Meeting
 - Resolution 17-01. Resolution declaring unopposed candidates of Ricardo Water Supply Corporation elected.

Ms. Serrato reported that three nominations were received by the February 20th deadline. She added that since there are three positions up for election, the Board can adopt Resolution 17-01 declaring the three candidates, Kathy Brown, Baldemar Garcia and Robert Garza, elected. She also explained that the Annual Membership Meeting is scheduled for April 11th but because no election will be necessary, an Election Auditor does not need to be selected. She presented the meeting notice and agenda for the Annual Membership Meeting and recommended approval of the documents which need to be mailed out by March 10th. Mr. Zavala made a motion to adopt Resolution 17-01 and approve the meeting notice and agenda. Mr. Fischer seconded and all voted in favor.

6. Disinfection by-product results and TCEQ sampling.

Ms. Serrato stated that as reported last month the most recent Total Trihalomethane result was 86.5 parts per billion which exceeds the maximum contaminant level of 80 ppb. However, the quarterly running average was 76.5 parts per billion which is under the MCL. She stated that the next quarterly sample is scheduled to be taken on February 23rd and will keep the Board updated on the results. Mr. Zavala asked about the effect of the City of Corpus Christi's change in disinfectant and requested that staff send a notice to the Corporation's customers. Ms. Serrato agreed to include an insert on the disinfectant change in the Annual Membership Meeting packet.

7. HydroPro Solutions Quote for Remote Read Meter System.

Ms. Serrato stated that in addition to HydroPro Solutions' quote reviewed last month for a remote read drive-by system, she requested a quote for a base station system which is considerably more expensive at \$451,012. Mr. Garcia commented that such an expensive project would most likely require financing but added that he would like the Board to keep this project in mind for the future. Ms. Serrato responded that she could conduct further research on financing options and report back to the Board at a future meeting.

8. Replacement of Pump Station Buildings.

Ms. Serrato stated that she placed this item on the agenda in case the Board is interested in reviewing the matter further. As expected, the cost of materials increased by 15% bringing the cost for replacement of Pump Station #2 and Pump Station #3 to \$29,440 and \$25,875 respectively. Ms. Serrato added that replacement of the buildings can be put off for another year but if a SCADA system is installed at Pump Station #2, the building will need to be repaired in order to protect the SCADA system. Mr. Garza made a motion to approve replacement of the Pump Station #2 building. Mr. Zavala seconded and all voted in favor.

9. Mission Automation Group quotes for radio survey and SCADA system.

Ms. Serrato stated that after the last Board meeting, she contacted Mission Automation Group to begin the process of investigating the cost of a SCADA system for the Corporation's pump stations. She stated that she and O&M Supervisor Jacob Hinojosa met with Mission Automation Group's representatives to discuss the functions desired in a SCADA system. She presented a quote in the amount of \$6,660.11 from Mission Automation Group for conducting a radio survey from the three RWSC pump stations back to the Kingsville master radio. She stated that this survey is needed as the first step in moving forward with a SCADA system. Mr. Zavala made a motion to approve the quote. Ms. Mendoza seconded and all voted in favor.

10. Tank Inspections.

Ms. Serrato informed the Board that Underwater Services will be performing the inspections of the storage tanks this year. She explained that Mr. Don Lashbrook of South Texas Pressure Systems has been conducting the inspections the past few years, but due to an issue with a South Texas Water Authority tank which was recently inspected by Mr. Lashbrook, Ms. Serrato decided to have another company perform the this year's inspections. She added that Underwater Services will be using a remote operated vehicle (ROV) to perform inspections. This method will be a little more expensive but may reveal more detail than the conventional method. The inspections are scheduled for early March.

11. CallFire Notification System.

Ms. Serrato stated that due to recent water issues, she researched means of quickly communicating important information, such as emergencies, to the Corporation's members and customers and presented information on a company named CallFire. She explained that the company charges a flat rate charge per minute of text or call and there is no contract to sign. An account would be set up and RWSC would deposit funds, and the calls or texts would be charged against the balance. A database would need to be created which would require a method for persons to opt in and provide the necessary information. Mr. Garcia suggested sending out a questionnaire first to see what type of response is received. The Board consensus was to have staff send out a survey to determine if there is an interest for participation in a notification system. Ms. Serrato agreed to request feedback from the Corporation's customers.

