

RICARDO WATER SUPPLY CORPORATION
Regular Meeting Minutes
December 2, 2025

Board Members Present:

Baldemar Garcia
Robert Garza
Oliver Hinojosa
James Fischer
Tisha Jones

Board Members Absent:

Frank Escobedo
Robert Zavala, Jr.

Staff Present:

John Marez
Frances De Leon
Jo Ella Wagner
Patrick Sendejo
August Patroelj
Clarissa Vargas

Guests Present:

Albert Garcia

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 comments were made

3. Customer Concern.

- Mr. Earl Anderson Account #262 – Complaint about fee charges and Water Quality

Mr. Earl Anderson requested to have his complaint placed on the agenda; however, he did not attend the meeting to discuss his complaint.

4. Approval of Minutes.

Mr. Fischer made a motion to approve the minutes of the August 26, 2025 Regular Meeting, as presented. Ms. Jones seconded the motion. 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 March 31, 2025

Account Activity for General Account for March 1, 2025 to March 31, 2025

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Account Activity for Operations Account for March 1, 2025 to March 31, 2025

Account Activity for Debt Service Account for March 1, 2025 to March 31, 2025

TEXPOOL Participant Statement for 03/01/2025 – 03/31/2025 for General Account

TEXPOOL Participant Statement for 03/01/2025 – 03/31/2025 for Membership Deposit Account

TEXPOOL Participant Statement for 03/01/2025 – 03/31/2025 for USDA Reserve Account

Treasurer's Report as of April 30, 2025

Account Activity for General Account for April 1, 2025 to April 30, 2025

Account Activity for Operations Account for April 1, 2025 to April 30, 2025

Account Activity for Debt Service Account for April 1, 2025 to April 30, 2025

TEXPOOL Participant Statement for 04/01/2025 – 04/30/2025 for General Account

TEXPOOL Participant Statement for 04/01/2025 – 04/30/2025 for Membership Deposit Account

TEXPOOL Participant Statement for 04/01/2025 – 04/30/2025 for USDA Reserve Account

Treasurer's Report as of May 31, 2025

Account Activity for General Account for May 1, 2025 to May 31, 2025

Account Activity for Operations Account for May 1, 2025 to May 31, 2025

Account Activity for Debt Service Account for May 1, 2025 to May 31, 2025

TEXPOOL Participant Statement for 05/01/2025 – 05/31/2025 for General Account

TEXPOOL Participant Statement for 05/01/2025 – 05/31/2025 for Membership Deposit Account

TEXPOOL Participant Statement for 05/01/2025 – 05/31/2025 for USDA Reserve Account

Treasurer's Report as of June 30, 2025

Account Activity for General Account for June 1, 2025 to June 30, 2025

Account Activity for Operations Account for June 1, 2025 to June 30, 2025

Account Activity for Debt Service Account for June 1, 2025 to June 30, 2025

TEXPOOL Participant Statement for 06/01/2025 – 06/30/2025 for General Account

TEXPOOL Participant Statement for 06/01/2025 – 06/30/2025 for Membership Deposit Account

TEXPOOL Participant Statement for 06/01/2025 – 06/30/2025 for USDA Reserve Account

Treasurer's Report as of July 31, 2025

Account Activity for General Account for July 1, 2025 to July 31, 2025

Account Activity for Operations Account for July 1, 2025 to July 31, 2025

Account Activity for Debt Service Account for July 1, 2025 to July 31, 2025

TEXPOOL Participant Statement for 07/01/2025 – 07/31/2025 for General Account

TEXPOOL Participant Statement for 07/01/2025 – 07/31/2025 for Membership Deposit Account

TEXPOOL Participant Statement for 07/01/2025 – 07/31/2025 for USDA Reserve Account

Treasurer's Report as of August 31, 2025

Account Activity for General Account for August 1, 2025 to August 31, 2025

Account Activity for Operations Account for August 1, 2025 to August 31, 2025

Account Activity for Debt Service Account for August 1, 2025 to August 31, 2025

TEXPOOL Participant Statement for 08/01/2025 – 08/31/2025 for General Account

TEXPOOL Participant Statement for 08/01/2025 – 08/31/2025 for Membership Deposit Account

TEXPOOL Participant Statement for 08/01/2025 – 08/31/2025 for USDA Reserve Account

Treasurer's Report as of September 30, 2025

Account Activity for General Account for September 1, 2025 to September 30, 2025

Account Activity for Operations Account for September 1, 2025 to September 30, 2025

Account Activity for Debt Service Account for September 1, 2025 to September 30, 2025

TEXPOOL Participant Statement for 09/01/2025 – 09/30/2025 for General Account

TEXPOOL Participant Statement for 09/01/2025 – 09/30/2025 for Membership Deposit Account

TEXPOOL Participant Statement for 09/01/2025 – 09/30/2025 for USDA Reserve Account
Treasurer’s Report as of October 31, 2025
Account Activity for General Account for October 1, 2025 to October 31, 2025
Account Activity for Operations Account for October 1, 2025 to October 31, 2025
Account Activity for Debt Service Account for October 1, 2025 to October 31, 2025
TEXPOOL Participant Statement for 10/01/2025 – 10/31/2025 for General Account
TEXPOOL Participant Statement for 10/01/2025 – 10/31/2025 for Membership Deposit Account
TEXPOOL Participant Statement for 10/01/2025 – 10/31/2025 for USDA Reserve Account

The following bills were presented for payment:

STWA Invoice S25-109 July 2025 Water Usage, Water Cost and Handling Charge	\$39,023.83
STWA Invoice S25-110 July 2025 General and Administration	\$19,087.15
STWA Invoice S25-114 July 2025 Taps and Repairs	\$ 3,262.14
STWA Invoice S25-123 August 2025 Water Usage, Water Cost and Handling Charge	\$40,246.94
STWA Invoice S25-124 August 2025 General and Administration	\$19,249.72
STWA Invoice S25-128 August 2025 Taps and Repairs	\$ 4,708.61
STWA Invoice S25-137 September 2025 Water Usage, Water Cost and Handling Charge	\$32,458.54
STWA Invoice S25-138 September 2025 General and Administration	\$19,110.46
STWA Invoice S25-142 September 2025 Taps and Repairs	\$ 7,256.85
STWA Invoice S25-151 October 2025 Water Usage, Water Cost and Handling Charge	\$37,730.97
STWA Invoice S25-152 October 2025 General and Administration	\$19,042.50
STWA Invoice S25-156 October 2025 Taps and Repairs	\$ 6,830.66

Mr. Garcia pointed out that there appears to be increased usage at the URI location and asked if an air gap is in place. Mr. Sendejo stated that he is not familiar with the setup of facilities at that location but will verify that backflow protection is in place. He is not aware of annual reduced pressure zone testing being conducted. A motion was made by Mr. Garza and seconded by Ms. Jones to approve the Treasurer's Reports and payment of the bills. The motion carried.

6. Fiscal Year 2025 Budget Amendments.

Mr. Patroelj reviewed the proposed Fiscal Year 2025 Amended Budget which reflected a Revenue decrease of \$17,853 and an increase of \$95,440 in Total Operating Expenses resulting in a net balance of -\$225,744. Removing the depreciation expense line-item results in a Net Income of \$14,256. Ms. Jones made a motion to approve the Fiscal Year 2025 Amended Budget, Mr. Hinojosa seconded and all voted in favor.

7. Proposed Fiscal Year 2026 Budget and retail water rates.

The Board reviewed the Fiscal Year 2026 Budget based on the current rates along with three additional scenarios with various monthly minimum and thousand-gallon rate increases. Mr. Patroelj referred to the various scenarios in the packet to demonstrate the impact of the proposed increases. Mr. Garcia stated that after reviewing the options, he recommends choosing Option C which increases the monthly minimum on a 5/8" meter to \$48.00 per month and the water rates by 30 cents for each tier as follows:

Monthly	5/8" meter	\$48.00	Water Rates: Up to 10,000 gallons	\$6.05
Minimum	3/4" meter	\$74.74	10,001 – 20,000 gallons	\$6.15
	1" meter	\$105.66	Above 20,000 gallons	\$6.30
	2" meter	\$125.13		
	Compound	\$249.62		

8. Resolution 25-07. Resolution adopting the recommended Fiscal Year 2026 Budget.

Mr. Garza made a motion to approve the Fiscal Year 2026 Budget based on Option C raising the monthly minimum to \$48.00 on a 5/8" meter and water rates to \$6.05/1000g up to 10,000 gallons, \$6.15/1000g for usage of 10,001 to 20,000 gallons and \$6.30/1000g over 20,000 gallons. Mr. Hinojosa seconded and the motion passed on a 4 to 1 vote with Ms. Jones voting against.

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 \$9,950 for auditor services for a basic audit of RWSC's financial statements for the year ended December 31, 2025. Mr. Garcia commented that although the cost increased, Womack & Co. has done a good job in the past. Mr. Hinojosa made a motion to accept the engagement letter for FY 2025 audit services with John Womack & Co., P.C. in the amount of \$9,950. Mr. Garza seconded the motion. The motion passed by unanimous vote.

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. Garcia, Mr. Garza and Ms. Jones are up for election in April of 2026. He also presented the timeline and schedule for the 2026 Annual Membership Meeting and asked for approval to proceed with the schedule. Mr. Hinojosa made a motion to approve mailing of the presented documents and proceed with the recommended schedule. Mr. Fischer seconded. All voted in favor.

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

Mr. Garcia stated that the Board reviews the Ricardo Wastewater Improvement Corporation agreement for billing and collection of wastewater charges annually. He said that although the staff recommendation is to keep the current rate, he feels that an increase of \$1.00 per customer is appropriate. Ms. Jones commented that she disagrees with the increase.

12. Resolution 25-08. Resolution renewing the agreement with Ricardo Wastewater Improvement Corporation for billing and collecting of wastewater charges.

Mr. Garza made a motion to increase the rate to \$7.00 per customer for 2026. Mr. Garza seconded. Mr. Hinojosa seconded the motion. The motion passed on a 4 to 1 vote with Ms. Jones voting against. Mr. Garcia pointed out that the rate is effective January 1, 2026.

13. Water Supply and Development Contract with Albert Garcia for the Amaya-Garcia Subdivision.

Mr. Marez presented the Water Supply and Development Contract with Albert Garcia for the Amaya-Garcia Subdivision. He reported that Mr. Garcia has met the Kleberg County subdivision requirements and will pay the pro rata share of the improvements to the corporation's water system to service the subdivision upon Board approval of the contract.

14. Resolution 25-09. Resolution authorizing the Ricardo Water Supply Corporation President to enter into a Water Supply and Development Contract with Albert Garcia, Developer, for the Amaya-Garcia Subdivision.

Mr. Garza made a motion to approve Resolution 25-09 and Mr. Hinojosa seconded. The motion passed on a vote of 4 to 0 with Ms. Jones abstaining.

15. Extension of depository agreement with Kleberg Bank.

Mr. Marez presented Kleberg Bank's Agreement to Extend Depository Contract for 2025-2027. Mr. Hinojosa made a motion to approve extension of the agreement and Ms. Jones seconded. The motion passed by unanimous vote.

16. South Texas Water Authority Fees and Charges – RWSC Fee Schedule.

Mr. Marez presented documents related to the STWA FY 25 and FY 26 budgets focusing on the Special Services Budget. He also presented a schedule of the current and proposed 2026 General and Administrative Fees and a schedule of the current and proposed Taps and Repairs Fees. Mr. Garcia commented that he prefers to increase the Regular Hour Unlock Fee to \$120 and After-Hours Unlock Fee to \$140. The Board also discussed additional increases to the Developer Analysis fees. Mr. Garza made a motion to approve the recommended schedules but to increase the Regular Hour Unlock Fee to \$120 and the After Hours Unlock Fee to \$140 and the Developer Analysis Fees to \$600 for a regular analysis and \$1,600 for a larger, more complicated analysis. Mr. Hinojosa seconded and the motion passed on a 4 to 1 vote with Ms. Jones voting against. Mr. Fischer asked about remote read meters and Ms. Wagner responded that grant funds might be available for this type of project.

17. General Manager's Report.

Mr. Marez announced that the Texas Water Development Board has officially awarded funds to STWA, Ricardo WSC and Nueces WSC. Staff is working with I.C.E. to develop a master plan list of projects for the Board to review and prioritize projects. He noted that purchase of automated meters is among the projects that the Board can consider. He hopes to have the information ready for presentation at a January 6th or January 20th meeting. He also reported that engineers continue working on the design of pump station projects and are awaiting approval from TCEQ. He also reported that the City of Corpus Christi has approved a three-year extension of the water supply contract with STWA.

18. Adjournment.

With no further business to discuss, Mr. Garza made a motion to adjourn the meeting at 6:49 p.m. Ms. Jones seconded and the motion carried.

Respectfully submitted,



Frances De Leon
Assistant Secretary