

# **RIVER ACRES WATER SUPPLY CORPORATION**

## **MINUTES OF REGULAR MEETING DECEMBER 20, 2022**

**THE STATE OF TEXAS §**  
**§**  
**COUNTY OF NUECES §**

On the 20th day of December 2022, the Board of Directors of the River Acres Water Supply Corporation convened at 5:30 P.M. in a Regular Meeting at the Corporation's Office, 15602 Northwest Blvd., Suite H, Robstown, Texas, there being present and in attendance the following, to wit:

President	David Wishard
Vice President	John Fernan
Secretary/Treasurer	Janine Pruski
Director	Ron Hellberg
Director	Michael Olszewski
Director	Jeff Holley

Staff:	Office Manager	Kaylee Reed
	Legal Counsel	Charlie Zahn

Board of Directors Members  
Absent: None

Number of Members Present: One (1) in person

### **CALL TO ORDER**

1. A quorum being present, the meeting was called to order by the presiding officer, Mr. Wishard, pursuant to posted notice.

### **RECOGNITION OF GUESTS**

2. Mr. Paul Pilarczyk, Engineer for the Corporation, Mr. Hector Benavidez and Marcos Alaniz with Nueces County Control and Improvement District #3 ("The District"), System Operator for the Corporation.

### **RECEIVE CONFLICT OF INTEREST AFFIDAVITS**

3. President David Wishard asked for Conflict-of-Interest Statements. No Conflict-of-Interest Statements were provided by any member of the Board of Directors.

### **PUBLIC COMMENT**

4. No public comment was made.

### **MINUTES**

5. Approval of the minutes.
  - a. Upon motion by Mike Olszewski and a second by Jeff Holley, the Minutes of November 15, 2022, Regular Meeting of the Board of Directors were unanimously approved by the Board of Directors.

### **DISCUSS STAGE 1 OF THE DROUGHT CONTINGENCY PLAN**

6. The Board of Directors reviewed and discussed the current drought conditions and the RAWS Drought Contingency Plan. No action was taken. Stage 1 of the Drought Contingency Plan is still in effect.

#### **UPDATE FROM THE DISTRICT ON SYSTEM OPERATIONS**

7. Mr. Marcos Alaniz and Mr. Hector Benavidez with The District provided the following updates to the Board of Directors:
- Following the elevated storage tank cleaning in mid-November, system residuals have been holding very well and continuously improving. Approximately 70% of flushing has been reduced for the system as a result of this.
  - The generator purchased by RAWs stays mounted/bolted to the service truck provided by The District for the system and the valve exerciser stays in the vehicle at all times as well.
  - The District has taken precautions to winterize the system for the upcoming inclement weather. Space heaters will be on in the pump house for the Elevated Storage Tank and insulation has been installed on the clay valve at the Ground Storage Tank. Double the number of operators will be on standby for any emergencies and the system will be monitored closely.

#### **UPDATE FROM RAWs ENGINEER, PAUL PILARCZYK**

8. Mr. Paul Pilarczyk, the Corporation's engineer provided the following updates to the Board of Directors:
- The final plans and specifications for the existing Elevated Storage Tank have been completed by engineering and will now be sent off to the Texas Water Development Board for review and approval. This process will take approx. 60 days and then the plans can be sent out for bids.

#### **UPDATE FROM RAWs ATTORNEY CHARLIE ZAHN**

9. Charlie Zahn, the Corporation's legal counsel provided the following updates to the Board of Directors:
- All public information requests made by Kathy Vinson to RAWs have been responded to in accordance with the statutory requirements.
  - In the case of River Acres Water Supply Corporation v. Victor Leo Villarreal, Cause No. 2022-SC-0014-JP 5-1 we have submitted an Affidavit of Fact from Kaylee Reed as well as an Affidavit from Mr. Zahn which prove up the damages incurred by RAWs in this matter. We also submitted a proposed Default Judgment for the Court to consider. The case is set for trial on January 5, 2023, and Mr. Zahn will join Office Manager Kaylee Reed at the RAWs office to try the case remotely.

