

RICARDO WATER SUPPLY CORPORATION  
Regular Meeting Minutes  
July 23, 2024

Board Members Present:

Baldemar Garcia  
Robert Garza  
Oliver Hinojosa  
Frank Escobedo  
Tisha Jones

Board Members Absent:

James Fischer  
Robert Zavala, Jr.

Staff Present:

John Marez  
Frances De Leon  
Jo Ella Wagner  
Patrick Sendejo

Guests Present: (By Zoom)

Rogelio Rodriguez–Water Finance Exchange  
Dan Martinez – Winstead PC

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. A quorum was present.

2. Citizen comments.

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

3. Approval of Minutes.

Mr. Escobedo made a motion to approve the minutes of the June 17, 2024 Regular Meeting as presented. Mr. Garza seconded. All voted in favor.

4. Treasurer's Report/Payment of Bills.

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

Treasurer's Report as of May 31, 2024

Account Activity for General Account for May 1, 2024 to May 31, 2024

Account Activity for Operations Account for May 1, 2024 to May 31, 2024

Account Activity for Debt Service Account for May 1, 2024 to May 31, 2024

TEXPOOL Participant Statement for 05/01/2024 – 05/31/2024 for General Account

TEXPOOL Participant Statement for 05/01/2024 – 05/31/2024 for Membership Deposit Account

TEXPOOL Participant Statement for 05/01/2024 – 05/31/2024 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S24-086	\$35,801.50
May 2024 Water Usage, Water Cost and Handling Charge	

STWA Invoice S24-087 May 2024 General and Administration	\$19,140.37
STWA Invoice S24-093 May 2024 Taps and Repairs	\$10,138.51
STWA Invoice S24-095 Quarterly Phone and IT reimbursement for 01/01/24 – 03/31/24	\$ 1,732.17

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

5. Consideration and approval of a First Amendment to Amended and Restated Water Supply Contract between South Texas Water Authority and Ricardo Water Supply Corporation.
6. Consideration and approval of a Third Amendment to Management Agreement with the Ricardo Water Supply Corporation.

Mr. Garcia stated that he would like to discuss the amendments proposed under agenda items 5 and 6 together. Mr. Marez informed the Board that Mr. Dan Martinez of Winstead and Mr. Rogelio Rodriguez of Water Finance Exchange were available by Zoom to answer any questions regarding the proposed amendments. Mr. Garcia said that he understood that the amendments change the terms to 25 years pending outstanding loans from the Texas Water Development Board and that if there are no outstanding loans, then the contracts can be terminated. Mr. Rodriguez agreed and explained that the amended contracts are needed to finalize the documents required by the TWDB. He added that \$7,000,000 is available under STWA's application for Ricardo and Nueces Water Supply Corporation pump station improvements. In the next round, STWA's application made the cutoff but was not invited for funding so he will contact TWDB to find out more. Mr. Martinez added that the only change in the documents is the term. For the Water Supply Contract, the change is meant to match the length of the bonds and for the Management Agreement the change is necessary to assure the TWDB that operations and revenues sources will continue. Ms. Jones stated that she was not in favor of the amendments because of the language in the documents. Mr. Garcia voiced his concerns that the Board's hands would be tied. He said he feels that there is a lack of transparency in the billing process and that the Corporation does not have input in the process; however, he is in favor of the amendments because the Corporation's facilities are in need of improvements. Mr. Marez explained that STWA is going through a similar situation with the City of Corpus Christi but he intends to request input from STWA's wholesale customers on the matter of alternate water sources. Mr. Rodriguez also provided examples of payment amounts by changing the length of financing. He also explained that if a shorter term is selected and the debt is paid off, the Corporation has 90 days to get out of the contracts. Mr. Garcia recommended approval of both amendments. Mr. Escobedo made a motion to approve the First Amendment to the Amended and Restated Water Supply Contract between South Texas Water Authority and Ricardo Water Supply Corporation and approval of the Third Amendment to the Management Agreement. Mr. Garza seconded. The motion passed on a vote of 4 to 1. Ms. Jones voted against.


7. General Manager's Report.

Mr. Sendejo reported that the CR 1030 transmission line project has been completed and backfilling is all that remains to be done. In addition Pump Station #3 is back online. He added that he is requesting bids on repairing the rusted hatch and side door latch at the Pump Station #1 elevated storage tank and also commented that the cathodic protection coating on the tower is in poor condition. Mr. Garcia requested a quote for sandblasting the entire tower. Mr. Sendejo also reported that four taps have been completed in the past few days and that the crew is catching up with the pending service requests. Mr. Garcia said that if needed, he should contact the contractor for assistance on some of the extensions. He also stated that he has no problem with overtime when needed, but would like the customers billed for the additional cost.

8. Adjournment.

With no further business to discuss, Ms. Jones made a motion to adjourn the meeting at 6:13 p.m. Mr. Hinojosa seconded and the motion carried.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary