

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
October 29, 2019

Board Members Present:

Baldemar Garcia
Robert Zavala
Oliver Hinojosa
James Fischer
Frank Escobedo
Timothy Robertson

Board Members Absent:

Robert Garza

Staff Present:

Carola G. Serrato
Frances De Leon
Jo Ella Wagner
Dony Cantu
Armando Yruegas

Guests Present:

Trevor Moses

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. Robertson made a motion to approve the minutes of the April 9, 2019 Regular Meeting as presented. Mr. Zavala seconded and the motion carried.

4. Treasurer's Report/Payment of Bills.

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

Corrected Treasurer's Report as of February 28, 2019
Account Activity for General Account for February 1, 2019 to February 28, 2019
Account Activity for Operations Account for February 1, 2019 to February 28, 2019
TEXPOOL Participant Statement for 02/01/2019 – 02/28/2019 for General Account
TEXPOOL Participant Statement for 02/01/2019 – 02/28/2019 for Membership Deposit Account
TEXPOOL Participant Statement for 02/01/2019 – 02/28/2019 for USDA Reserve Account
Treasurer's Report as of March 31, 2019
Treasurer's Report as of April 30, 2019

Treasurer's Report as of May 31, 2019
Treasurer's Report as of June 30, 2019
Treasurer's Report as of July 31, 2019
Treasurer's Report as of August 31, 2019
Treasurer's Report as of September 30, 2019
Account Activity for General Account for March 1, 2019 to March 31, 2019
Account Activity for Operations Account for March 1, 2019 to March 31, 2019
Account Activity for General Account for April 1, 2019 to April 30, 2019
Account Activity for Operations Account for April 1, 2019 to April 30, 2019
Account Activity for General Account for May 1, 2019 to May 31, 2019
Account Activity for Operations Account for May 1, 2019 to May 31, 2019
Account Activity for General Account for June 1, 2019 to June 30, 2019
Account Activity for Operations Account for June 1, 2019 to June 30, 2019
Account Activity for General Account for July 1, 2019 to July 31, 2019
Account Activity for Operations Account for July 1, 2019 to July 31, 2019
Account Activity for General Account for August 1, 2019 to August 31, 2019
Account Activity for Operations Account for August 1, 2019 to August 31, 2019
Account Activity for General Account for September 1, 2019 to September 30, 2019
Account Activity for Operations Account for September 1, 2019 to September 30, 2019
TEXPOOL Participant Statement for 03/01/2019 – 03/31/2019 for General Account
TEXPOOL Participant Statement for 03/01/2019 – 03/31/2019 for Membership Deposit Account
TEXPOOL Participant Statement for 03/01/2019 – 03/31/2019 for USDA Reserve Account
TexSTAR General Account Statement for 03/01/2019 – 03/31/2019
TEXPOOL Participant Statement for 04/01/2019 – 04/30/2019 for General Account
TEXPOOL Participant Statement for 04/01/2019 – 04/30/2019 for Membership Deposit Account
TEXPOOL Participant Statement for 04/01/2019 – 04/30/2019 for USDA Reserve Account
TexSTAR General Account Statement for 04/01/2019 – 04/30/2019
TEXPOOL Participant Statement for 05/01/2019 – 05/31/2019 for General Account
TEXPOOL Participant Statement for 05/01/2019 – 05/31/2019 for Membership Deposit Account
TEXPOOL Participant Statement for 05/01/2019 – 05/31/2019 for USDA Reserve Account
TexSTAR General Account Statement for 05/01/2019 – 05/31/2019
TEXPOOL Participant Statement for 06/01/2019 – 06/01/2019 for General Account
TEXPOOL Participant Statement for 06/01/2019 – 06/01/2019 for Membership Deposit Account
TEXPOOL Participant Statement for 06/01/2019 – 06/01/2019 for USDA Reserve Account
TexSTAR General Account Statement for 06/01/2019 – 06/01/2019
TEXPOOL Participant Statement for 07/01/2019 – 07/31/2019 for General Account
TEXPOOL Participant Statement for 07/01/2019 – 07/31/2019 for Membership Deposit Account
TEXPOOL Participant Statement for 07/01/2019 – 07/31/2019 for USDA Reserve Account
TexSTAR General Account Statement for 07/01/2019 – 07/31/2019
TEXPOOL Participant Statement for 08/01/2019 – 08/31/2019 for General Account
TEXPOOL Participant Statement for 08/01/2019 – 08/31/2019 for Membership Deposit Account
TEXPOOL Participant Statement for 08/01/2019 – 08/31/2019 for USDA Reserve Account
TexSTAR General Account Statement for 08/01/2019 – 08/31/2019
TEXPOOL Participant Statement for 09/01/2019 – 09/30/2019 for General Account
TEXPOOL Participant Statement for 09/01/2019 – 09/30/2019 for Membership Deposit Account
TEXPOOL Participant Statement for 09/01/2019 – 09/30/2019 for USDA Reserve Account

TexSTAR General Account Statement for 09/01/2019 – 09/30/2019

The following bills were presented for payment:

STWA Invoice S19-051 March 2019 Water Usage, Water Cost and Handling Charge	\$27,300.37
STWA Invoice S19-052 March 2019 General and Administration	\$20,274.20
STWA Invoice S19-062 March 2019 Taps and Repairs	\$ 3,257.84
STWA Invoice S19-072 April 2019 Water Usage, Water Cost and Handling Charge	\$28,544.30
STWA Invoice S19-073 April 2019 General and Administration	\$15,615.35
STWA Invoice S19-076 April 2019 Taps and Repairs	\$ 4,673.91
STWA Invoice S19-086 May 2019 Water Usage, Water Cost and Handling Charge	\$23,668.88
STWA Invoice S19-087 May 2019 General and Administration	\$15,571.90
STWA Invoice S19-091 May 2019 Taps and Repairs	\$ 5,510.74
STWA Invoice S19-100 June 2019 Water Usage, Water Cost and Handling Charge	\$26,226.46
STWA Invoice S19-101 June 2019 General and Administration	\$16,078.35
STWA Invoice S19-104 June 2019 Taps and Repairs	\$ 2,636.25
STWA Invoice S19-106 Payroll expense for Part-time Employee for April, May and June 2019	\$ 1,469.70
STWA Invoice S19-108 Payroll expense for Stand By for April 3, 2019 through June 26, 2019	\$ 366.09

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STWA Invoice S19-110 \$ 996.10
Reimburse for Fiber optic phone service (03/19/19 through 06/19/19) and High Touch
Technology support (04/01/19 through 06/30/19)

STWA Invoice S19-119 \$33,838.79
July 2019 Water Usage, Water Cost and Handling Charge

STWA Invoice S19-120 \$15,622.45
July 2019 General and Administration

STWA Invoice S19-123 \$ 3,235.00
July 2019 Taps and Repairs

STWA Invoice S19-132 \$42,153.52
August 2019 Water Usage, Water Cost and Handling Charge

STWA Invoice S19-133 \$15,546.20
August 2019 General and Administration

STWA Invoice S19-136 \$ 2,795.25
August 2019 Taps and Repairs

STWA Invoice S19-139 \$ 817.81
Reimbursement for plan copies from ARC and toner purchase

STWA Invoice S19-146 \$38,824.47
September 2019 Water Usage, Water Cost and Handling Charge

STWA Invoice S19-147 \$16,204.25
September 2019 General and Administration

STWA Invoice S19-151 \$ 5,158.00
September 2019 Taps and Repairs

STWA Invoice S19-153 \$ 1,903.64
Payroll expense for Part-time Employee for July, August and September 2019

STWA Invoice S19-155 \$ 364.59
Payroll expense for Stand By for July 3, 2019 through September 25, 2019

STWA Invoice S19-157 \$ 996.10
Reimburse for Fiber optic phone service (06/19/19 through 09/19/19) and High Touch
Technology support (07/01/19 through 09/30/19)

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

5. All matters pertaining to TxDOT Upgrades on US 77 at CR 2120/FM 772 and US77/I69.

Ms. Serrato reported that staff continues working with LNV Engineering and TxDOT on matters pertaining to the project. She has been in contact with various individuals regarding TxDOT's approval of the original installation of RWSC's 12" waterline and that she believes TxDOT should have been more open about the impact of future construction on RWSC's waterline. She presented LNV Engineering's cost estimate for adjustments to the waterline in the amount of \$156,845 as well as information from Deborah Fleming, TxDOT Investment Project Manager, regarding a possible loan from State Infrastructure Bank (SIB) and information on USDA Form RD-465-1 which USDA requires for this type of loan. Ms. Serrato also mentioned that she has discussed SB 1512 with Bill Flickinger, Willatt & Flickinger, but he states that RWSC is ineligible for assistance although Ms. Fleming says that WSC's are included in the types of utilities receiving assistance. Ms. Serrato believes that a SIB loan for \$200,000 would meet the Corporation's needs and she estimates the payments at about \$1,400 for 15 years at 2.6% interest. She stated that a payment of \$30,000 into the USDA Reserve Fund should eliminate the monthly reserve payment of about \$900 and help offset the SIB loan payment.

Ms. Serrato also stated that she discussed advertising for bids with Eric Villarreal of LNV who stated that LNV should be ready within a week. She stated that if RWSC applies and is approved for the SIB loan, advertising would depend on the loan timeline and suggested that the Board take action at this meeting to authorize advertising when the time is right. Mr. Zavala made a motion to authorize advertising at the appropriate time. Mr. Robertson seconded. All voted in favor.

6. Resolution 19-03. Resolution authorizing filing of SIB Loan Application.

Mr. Robertson made a motion to adopt Resolution 19-03 authorizing filing of the SIB Loan Application. Mr. Fischer seconded. All voted in favor.

7. Utility Conveyance Agreement between Ricardo Water Supply Corporation and Medina River Estates, LLC.

Ms. Serrato stated the Utility Conveyance Agreement between RWSC and Medina Rivers Estates, LLC. (MRE) had been completed and sent to MRE for approval. She presented the signed document to the Board for approval. Mr. Zavala made a motion to approve execution of the Utility Conveyance Agreement. Mr. Hinojosa seconded. All voted in favor.

8. South Texas Water Authority Fees and Charges.

Ms. Serrato presented three tables comparing the current and proposed fees and charges for services performed by STWA. She stated that the proposed fees would be presented to the STWA Board for approval at their December 3, 2019 meeting. The first table listed recurring and additional administrative fees. The total increase in the various fees in this category is \$1.30 per connection per month. The second table listed STWA's Taps & Repairs service fees recouped by passing the cost along to the RWSC customers that benefit from those services. The

third table listed Taps & Repairs service fees that are paid by the Corporation through rates charged to all customers. She stated that proposed increases on taps and repairs include fees for standard service taps, meter installation, road bore, long service connection, line extension, line repairs bee control, after hour call and weekend residual check fees. She stated the Board will need to consider those fees when reviewing the proposed FY 2020 budget at the next meeting. She stated that she was presenting the information ahead of STWA Board in order to give the RWSC Board an opportunity to voice any concerns. Mr. Zavala asked if bills can be sent out electronically and Ms. Serrato responded that she would need to find out if the billing program has that capability. She also noted that additional sampling is now required due to the Nitrification Action Plan and O&M Supervisor Armando Yruegas has pointed out that between STWA, RWSC and NWSC, it is almost taking enough time to have one Field Technician devoted to this sampling on a full-time basis. TCEQ has been contacted about trying to reduce these hours such as alternating the three Ricardo stations since they are within one system. The Board did not request any changes to the proposed charges.


9. Elevated Storage Tank at Pump Station #1.

Mr. Garcia stated that he requested this item be placed on the agenda after noticing rust areas on the elevated storage tank. Ms. Serrato commented that the last repair to the tower involved only spot painting. She agreed to contact Diamond Enterprises and NG Painting, the company that installed a tank liner for STWA in the Driscoll ground storage tank, for quotes for presentation at the next meeting.

10. Adjournment.

With no further business to conduct, Mr. Zavala made a motion to adjourn the meeting at 6:19 p.m. Mr. Escobedo seconded and all voted in favor.

Respectfully submitted,


Frances De Leon
Assistant Secretary