

RIVER ACRES WATER SUPPLY CORPORATION

**MINUTES OF
REGULAR MEETING**

FEBRUARY 2, 2021

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

On the 2nd 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.

PUBLIC COMMENT

3. Mr. Bill Clifton provided public comment to the Board of Directors.

MINUTES

4. Upon motion by David Wishard and second by John Fernan the Minutes of the January 19, 2021 Regular Meeting of the Board of Directors were tabled.

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

5. 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 since the last meeting of the Board of Directors.

Mr. Alaniz advised that the construction project in Broad Acres is going well and the new line should be in service by February 1, 2021.

Mr. Alaniz advised the Board of Directors that they need 3" meters for the auto flushers at a cost of \$1,050 each for the 5-6 flushers owned by RAWS.

The contractor is working on First Colony and the line should be in service in the next two weeks.

The District is conducting tests on the water storage tank to determine the extent of the repairs.

Mr. Alaniz stated that the District is upgrading its system and that RAWS needs to update its 6" feeder line to maximize its ability to serve its certificated area.

AFTER-HOURS CALLS

- 5.a. Marcus Alaniz advised the Board of Directors that there had been no after-hours incidents since the last meeting of the Board of Directors.

UPDATE BY NUECES COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3 ON PARALLEL 3" DISTRIBUTION LINE

6. Mr. Alaniz provided an update to the Board of Directors on the 3" parallel water line project. He received three (3) bids for the installation of the line: \$78,600.00 from RJ Contracting & Painting, Inc.; \$69,500.00 from GPMinc; and \$49,350.00 from the District. After discussion on motion by Jeff Holley and second by John Fernan the Board of Directors accepted the bid of the District to install a 3" water line parallel with the existing line on CR 73.

ENGINEER'S REPORT

7. Mr. Paul Pilarczyk, engineer for the Corporation providing the following update:
- a. The contractor for Quail Valley is still waiting on final approval with Nueces County before starting this project.
 - b. The punch list by 5125 has been completed except for the blacklines on CR 73.
 - c. The engineer will verify and establish a completion date for the entire water line project in the next week.
 - d. Construction meters and the cost to connect angle stops was estimated to cost \$9,862.73 by Consolidated Supply and \$14,351.25 by Core and Main. Upon motion by Jeff Holley and second by Janine Pruski the Board of Directors awarded the contract to connect angle stops to Consolidated Pipe Supply.

OFFICE CO-MANAGERS UPDATE

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

- a. Customers with past due accounts have been coming in and either settling the account or making arrangements to pay it over time. They collected \$5,499.96 in delinquent accounts. There are 32 on payment plans totaling \$21,920.00.
- b. There were 68 delinquent accounts totaling \$32,627.00.
- c. Neptune 360 is now working. Core and Main will train staff on February 15, 2021.
- d. They are receiving numerous responses to the request involving water wells on Member's property.
- e. They are looking for a new auditor to complete the 2020 audit.
- f. The membership list for the 2021 Annual Meeting of Members has been completed.

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

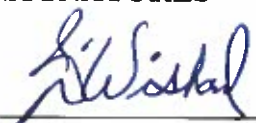

9. Charles W. Zahn, Jr., attorney for the Corporation, provided an update to the Board of Directors on the Application by RAWS to Amend its Certificate of Convenience and Necessity. The staff of the Public Utility Commission of Texas is completing its review of the financial information provided by RAWS. Staff will have its recommendation to the Commission on or before February 14, 2021.

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

10. The President stated that the purpose of the meeting was to authorize the President to negotiate on behalf of the corporation a loan and loan agreement with the Texas Water Development Board to borrow on behalf of the Corporation the sum of \$1,785,000 to finance certain water system improvements in the Corporations service area.

On motion by David Wishard and second by John Fernan the following resolutions were unanimously adopted:

BE IT RESOLVED, that **any one (1)** of the following named officers, employees, or agents of this Corporation, whose actual signatures are shown below:

NAMES	POSITIONS	ACTUAL SIGNATURES
David Wishard	President	x 
Janine Priuski	Secretary	x 

acting for and on behalf of the Corporation and as its act and deed be, and they hereby are, authorized and empowered to:

Borrow Money. To borrow from time to time from TEXAS WATER DEVELOPMENT BOARD ("Lender"), on such terms as may be agreed upon between the Corporation and Lender, the sum of \$1,785,000 to be used by the Corporation to finance certain water system improvements in the Corporation's service area.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of credit accommodations of the Corporation, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any indebtedness of the Corporation to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, re-financings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender, as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced, any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all real property and all personal property (tangible or intangible) of the Corporation. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated, or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated, or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of loan agreement, mortgage, promissory note, deed of trust, pledge agreement, hypothecation agreement, loan forgiveness agreement, escrow agreement and other security agreements and financing statements which may be submitted by Lender, and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which they may in their discretion deem reasonably necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the account of the Corporation with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances thereunder, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as they may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of these Resolutions.

BE IT FURTHER RESOLVED, that any and all acts authorized pursuant to these Resolutions and performed prior to the passage of these Resolutions are hereby ratified and approved, that these Resolutions shall remain in full force and effect and Lender may rely on these Resolutions until written notice of their revocation shall have been delivered to Lender and receipt acknowledged by Lender in writing. Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

BE IT FURTHER RESOLVED, that the Corporation will notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (a) change in the name of the Corporation, (b) change in the assumed business name(s) of the Corporation, (c) change in the management of the Corporation, (d) change in the authorized signer(s), (e) conversion of the Corporation to a new or different type of business entity, or (f) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the name of the Corporation will take effect until after Lender has been notified.

FURTHER RESOLVED, that the Secretary of the Corporation, Janine Pruski, be and she is hereby authorized to certify to Texas Water Development Board and such other persons or firms as she deems necessary or advisable, the foregoing resolutions and the name of the officer or agent for the Corporation authorized to sign for it, together with a specimen of his signature.

UPDATE TO THE CORPORATION'S BYLAWS

11. Director Ron Hellberg provided a proposed update to the Corporations' Bylaws to the Board of Directors for its consideration. Upon motion by Janine Pruski and second by Roy George the consideration of the proposed update to the Corporations' Bylaws was tabled until a future meeting of the Board of Directors.

BOARD MEMBER ORIENTATION

12. Director Ron Hellberg provided a proposed update to the Corporations' Board Member Orientation to the Board of Directors for its consideration. Upon motion by Ron Hellberg and second by John Fernan the consideration of the Board Member Orientation was tabled.

APPLICATIONS FOR OPEN DIRECTOR POSITION

13. Upon motion by Janine Pruski and second by Jeff Holley the Board of Directors extended the receipt of applications to be considered for the open Director position to be submitted no later than 12:00 noon on March 1, 2021. The Board of Directors will fill the position at its March 2, 2021 Regular Meeting.

BOARD OF DIRECTOR ACCOMPLISHMENTS

14. David Wishard presented the accomplishments that the current Board of Directors have made since it was installed at the beginning of May, 2020. Upon motion by Ron Hellberg and second by Jeff Holley, the Board of Directors unanimously adopted the River Acres Water Supply Accomplishments since taking office in May, 2020. A copy of the accomplishments is attached hereto and made a part hereof as-if set forth in full.


DIRECTOR COMMENTS

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


ADJOURN

16. As there was no further business to come before the Board of Directors, a motion was made by John Fernan and seconded by Jeff Holley and approved to adjourn.

RIVER ACERS WATER SUPPLY CORPORATION

By  _____
David Wishard, its President

ATTEST:


Janine Pruski,, its Secretary