

RIVER ACRES WATER SUPPLY CORPORATION

MINUTES OF REGULAR MEETING

JANUARY 24, 2023

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

On the 24th day of January 2023, 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

Staff:	Office Manager	Kaylee Reed
	Legal Counsel	Charlie Zahn

Board of Directors Members
Absent: Jeff Holley (excused)

Number of Members Present: One (1) via teleconference.

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 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 John Fernan, the Minutes of December 20, 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. Hector Benavidez with The District provided the following updates to the Board of Directors:
 - a. Following the elevated storage tank cleaning in mid-November, system residuals have been holding very well and continuously improving. Approximately 60-65% of flushing has been reduced for the system as a result of this.
 - b. Following a large leak from August 2022, The District is recommending to RAWs to install a second transmission line into the RAWs system to allow for a backup line in case of a supply emergency and to avoid service interruption for downtime of the existing elevated storage tank during repairs. This project will cost approx. \$85k-\$90k to complete. No action was taken by the Board on this item.

UPDATE FROM RAWs ENGINEER, PAUL PILARCZYK

8. Mr. Paul Pilarczyk, the Corporation's engineer provided the following updates to the Board of Directors:
 - a. The final plans and specifications for the existing Elevated Storage Tank should be returned/approved by the Texas Water Development Board by February 21, 2023.
 - b. As of now, there has been no date set to meet with the landowner.

UPDATE FROM RAWs ATTORNEY CHARLIE ZAHN

9. Charlie Zahn, the Corporation's legal counsel provided the following updates to the Board of Directors:
 - a. President David Wishard reviewed a Corpus Christi Caller Times article regarding Mr. Charlie Zahn.
 - b. All public information requests made by Kathy Vinson to RAWs have been responded to in accordance with the statutory requirements.
 - c. In the case of River Acres Water Supply Corporation v. Victor Leo Villarreal, Cause No. 2022-SC-0014-JP 5-1, the trial took place remotely on January 5, 2023 at the RAWs office. The judge ruled in favor of RAWs and ordered Mr. Victor Leo Villarreal to pay RAWs over \$8k which includes attorney fees, tampering fees and water used. Mr. Zahn will seek an abstract of judgment from the judge in order to place a lien on the property to ensure payment.
 - d. Upon motion by Janine Pruski and a second by Ron Hellberg, the Board of Directors unanimously approved to have legal counsel, Charlie Zahn prepare a real estate earnest money contract for the purchase of land for a new elevated storage tank.

REVIEW 2023 ELECTION TIMELINE

10. Director Ron Hellberg discussed the following items with the Board of Directors regarding the 2023 Election:
 - a. Upon motion by Mike Olszewski and a second by John Fernan, the Board of Directors unanimously approved the 2023 election documents.
 - b. The Board of Directors reviewed and discussed potential bylaw revisions at the 2023 Election. No action was taken on this item.
 - c. The Board of Directors reviewed the 2023 Election calendar.

OFFICE MANAGER UPDATE

11. Kaylee Reed, Office Manager, provided an update to the Board of Directors as follows:
 - a. Kaylee Reed reviewed the bank account reconciliation with the Board of Directors.
 - b. Kaylee Reed advised the Board of Directors that the Corporation's bank account balances are as follows:
 - i. Operating account \$394,121.89
 - ii. Construction account \$3,355
 - iii. Bond Reserve I \$201,745.68
 - iv. Bond Reserve II \$43,969.84
 - v. UMB Green Money \$0

- vi. UMB Sweep Money \$0
- c. Kaylee Reed discussed with the Board of Directors that there is approximately 3.7 months of cash on hand for RAWWS.
- d. Kaylee Reed instructed all Directors to email or mail in their audit letters back to the auditors to ensure a timely audit for 2023.
- e. Kaylee Reed reviewed the updated accomplishments list with the Board of Directors and instructed Directors to please contribute to the list for the member's meeting.
- f. Kaylee Reed instructed the Directors to think about the flow of the upcoming member's meeting.
- g. Kaylee Reed provided the feedback from customers on the closure of the investigation and the 2023 base rate holiday to the Board of Directors.
- h. Upon motion by Ron Hellberg and a second by John Fernan, the Board of Directors unanimously approved the 2023 operating budget.

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. No action was taken as a result of this discussion.

DISCUSS DECEMBER 2022 LTM REPORT

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

DISCUSS DECEMBER 2022 DIRECTOR'S REPORT

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


DIRECTOR COMMENTS

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

ADJOURN

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

RIVER ACRES WATER SUPPLY CORPORATION

By 
David Wishard, its President

ATTEST:


Janine Pruski, its Secretary