

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
November 17, 2016

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 September 13, 2016 Regular 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:

Updated Treasurer's Report as of August 31, 2016

Treasurer's Report as of September 30, 2016

Treasurer's Report as of October 31, 2016

Account Activity for General Account for September 1, 2016 to October 31, 2016

Account Activity for Operations Account for September 1, 2016 to October 31, 2016

TEXPOOL Participant Statement for 09/01/2016 – 09/30/2016 for General Account

TEXPOOL Participant Statement for 09/01/2016 – 09/30/2016 for Membership Deposit Account

TEXPOOL Participant Statement for 09/01/2016 – 09/30/2016 for USDA Reserve Account

RWSC Regular Meeting Minutes

November 17, 2016

Page 2

TEXPOOL Participant Statement for 10/01/2016 – 10/31/2016 for General Account

TEXPOOL Participant Statement for 10/01/2016 – 10/31/2016 for Membership Deposit Account

TEXPOOL Participant Statement for 10/01/2016 – 10/31/2016 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S16-112 August 2016 Water Usage, Water Cost and Handling Charge	\$29,340.68
STWA Invoice S16-113 August 2016 General and Administration	\$13,547.49
STWA Invoice S16-116 August 2016 Taps and Repairs	\$ 4,508.04
HDR Engineering, Inc. Nitrification Action Plan	\$ 1,885.00
STWA Invoice S16-123 September 2016 Water Usage, Water Cost and Handling Charge	\$19,820.16
STWA Invoice S16-124 September 2016 General and Administration	\$13,636.68
STWA Invoice S16-127 September 2016 Taps and Repairs	\$ 4,959.25
STWA Invoice S16-129 Payroll expense for part-time employee (July, August and September 2016)	\$ 2,023.08
STWA Invoice S16-131 Payroll expense for stand by pay (July 7, 2016 through September 28, 2016)	\$ 364.59
STWA Invoice S16-133 Reimburse for T-1 circuit providing phone service through AT&T for the period of July 2016 through September 2016	\$ 72.42
STWA Invoice S16-141 October 2016 Water Usage, Water Cost and Handling Charge	\$24,633.33
STWA Invoice S16-142 October 2016 General and Administration	\$13,346.31

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

5. Fiscal Year 2016 Budget Amendments.

The Board reviewed the proposed Fiscal Year 2016 Budget Amendments. Ms. Serrato summarized that the amended budget reflects a decrease in overall revenues of \$37,746.00 and a decrease in total expenditures of \$29,124.58 attributed mostly to lower water purchases. Ms. Mendoza made a motion to approve the Fiscal Year 2016 Budget Amendments. Mr. Zavala seconded. All voted in favor.

6. Proposed Fiscal Year 2017 Budget and retail water rates.

The Board reviewed a proposed Fiscal Year 2017 Budget based on the current rates along with four additional scenarios with monthly minimum and thousand gallon rate increases. The Board discussed the various scenarios and agreed that Option D which increases the monthly minimum on a 5/8" meter by \$1.00 with weighted increases on larger meters but keeps the current tiered rates, is the most suitable option. In addition the Board discussed considering other projects that might save on costs in the long run such as converting to remote read meters and a SCADA system.

7. Resolution 16-03. Resolution adopting the recommended Fiscal Year 2017 Budget.

Mr. Zavala made a motion to adopt the Fiscal Year 2017 Budget based Option D with a monthly minimum of \$38 on a 5/8" meter and water rates of \$3.70/1000g up to 20,000 gallons and \$3.85/1000g over 20,000 gallons. Ms. Mendoza seconded and all voted in favor.

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

The Board reviewed the John Womack & Co., P.C. Letter of Engagement for auditor services for the audit of RWSC's financial statements for the year ended December 31, 2016. Ms. Serrato stated that the letter quotes a cost of \$4,650 for a basic audit which is a \$200 increase from last year. After reviewing the letter, Mr. Zavala made a motion to accept the engagement letter for FY 2016 audit services with John Womack & Co., P.C. in the amount of \$4,650. Mr. Garza seconded the motion. All voted in favor.

9. Request by Allan Cumberland to Deed back a portion of Pump Station 3 Property to the Estate of G. Dwight Williams.

Ms. Serrato stated that after the last meeting, she contacted LJA Engineering for surveying of the property at Pump Station #3. LJA provided a quote and a contract, and Mr. Allan Cumberland signed the contract and paid the fees. Ms. Serrato presented the survey plat prepared by LJA. She said that the sections of property to be swapped are both 0.0757 acre tracts and the exchange would involve swapping a 13.51 foot by 244 foot section on the east side of the property for a 20 foot by 165 foot section on the south side. Ms. Serrato added that the next step would be to provide the sealed plat to an attorney for documents to be drafted for Board approval. She indicated she would contact Mr. Cumberland in order for him to contact his attorney.

Mr. Zavala made a motion to approve the survey plat of Pump Station #3 indicating the exchange of a 0.0757 acre tract on the east side of the property for the 0.0757 acre tract on the south side. Mr. Hinojosa seconded and all voted in favor.

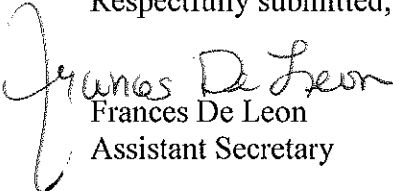
10. Annual Meeting Schedule and Election Procedures.

Ms. Serrato stated that per State requirements, the Board must review Election Procedures for the Annual Membership meeting. She added that Ms. Kathy Brown's, Mr. Baldemar Garcia's and Mr. Robert Garza's positions are up for election in April of 2017. The Board reviewed the proposed schedule and the notice to members on submitting an application for the RWSC Board of Directors. Mr. Hinojosa made a motion to approve the presented documents. Mr. Zavala seconded. All voted in favor.

11. Adjournment.

With no further business to conduct, Mr. Zavala made a motion to adjourn the meeting at 6:31 p.m. Mr. Fischer seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary