

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
April 13, 2021
(This meeting was held remotely by phone and Zoom.)

Board Members Present:

Baldemar Garcia
Robert Zavala
Oliver Hinojosa
Frank Escobedo
James Fischer
Robert Garza
Tim Robertson

Board Members Absent:

James Fischer

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Nigel Gomez

Guests Present:

Hector Castaneda, Ardurra

1. Call to Order.

Board President Baldemar Garcia called the Regular Meeting of the Ricardo Water Supply Corporation Board of Directors to order at 5:44 p.m. A quorum was present.

2. Citizen comments.

Mr. Garcia opened the floor to citizen comments. No citizen comments were made.

3. Election of officers.

Mr. Zavala made a motion to re-elect the current slate of officers by acclamation. Mr. Garza seconded. All voted in favor.

The slate of officers remains unchanged as follows:

President – Baldemar Garcia
Vice-President – Robert Zavala
Secretary/Treasurer – Oliver Hinojosa

4. Approval of Minutes.

Mr. Garza made a motion to approve the minutes of the March 4, 2021 Regular Meeting as presented. Mr. Escobedo seconded and the motion carried.

5. Treasurer's Report/Payment of Bills.

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

Treasurer's Report as of January 31, 2021

Account Activity for General Account for January 1, 2021 to January 31, 2021

Account Activity for Operations Account for January 1, 2021 to January 31, 2021

TEXPOOL Participant Statement for 01/01/2021 – 01/31/2021 for General Account

TEXPOOL Participant Statement for 01/01/2021 – 01/31/2021 for Membership Deposit Account

TEXPOOL Participant Statement for 01/01/2021 – 01/31/2021 for USDA Reserve Account

TexSTAR General Account Statement for 01/01/2021 – 01/31/2021

Treasurer's Report as of February 28, 2021

Account Activity for General Account for February 1, 2021 to February 28, 2021

Account Activity for Operations Account for February 1, 2021 to February 28, 2021

TEXPOOL Participant Statement for 02/01/2021 – 02/28/2021 for General Account

TEXPOOL Participant Statement for 02/01/2021 – 02/28/2021 for Membership Deposit Account

TEXPOOL Participant Statement for 02/01/2021 – 02/28/2021 for USDA Reserve Account

TexSTAR General Account Statement for 02/01/2021 – 02/28/2021

Water Loss Reports for December 2020 – January 2021, January – February 2021 and February – March 2021

The following bills were presented for payment:

STWA Invoice S21-042	\$20,081.91
February 2021 Water Usage, Water Cost and Handling Charge	

STWA Invoice S21-043	\$17,883.37
February 2021 General and Administration	

STWA Invoice S21-048	\$ 4,785.00
February 2021 Taps and Repairs	

STWA Invoice S21-050	\$ 347.95
Reimbursements for supplies and materials	

Mr. Garcia questioned the location of a leak listed on the January – February 2021 Water Loss report listed as CR 1065/CR 2180 out of Pump Station #1. He stated that he believes this is an error because that area would be served by Pump Station #2. Ms. Serrato stated that staff would look into it and provide updated information at the next meeting. A motion was made by Mr. Robertson and seconded by Mr. Zavala to approve the Treasurer's Report and payment of the bills. The motion carried.

6. Appointment of Credentials Committee.

At the April 14, 2020 meeting, Mr. Oliver Hinojosa, Mr. Frank Escobedo and Mr. Robert Wagner were appointed to the Credentials Committee. Because Mr. Hinojosa will be up for re-election next April, he is not eligible to serve on the Committee this year. Mr. Hinojosa made a

motion to appoint Mr. Fischer and Mr. Zavala to the Credentials Committee. Mr. Garza seconded and all voted in favor.

7. All matters pertaining to TxDOT Upgrades on US 77/I69 at CR 2120/FM 772 and from CR 2130 south to CR 2230.

Ms. Serrato reported that return of the Corporation's 10% withheld amount (\$28,108.50) is expected after TxDOT's audit which should be complete by June of 2021. She also reported that work on the design for the adjustments continues and should be submitted to TxDOT's consultant within the next two weeks.

Ms. Serrato stated that she contacted Ms. Anne Burger-Entrekin about financing options for the project and presented several loan scenarios provided by Ms. Burger-Entrekin. Closing cost is estimated at \$33,000 which would be added to the engineer's \$505,000 estimate. TWDB may require making the loan in \$5,000 increments. She provided information on 20 and 30-year loans for the amounts of \$538,000 and \$540,000 with annual debt service from \$29,241 to \$36,797 or \$2,437 to \$3,082 monthly resulting in a monthly impact of \$2.28 to \$2.89 per account. Ms. Serrato added that if the project bids come in lower, the excess funds can be redirected to the Corporation's other needed projects. The Board agreed that financing the project would be necessary and to authorize Ms. Serrato to continue researching financing options.

The order of the agenda was changed in order to accommodate the guest, Mr. Hector Castaneda of Ardurra.

10. Discuss and consider executing a Memorandum of Agreement with Kleberg County related to the 2021-22 TxCDBG Colonia Fund.

Ms. Serrato stated that she was contacted by Roxanne Sandoval, Application Specialist with GrantWorks, who indicated that she had been selected by Kleberg County to seek grant funds. Ms. Sandoval asked if RWSC is considering any projects that would benefit all of the RWSC service area as opposed to only certain sections. Ms. Serrato believes that replacement of the transmission line south of FM 772N that was originally installed by South Texas Water Authority about 35 years ago would qualify. She explained that the line is an old ductile iron line that has experienced several leaks in the past and may be contributing to maintaining residual levels at the pump station delivery points and would therefore benefit all RWSC customers. Ms. Sandoval indicated that the application would be submitted by Kleberg County on behalf of the RWSC. Ms. Serrato presented the necessary Memorandum of Agreement and added that Kleberg County has already approved the MOA. Mr. Zavala made a motion to approve the MOA with Kleberg County Commissioners Court for submittal of a grant application to replace the transmission line south of FM 772N. Mr. Escobedo seconded. All voted in favor.

8. COVID-19 Pay Plan Lockout Procedures.

Ms. Serrato explained that due to COVID-19, the Corporation has been operating under modified billing procedures which provide for additional time for customers to pay their balances. She

requested direction on whether to revert to the original procedures or to present Tariff amendments adopting procedures to allow additional time for paying bills. After discussing the options, the Board agreed by consensus to authorize Ms. Serrato to present Tariff amendments for a modified disconnection of service cycle.

9. February 2021 Winter Storm/Freeze Event.

Ms. Serrato reported that insurance claims on the storm damage have been submitted and an inspector will be providing an assessment on the damaged ground storage tank at Pump Station #2. She also reported that the overtime cost associated with the freeze event was \$1,990.70 and the estimated cost to-date to the Corporation is \$3,849.35. The crack at the top of the PS#2 ground storage tank, the yard piping at Pump Station #3 and the 10" valve on the bypass at Pump Station #21 still need to be addressed. She stated that she would continue to provide updates to the Board.

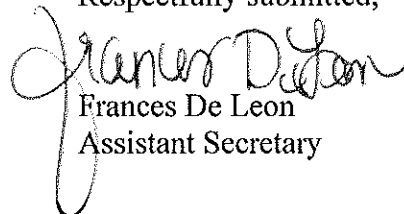
11. On-call Concerns.

Ms. Serrato stated that she wanted to make the Board aware of a recent situation in case it recurs. She stated that recently a call was received by the answering service reporting an overflow at a RWSC ground storage tank but the provided address was unclear. The pump stations were all checked but no evidence of an overflow was found. At this time, it appears to have been a false alarm. Ms. Serrato stated that she would inform the Board if another such call is received and that the matter may need to be discussed with the Corporation's attorney.

12. Adjournment.

With no further business to conduct, Mr. Garza made a motion to adjourn the meeting at 6:52 p.m. Mr. Robertson seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary