

RIVER ACRES WATER SUPPLY CORPORATION

MINUTES OF

REGULAR MEETING

FEBRUARY 23, 2021

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

On the 23rd day of February, 2021, 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	Janine Pruski
Director	Roy George
Director	Jeff Holley
Director	Ron Hellberg

Staff:	Office Manager	Brenda Zimmerman
	Office Manager	Kaylee Reed
	Attorney	Charles W. Zahn, Jr. (Via Teleconference)

Members
Absent: None

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. The presiding officer, Mr. Wishard introduced the following guests: Mr. Marcos Alaniz and Mr. Hector Benavides, of the Nueces County Water Control and Improvement District No. 3. Mr. Paul Pilarczyk, engineer for the Corporation and RAWS member, Mr. Joe Bravenec.

PUBLIC COMMENT

3. Mr. Joe Bravenec provided public comment to the Board of Directors.

MINUTES

4. Upon motion by Ron Hellberg and second by Jeff Holley the Minutes of the February 2, 2021 Regular Meeting of the Board of Directors were approved with corrections.

UPDATE BY NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

5.

- a. Marcos Alaniz with the Nueces County Water Control and Improvement District No. 3, (the "District") provided an update on the District managing the field operations for RAWS. There were no after-hours leaks or after-hours callouts since the last meeting of the Board of Directors.
- b. The District began work on CR75 project. They have located lines and easements but are having issues getting the 3" piping needed. Once the piping is received, the District will begin digging in 400ft sections for project completion.
- c. Mr. Alaniz and Mr. Benavidez informed the board that they found a metal detector that can be submerged up to 12" in water for \$1,200. Upon motion from Jeff Holley and seconded by Ron Hellberg, the board unanimously approved the purchase of the recommended metal detector.
- d. Mr. Alaniz and Mr. Benavidez informed the board that they can purchase approx. 6 to 8 meters for auto flushers at approx. \$1,000 each. These meters will allow more accurate readings during flushing. Upon motion by John Fernan and seconded by Ron Hellberg, the board unanimously approved the purchase of 6 to 8 meters for the auto flushers at approx. \$1,000 each.
- e. Mr. Alaniz informed the board that 5 employees hooked up to a fire hydrant with a 2" hose to wash approx. ¼ mile total on Mollie Ln. After hosing down the road, the District rented a street sweeper to clean the remaining mud as best as possible to mitigate the dangerous road conditions. The District will bill RAWS directly and RAWS will then bill Persons for the total cost of cleanup for approx. \$1,000. Paul Pilarczyk, RAWS engineer made Persons Services aware of the cost.
- f. Mr. Alaniz informed the board that they worked tirelessly through the Uri Freeze storm to ensure proper function of the system. He stated that the plant failed strictly because of low water pressure due to too many faucets/pipes dripping at once and the system was forced to go into a water boil notice. Members had little to no water for around 10 hours and the boil notice was in effect for approx. 24 hours before TCEQ lab results were able to come back. Mr. Alaniz stated that the system has 10 days to send final reports to TCEQ and he will be sending those on behalf of RAWS on 02.24.21. Mr. Alaniz had the following recommendations to RAWS after the Uri Freezing storm:
 - i. Climate control for building under water tower.
 - ii. Insulate electric heat tracing on meters.
 - iii. Repave road to elevated storage tank (currently all mud)

Following the District's update to the board, David Wishard presented them with a Certificate of Appreciation from RAWS for their outstanding service to the RAWS community before, during and after the Uri Freeze storm.

ENGINEER'S REPORT

6. Mr. Paul Pilarczyk, engineer for the Corporation provided the following update:
 - a. The contractor for Quail Valley is still waiting on final approval with Nueces County before starting this project. Once final approval is made, it will take approx. 65 to 75 days to complete.
 - b. The punch list by 5125 has been completed. Wade St and 73A have been inspected.
 - c. Tuesday 03.02.21 the new service line will be tied in. This will take approx. 2 weeks until completion.
 - d. Waiting on a date from Persons services to begin 1st colony and Broad Acres hookup.

TEXAS WATER DEVELOPMENT LOAN IN THE ORIGINAL PRINCIPAL AMOUNT OF \$1,785,000.00

7. Andrew Friedman with Samco Capital presented information on the loan available to RAWs from the Texas Water Development Board. The board discussed in detail considerations such as funds availability, interest rate, development on 73 and 624, CCN, elevated cost and land costs. TWDB will need a yes or no decision from RAWs by 03.02.21 to close by 03.31.21. Upon motion by Janine Pruski and seconded by Ron Hellberg, the board unanimously approved to table this item and item number 8 until the 03.02.21 Board Meeting.

AUTHORIZATION ON PURCHASE OF TRACT OR PARCEL OF LAND ALONG CR75 AND FM 624 FOR WATER STORAGE TANK

8. The board did not decide on whether they are pursuing the TWDB loan, therefore, this item was tabled upon motion on item number 7.

OFFICE CO-MANAGERS UPDATE

9. Brenda Zimmerman and Kaylee Reed, Office Co-Managers, provided an update to the Board of Directors as follows:

- a. Kaylee Reed informed the board of the new RAWs Facebook page that will be used to communicate information out to the members, and this was a useful tool in communication during the Uri Freeze storm.
- b. Kaylee Reed informed the board that she has researched and found a good business projector to utilize during board meetings. This projector costs around \$800.00 and the purchase of it will be reviewed/ approved during the 03.02.21 board meeting.
- c. Kaylee Reed informed the board that the Core & Main representative was unable to come to RAWs on 02.15.21 to read meters and train staff due to the Uri Freeze storm. The representative then had a medical emergency and was unable to come on 02.23.21. Kaylee informed that she was able to call Neptune360 support and get the meters read on 02.22.21 successfully and bills will be going out on 02.24.21.
- d. Kaylee Reed informed the board that new billing cards will be going out starting March and it will save RAWs approx. \$0.10 per unit to mail. Roy George asked to see exact meter reads and usage placed on billing cards for members. Kaylee informed him that she will work with RVS to try and accommodate that request but no guarantee that will be possible due to the RVS Billing system coded to bill by the 1,000 gallons.
- e. Brenda Zimmerman read aloud a personal letter received by mail from a member addressed to RAWs stating "you are making a lot of changes and I am impressed."
- f. Kaylee Reed informed the board that there was a total of 75 past due notices sent out to members totaling \$12,227. Last month there were 68 past due notices sent out totaling approx. \$32,000.

UPDATE ON WATER CONSERVATION PLAN

10. Paul Pilarczyk, RAWs engineer, informed the board that he is still seeking comments on the Water Conservation plan draft and once the draft is approved by the board, it will need to be sent to the Texas Water Development Board for final review and approval. Upon motion by Ron Hellberg and seconded by Janine Pruski, the board unanimously voted to table this item until the 03.02.21 Board Meeting.

AMENDMENT OF CERTIFICATE OF CONVENIENCE ASND NECESSITY WITH THE PUBLIC UTILITY COMMISSION OF TEXAS UPDATE

11. Charles W. Zahn, Jr., attorney for the Corporation, provided an update to the Board of Directors on the Application by RAWs to amend its Certificate of Convenience and Necessity. Mr. Zahn is working with Courtney Dean for final documents to be completed before everything can be sent over to the Public Utilities Commission for their review and approval. Mr. Zahn will have another update at the 03.16.21 Board Meeting.

UPDATE TO THE CORPORATION'S BYLAWS

12. Director Ron Hellberg provided a proposed update to the Corporations' Bylaws to the Board of Directors for its consideration. Upon motion by Ron Hellberg and seconded by Janine Pruski the board unanimously approved to table the consideration of the proposed update to the Corporations' Bylaws until the 03.02.21 Board Meeting.

DIRECTORS REPORT UPDATE JANUARY 2021

13. Kaylee Reed informed the board that she will be working with Linda Visor from Violet Water Supply and/or RVS billing for clarification on RVS receivables vs. QuickBooks receivables. Kaylee also stated that once construction on CR75 is complete, total water use for flushing will be well maintained and flushing losses will be reduced. The system had a 16% water loss for the month of January 2021, about 10% lower compared to December 2020.

BILLING ADJUSTMENTS OVER \$250

14. Kaylee Reed informed the board of three accounts that had returned bank draft fees over a year span and those have been corrected to the member's accounts and the office is working with those members to collect payment. Kaylee also informed the board that Payclix had a glitch on certain billing days and she and Brenda Zimmerman have contacted Payclix to correct the errors. Kaylee and Brenda will be researching other forms of online payment options.

13 MONTH (LTM) MONTH BY MONTH REPORT THROUGH JANUARY 2021

15. Kaylee Reed informed the board of the January 2020 through December 2020 report including January 2021 to make up 13 months of financial data for the board to review. Next month will be February 2020 through December 2020 including February 2021. Kaylee also discussed the over \$200,000 profit made in the year 2020.

JANUARY 2021 ACTUAL VS. JANUARY 2020 ACTUAL VS. 2021 BUDGET REPORT

16. Kaylee Reed informed the board of the January 2021 financial status. Kaylee also discussed payment of our loan interest and principal to the TWDB and how it is recorded financially. RAWs was under budget for operating expenses for the month and in a better financial position compared to January 2020. The board liked the financial reports presented.

DIRECTOR COMMENTS

17. Mr. Wishard asked for comments from the Directors.


ADJOURN

18. As there was no further business to come before the Board of Directors, a motion was made by Roy George and seconded by John Fernan the board unanimously approved to adjourn.

RIVER ACERS WATER SUPPLY CORPORATION

By 
David Wishard, its President

ATTEST:


Janine Pruski,, its Secretary

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