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

Ms. Serrato stated that she met with Mr. Archie Wilkins of Diamond Enterprise, Inc. to discuss what work may be needed for the elevated storage at Pump Station #1. After reviewing photographs from the January 2016 inspection, Mr. Wilkins agreed that work is needed on the tank screen, the hatch, the interior ladder and possibly on the bowl interior and agreed to examine the tank after field personnel lower the tank's water level. He provided a preliminary estimate of \$10,000 for the repairs. He arrived this morning and will provide a formal quote based on his physical examination.

13. Agreement with Ricardo Wastewater Improvement Corporation for Billing and Collecting of Wastewater Charges.

Ms. Serrato reminded the Board that the most recent Agreement with Ricardo Wastewater Improvement Corporation for Billing and Collecting of Wastewater Charges was reviewed in December of 2015 and the Board approved charging a flat per customer fee of \$1.8975. At that time, the Board expressed an interest in revisiting the matter in a year. Ms. Serrato stated that her analysis of the current costs associated with billing and collecting the wastewater charges reflect a total per customer cost of \$1.998 per month which is \$0.1005 more than the current charge. The Board agreed to review the fee at the end of the term of the agreement.

14. Texas Excavation Safety System Inc. Annual Meeting Notice, Ballot for Election of Directors and Proxy.

Ms. Serrato presented information from the Texas Excavation Safety System pertaining to their Annual Meeting and election of board members. There are six positions up for election and six persons nominated. Mr. Zavala made a motion to authorize staff to submit the necessary paperwork to cast votes for the persons nominated for office. Ms. Mendoza seconded and all voted in favor.

15. 2017 Allocations for Administrative Expenses Associated with the Senate Bill 1 Regional Water Planning Program for the Coastal Bend Region.

Ms. Serrato presented an invoice from the Coastal Bend Regional Water Planning Group in the amount of \$274.06. She explained how this group works with others throughout the state to produce a State Water Plan in an effort to balance available supplies with anticipated demand and develop strategies to address shortfalls. She stated that previously the City of Corpus Christi, as the largest regional provider, paid the majority of the local administrator's cost. However, this planning cycle the Texas Water Development Board determined that it is a more accurate representation to allocate the water demands by utility. Therefore entities are no longer under the City's umbrella resulting in the presented invoice. She added that this will become an annual expense. Mr. Zavala made a motion to authorize payment of the invoice in the amount of \$274.06, Mr. Garza seconded and all voted in favor.

16. Participation in TexPool Prime Investment Pools and designation of authorized representatives.

Ms. Serrato presented a TexPool Investment Pools Participation Agreement as well as Resolution 17-02 authorizing participation in the TexPool Prime Investment Pool. She explained that RWSC already utilizes the TexPool Investment Pool but the Prime Investment Pool currently yields a return that is 30 to 40 basis points higher. She recommended approval of the Agreement and adoption of Resolution 17-02 which authorizes participation in TexPool Prime and designates authorized representatives as Ms. Serrato, Finance Manager Jo Ella Wagner, Mr. Baldemar Garcia, Mr. Robert Zavala and Mr. Oliver Hinojosa.

17. Resolution 17-02. Resolution authorizing participation in TexPool Prime Investment Pools and designation of authorized representatives.

Mr. Zavala made a motion to approve Resolution 17-02 authorizing participation in TexPool Prime Investment Pools and designating Ms. Serrato, Ms. Wagner, Mr. Garcia, Mr. Zavala and Mr. Hinojosa as authorized representatives. Ms. Mendoza seconded. All voted in favor.


18. Texas Rural Water Association 48th Annual Meeting and Election.

Ms. Serrato presented information on the Texas Rural Water Association 48th Annual Meeting and Election. She read descriptions of the three Bylaw amendments proposed by TRWA and recommended voting in favor of all three. Mr. Zavala made a motion to vote in favor of all three amendments. Ms. Brown seconded. The motion passed by unanimous vote.

19. Adjournment.

With no further business to conduct, Ms. Brown made a motion to adjourn the meeting at 6:57 p.m. Mr. Zavala seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary