

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
July 1, 2015

Board Members Present:

Baldemar Garcia
Robert Zavala
Oliver Hinojosa
Kathy Brown
James Fischer
Robert Garza
Christina Titus

Board Members Absent:

None

Staff Present:

Carola G. Serrato
Frances Rosales
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 5:30 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 April 14, 2015 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 April 30, 2015

Treasurer's Report as of May 31, 2015

Account Activity for General Account for April, 2015

Account Activity for General Account for May, 2015

Account Activity for Operations Account for April 1, 2015 to May 31, 2015

TEXPOOL Participant Statement for 04/01/2015 – 04/30/2015 for General Account

TEXPOOL Participant Statement for 04/01/2015 – 04/30/2015 for Membership Deposit Account

TEXPOOL Participant Statement for 04/01/2015 – 04/30/2015 for USDA Reserve Account
TEXPOOL Participant Statement for 05/01/2015 – 05/31/2015 for General Account
TEXPOOL Participant Statement for 05/01/2015 – 05/31/2015 for Membership Deposit Account
TEXPOOL Participant Statement for 05/01/2015 – 05/31/2015 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S15-049 March, 2015 Taps and Repairs	\$ 4,561.49
STWA Invoice S15-051 Payroll expense for part-time employee (January, February and March 2015)	\$ 1,140.58
STWA Invoice S15-053 Payroll expense for stand by pay (January 1, 2015 through March 31, 2015)	\$ 329.47
STWA Invoice S15-060 April, 2015 Water Usage, Water Cost and Handling Charge	\$20,619.11
STWA Invoice S15-061 April, 2015 General and Administration	\$13,599.09
STWA Invoice S15-064 April, 2015 Taps and Repairs	\$ 3,186.29
STWA Invoice S15-071 May, 2015 Water Usage, Water Cost and Handling Charge	\$21,563.09
STWA Invoice S15-072 May, 2015 General and Administration	\$14,098.03
STWA Invoice S15-075 May, 2015 Taps and Repairs	\$ 3,383.75

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

5. Water Supply Contract with South Texas Water Authority.

Mr. Garcia stated that discussions on a water supply contract with South Texas Water Authority have been going on for quite some time and he has been waiting for a response from legal counsel Gerald Benadum on two remaining concerns. He asked Mr. Benadum if there is an issue with the point of delivery cited in the contract being in Kingsville while the tanks are located in Ricardo. Secondly, he pointed out that nothing addresses at what point contract negotiations should begin as the contract term nears expiration. He never heard back from Mr. Benadum on either issue. Ms. Serrato stated that negotiations started about three years before the last contract

was expiring but a negotiation period was not part of the contract. Mr. Garcia recommended approval of the 20-year Water Supply Contract with STWA including the Quitclaim. Mr. Zavala thanked Mr. Garcia for his work on the contract and for looking out for the Corporation's best interest.

6. Resolution 15-01. Resolution authorizing the President of the Ricardo Water Supply Corporation to execute a Water Supply Contract with South Texas Water Authority.

Mr. Zavala made a motion to adopt Resolution 15-01 authorizing the President of the Ricardo Water Supply Corporation to execute a Water Supply Contract with South Texas Water Authority. Mr. Garza seconded. The motion passed by unanimous vote.

7. On-Line Bill Pay and Third Party Payment Agreement.

Ms. Serrato stated that in response to the information presented at the April Board meeting pertaining to restrictions on charging customers a fee for using a credit card to pay utility bills, Bankcard Associates provided an addendum to its service agreement which will allow processing of two transactions in order to separate the charges for payment to the Corporation for utility services and to the third party provider for the surcharge/processing fee. Ms. Brown made a motion to approve the Addendum to Merchant Program Guide and Mr. Hinojosa seconded. All voted in favor.

8. Update on Logics billing system.

Ms. Serrato stated that staff continues working with Logics on resolving some issues with the billing system. She added that Logics staff has been informed that invoices will not be paid until all issues are resolved.

9. Report on addition of second same-size pump at Pump Station #2.

Ms. Serrato said that in addition to the previous quote from Pump Solutions, another quote was received from Mercer Controls at a cost of \$25,035 for one pump and \$58,952 for two pumps compared to Pump Solutions' quote of \$49,890 for one pump and \$61,740 for two. She stated that Mr. Mercer had been very thorough and had noted that the conduit on the generator may be under stress, the generator should be bolted and that the wiring might be incorrect. He also recommended using a variable frequency drive for the second pump. Ms. Serrato stated that there may be problems with the MOV and it may need to be changed out. She said a third quote is expected and she will present thorough information on the quotes after the third quote is received.

10. Report on bids for Pump Station buildings.

Ms. Serrato reported that she has been having trouble gathering quotes but will continue trying.

11. 2014 RWSC Annual Drinking Water Quality Report (Consumer Confidence Report).

Ms. Serrato reported that the bills were sent out with a direct link to the Drinking Water Quality Report on the Corporation's website. She added that hard copies will be available to anyone requesting a copy.

12. Drought Contingency Plan – Stage 2 Mandatory Restrictions.

Ms. Serrato reported that despite the dramatic improvement in the combined levels of Lake Corpus Christi and Choke Canyon Reservoir, the City of Corpus Christi will not be lifting the Stage 2 mandatory restrictions. Instead, the City is considering moving towards a year-round policy of once a week watering. She added that no formal decision has been made by the City. The Board's consensus was to wait on the City of Corpus Christi's decision before taking action.

13. Texas Association of School Boards, Inc. BuyBoard Purchasing Non-Profit Subscriber Agreement.

The Board reviewed the Texas Association of School Boards, Inc. BuyBoard Purchasing Non-Profit Subscriber Agreement. Mr. Garcia said he feels Ricardo Water Supply Corporation should take advantage of the program. Mr. Hinojosa made a motion to authorize execution of the Subscriber Agreement. Ms. Brown seconded the motion. Mr. Zavala stated that he is a BuyBoard member and abstained from voting. All remaining directors voted in favor.

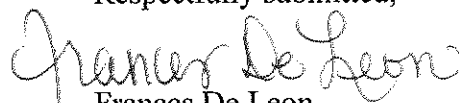
14. Proposed City of Kingsville/TxDOT road off of I-69/Hwy 77 in the vicinity of the Blake Fulenwider Dealership.

Ms. Serrato stated that she met with Charlie Cardenas of the City of Kingsville regarding the proposed road in the vicinity of the Corporation's 12-inch waterline. After reviewing the plans of the waterline and the easement, Mr. Cardenas indicated that at this time it appears that no casing or dropping of the line would be necessary. He also stated that the City would adjust the plans if needed in order to avoid the easement. Ms. Serrato noted that discussions on construction of the road are preliminary and she will update the Board as needed.

15. 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