

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
December 12, 2023

Board Members Present:

Baldemar Garcia
Oliver Hinojosa
Frank Escobedo
James Fischer
Tisha Jones

Board Members Absent:

Robert Garza
Robert Zavala, Jr

Staff Present:

John Marez
Jo Ella Wagner
Noemi Flores

Guests Present:

Sammy Maldonado, Ardurra
Lia Clark, Water Finance Exchange

1. Call to Order.

Board President Baldemar Garcia called the Regular Meeting of the Ricardo Water Supply Corporation Board of Directors to order at 5:32 p.m. A quorum was present.

2. Citizen comments.

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

3. Water Finance Exchange – Review of proposed project list.

Ms. Lia Clark of Water Finance Exchange presented a review of activities over the past year relating to the master plan and financing application. She reported that STWA has been invited to apply for \$7,829,762.00 in funding at 70% grant level for pump station improvements on behalf of Nueces Water Supply Corporation, Ricardo Water Supply Corporation and the Authority. As funding is accepted or declined by other applicants, the grant level could change. The Intention to Apply documentation has been submitted and the application deadline for the latest funding period is March of 2024. Mr. Marez added that on December 19th he will meet with representatives from the Drinking Water State Revolving Fund and TCEQ as well as Water Finance Exchange for a pre-application meeting.

The order of the agenda was changed.

11. Update on CR 1030 Water Transmission Line Improvements Project.

Mr. Sammy Maldonado of Ardurra provided a brief update on the CR 1030 waterline project. He stated that the project has been started and is about 25% complete with about 1,200 feet of pipe installed. He added that the project is moving along very well. He is familiar with the contractor and is comfortable with the work that is being done. Kleberg County Commissioner Martinez granted permission to close CR 1030 during construction due to high traffic in the area

and the traffic is being rerouted to CR 1020. Mr. Maldonado also stated that he will be in contact with STWA staff as the time for sampling and pressure testing approaches.

4. Approval of Minutes.

Mr. Escobedo made a motion to approve the minutes of the June 12, 2023 Regular Meeting as presented. Mr. Hinojosa seconded. All voted in favor.

5. Treasurer's Report/Payment of Bills.

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

Treasurer's Report as of May 31, 2023

Account Activity for General Account for May 1, 2023 to May 31, 2023

Account Activity for Operations Account for May 1, 2023 to May 31, 2023

TEXPOOL Participant Statement for 05/01/2023 – 05/31/2023 for General Account

TEXPOOL Participant Statement for 05/01/2023 – 05/31/2023 for Membership Deposit Account

TEXPOOL Participant Statement for 05/01/2023 – 05/31/2023 for USDA Reserve Account

TexSTAR General Account Statement for 05/01/2023 – 05/31/2023

Treasurer's Report as of June 30, 2023

Account Activity for General Account for June 1, 2023 to June 30, 2023

Account Activity for Operations Account for June 1, 2023 to June 30, 2023

TEXPOOL Participant Statement for 06/01/2023 – 06/30/2023 for General Account

TEXPOOL Participant Statement for 06/01/2023 – 06/30/2023 for Membership Deposit Account

TEXPOOL Participant Statement for 06/01/2023 – 06/30/2023 for USDA Reserve Account

Treasurer's Report as of July 31, 2023

Account Activity for General Account for July 1, 2023 to July 31, 2023

Account Activity for Operations Account for July 1, 2023 to July 31, 2023

TEXPOOL Participant Statement for 07/01/2023 – 07/31/2023 for General Account

TEXPOOL Participant Statement for 07/01/2023 – 07/31/2023 for Membership Deposit Account

TEXPOOL Participant Statement for 07/01/2023 – 07/31/2023 for USDA Reserve Account

Treasurer's Report as of August 31, 2023

Account Activity for General Account for August 1, 2023 to August 31, 2023

Account Activity for Operations Account for August 1, 2023 to August 31, 2023

TEXPOOL Participant Statement for 08/01/2023 – 08/31/2023 for General Account

TEXPOOL Participant Statement for 08/01/2023 – 08/31/2023 for Membership Deposit Account

TEXPOOL Participant Statement for 08/01/2023 – 08/31/2023 for USDA Reserve Account

Treasurer's Report as of September 30, 2023

Account Activity for General Account for September 1, 2023 to September 30, 2023

Account Activity for Operations Account for September 1, 2023 to September 30, 2023

TEXPOOL Participant Statement for 09/01/2023 – 09/30/2023 for General Account

TEXPOOL Participant Statement for 09/01/2023 – 09/30/2023 for Membership Deposit Account

TEXPOOL Participant Statement for 09/01/2023 – 09/30/2023 for USDA Reserve Account

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The following bills were presented for payment:

STWA Invoice S23-103 May 2023 Water Usage, Water Cost and Handling Charge	\$25,802.91
STWA Invoice S23-104 May 2023 General and Administration	\$18,242.95
STWA Invoice S23-109 May 2023 Taps and Repairs	\$ 7,413.33
STWA Invoice S23-118 June 2023 Water Usage, Water Cost and Handling Charge	\$36,530.75
STWA Invoice S23-119 June 2023 General and Administration	\$18,827.66
STWA Invoice S23-124 June 2023 Taps and Repairs	\$ 4,831.32
STWA Invoice S23-131 Payroll Expense for Stand By Pay (March 30, 2023 through June 28, 2022)	\$ 358.71
STWA Invoice S23-137 July 2023 Water Usage, Water Cost and Handling Charge	\$40,807.23
STWA Invoice S23-138 July 2023 General and Administration	\$18,299.46
STWA Invoice S23-143 July 2023 Taps and Repairs	\$ 5,115.64
STWA Invoice S23-150 August 2023 Water Usage, Water Cost and Handling Charge	\$35,709.69
STWA Invoice S23-151 August 2023 General and Administration	\$18,505.60
STWA Invoice S23-158 August 2023 Taps and Repairs	\$12,755.02
STWA Invoice S23-169 September 2023 Water Usage, Water Cost and Handling Charge	\$33,369.67
STWA Invoice S23-170 September 2023 General and Administration	\$18,487.07

STWA Invoice S23-175 September 2023 Taps and Repairs	\$ 8,058.70
STWA Invoice S23-187 October 2023 Water Usage, Water Cost and Handling Charge	\$24,174.79
STWA Invoice S23-188 October 2023 General and Administration	\$18,672.11
STWA Invoice S23-193 October 2023 Taps and Repairs	\$13,573.33

RWSC Water Loss Computation Reports:
April 10, 2023 – May 8, 2023
May 8, 2023 – June 8, 2023
June 8, 2023 – July 6, 2023

A motion was made by Mr. Escobedo and seconded by Ms. Jones to approve the Treasurer's Reports and payment of the bills. The motion carried.

6. Fiscal Year 2023 Budget Amendments.

Ms. Wagner reviewed the proposed Fiscal Year 2023 Amended Budget which reflected a Revenue increase of \$49,972 and an increase of \$71,156 in Total Operating Expenses resulting in a net balance of -\$80,086. She pointed out that removing the depreciation expense line-item results in a Net Income of \$159,914.

Mr. Escobedo made a motion to approve the Fiscal Year 2023 Budget Amendments. Mr. Fischer seconded. Ms. Jones abstained. The motion passed with all others voting in favor.

7. Proposed Fiscal Year 2024 Budget and retail water rates.

The Board reviewed a proposed Fiscal Year 2024 Budget based on the current rates along with three additional scenarios with various monthly minimum and thousand-gallon rate increases. After reviewing the options, the Board selected option C which increases both the monthly minimum and the water rates as follows:

Monthly	5'8" meter	\$43.00	Water Rates: Up to 20,000 gallons	\$5.00
Minimum	¾" meter	\$65.29	Above 20,000 gallons	\$5.20
	1" meter	\$91.51		
	2" meter	\$109.31		
	Compound	\$218.07		

8. Resolution 23-03. Resolution adopting the recommended Fiscal Year 2024 Budget.

Mr. Hinojosa made a motion to adopt the Fiscal Year 2024 Budget based on option C raising the monthly minimum to \$43.00 on a 5/8" meter and water rates to \$5.00/1000g up to 20,000 gallons and \$5.20/1000g over 20,000 gallons. Mr. Fischer seconded. The motion passed on a vote of 4 to 1.

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

The Board reviewed the John Womack & Co., P.C. Letter of Engagement in the amount of \$6,750 for auditor services for a basic audit of RWSC's financial statements for the year ended December 31, 2023. After reviewing the letter, Mr. Escobedo made a motion to accept the engagement letter for FY 2023 audit services with John Womack & Co., P.C. in the amount of \$6,750. Mr. Hinojosa seconded the motion. The motion passed on a vote of 4 to 1.

10. Annual Meeting Schedule and Election Procedures.

Mr. Marez stated that per State requirements, the Board must review Election Procedures for the Annual Membership meeting. The positions currently held by Mr. Fischer and Mr. Zavala are up for election in April of 2024. He also presented the timeline and schedule for the 2024 Annual Membership Meeting and asked for approval to proceed with the schedule. Ms. Jones made a motion to approve mailing of the presented documents and proceed with the recommended schedule. Mr. Escobedo seconded. All voted in favor.

12. Authorization for DOXO, an independent payment firm not affiliated with Ricardo Water Supply Corporation, to have access to RWSC's bank account at Kleberg Bank to send payments by ACH for customers using their site.

Ms. Wagner presented a doxoDIRECT Authorization agreement and a WarehamWeektoday.com article alerting readers against using doxo services. She stated that a doxo representative reached out to her for authorization to process payments on behalf of RWSC customers. She explained to the Board that some customers have used the doxo payment website without realizing that doxo is not associated with the Corporation, and have been disappointed when their payments are not processed in a timely manner. Payments received from doxo can take up to 10 days to process. The Board took no action.

13. Agreement with Ricardo Wastewater Improvement Corporation for billing and collecting of wastewater charges.

Mr. Garcia stated that he has been in contact with Ms. Mary Mora of Ricardo Wastewater Improvement Corporation to remind her that we have not received a signed contract for 2024. He also notified her that the agreement and the monthly per customer fee will be reviewed by the Board at this meeting and an increase is likely for 2024. The Board agreed that an increase in the monthly fee is needed.

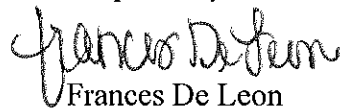
14. Resolution 23-04. Resolution renewing the agreement with Ricardo Wastewater Improvement Corporation for billing and collecting of wastewater charges.

Ms. Jones made a motion to approve the new agreement increasing the monthly per customer fee to \$5.00, Mr. Escobedo seconded and all voted in favor.

15. Adjournment.

With no further business to discuss, Mr. Escobedo made a motion to adjourn the meeting at 7:36 pm. Ms. Jones seconded and the motion carried.

Respectfully submitted,



Frances De Leon
Assistant Secretary