#### **REVIEW 2023 ELECTION TIMELINE**

10. Ron Hellberg discussed the 2023 election timeline with the Board of Directors.

#### **OFFICE MANAGER UPDATE**

11. Kaylee Reed, Office Manager, provided an update to the Board of Directors as follows:
- Kaylee Reed reviewed the bank account reconciliation with the Board of Directors.
  - Kaylee Reed advised the Board of Directors that the Corporation's bank account balances are as follows:
    - Operating account \$415,546.93
    - Construction account \$4,462.50
    - Bond Reserve I \$201,445.17
    - Bond Reserve II \$43,931.93
    - UMB Green Money \$50.47
    - UMB Sweep Money \$4.05
  - Kaylee Reed discussed with the Board of Directors that there is approximately 3.82 months of cash on hand for RAWs.
  - In the case of River Acres Water Supply Corporation V. Victor Leo Villarreal, a date of January 5, 2023 is set to remotely try the case in the RAWs office.
  - Upon motion by Mike Olszewski and a second by John Fernan, the 2021 financial audit was unanimously approved by the Board of Directors.
  - Kaylee Reed has reached an official agreement with Gowland, Morales & Smith, PLLC to serve as the new auditors for RAWs beginning in 2023 for the 2022 financial year. The auditing firm will begin the audit in February of 2023.
  - Kaylee Reed has officially escheated \$2,461.81 of uncollected account deposits to the state of Texas.

#### **DISCUSS OPEN BOARD OF DIRECTORS POSITION**

12. The Board of Directors discussed the open board position. No action was taken as a result of this discussion.

#### **DISCUSS THE "TO DO'S" FROM THE 2022 ANNUAL MEMBERS' MEETING**

13. The Board of Directors discussed the following items:

- a. Process/Procedure to amend sections of the Bylaws annually.

#### **DISCUSS NOVEMBER 2022 LTM REPORT**

14. The Board of Directors reviewed the October 2022 LTM report.

#### **DISCUSS NOVEMBER 2022 DIRECTOR'S REPORT**

15. The Board of Directors reviewed the October 2022 Director's report.

#### **RECESS OPEN SESSION AND CONVENE IN EXECUTIVE SESSION**

16. At 6:34 pm Mr. Wishard announced that the Board of Directors would go into executive session to:

- a. Receive legal advice from counsel in connection with conclusion of alleged nefarious activity by a former employee (551.071)
- b. Deliberate the acquisition of real property in Nueces County, Texas (551.072)
- c. Evaluate the performance and duties of the office staff (551.074)
- d. Receive legal advice from counsel in connection with an easement on real property owned by Joe Thomas Bravenec and Karen Denise Bravenec in Nueces County, Texas (551.071)
- e. Receive legal advice from counsel in connection with an easement on real property owned by Donald C. Chapman and Diane L. Chapman in Nueces County, Texas (551.071)

#### **RECONVENE OPEN SESSION**

17. At 7:28 pm, Mr. Wishard reconvened in open session and took the following action:

- a. Upon motion by John Fernan and a second by Ron Hellberg, the Board of Directors unanimously approved a 5% Christmas bonus and 4% pay increase for office manager Kaylee Reed as well as a \$1,000 Christmas bonus for office staff Norma Vela.
- b. Upon motion by John Fernan and a second by Ron Hellberg, the Board of Directors unanimously approved the Affidavit of Fact for the Bravenec and Chapman properties.

#### **DISCUSS DECEMBER 2022 BASE RATE HOLIDAY**

18. No action was taken on this matter.

#### **DISCUSS JANUARY 2023 BASE RATE HOLIDAY**

19. Upon motion by John Fernan and a second by Janine Pruski, the Board of Directors unanimously approved a January 2023 base rate holiday (waive the \$55 base rate for January 2023 bills).

#### **DISCUSS OVERALL BASE RATE REDUCTION**

20. No action was taken on this matter.

**DIRECTOR COMMENTS**

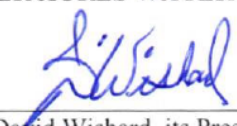
21. Mr. Wishard asked for comments from the Board of Directors.

**ADJOURN**

22. As there was no further business to come before the Board of Directors, a motion was made by John Fernan with a second by Jeff Holley to adjourn.

**RIVER ACRES WATER SUPPLY CORPORATION**

By

  
David Wishard, its President

**ATTEST:**

  
Janine Pruski, its Secretary