

RIVER ACRES WATER SUPPLY CORPORATION

**MINUTES OF
REGULAR MEETING**

MARCH 16, 2021

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

On the 16th day of March, 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	Jeff Holley
Director	Roy George

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

Members
Absent: Ron Hellberg

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 members, Mrs. Kathy Vinson, Karen Byrd, and Debbie Reiter. Member Pamela Smith entered late.

PUBLIC COMMENT

3. Mrs. Byrd, Mrs. Reiter, and Mrs. Smith provided public comment to the Board of Directors.

MINUTES

4. Upon motion by Janine Pruski and second by John Fernan the Minutes of the March 2, 2021 Regular Meeting of the Board of Directors were approved with corrections.

UPDATE ON OPEN BOARD POSITION

5. Janine Pruski submitted her letter of resignation from the board of directors. Janine Pruski presented her application for the open board position and upon motion by Jeff Holley and seconded by John Fernan, Janine Pruski was appointed into the vacated board position. David Wishard, as board president, then appointed Janine Pruski as interim Secretary/Treasurer of the Board of Directors.

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

6.
 - a. Mr. Alaniz informed the board that since taking over as the system manager in August of 2020 there has been a total of 10 leaks, 4 after hours and 3 caused by contractors. There have been no after hour calls since the last board meeting. Mr. Alaniz informed the board that the metal detector approved by the board has been received and will be kept in the truck for as needed use by Nueces #3. Mr. Alaniz informed the board of various issues with the valves in the system and the purchase of a valve exerciser will reduce some issues going forward. Mr. Alaniz will gather additional information on the valve exerciser to report back to the board for consideration of purchase. Mr. Alaniz mentioned Texas Tank services can clean the storage tank in place to not interrupt any services.
 - b. Mr. Alaniz informed the board that they are currently waiting on 3" pipe to begin work on the CR 75 project.

ENGINEER'S REPORT

7. Mr. Paul Pilarczyk, engineer for the Corporation provided the following update:
 - a. Mr. Pilarczyk informed the board of his meeting regarding the Quail Valley project with RAWs Attorney, Charlie Zahn and Barbara Canales of Nueces County. Once Nueces County approves, Persons Services will come back out in approx. 3 weeks following Nueces's approval to begin the Quail Valley project. Paul is hopeful Nueces will provide approval in the coming days. Once Persons Services returns and can begin work, project should take about 75 days and should be complete by the later part of June, 2021.
 - b. Mr. Pilarczyk is still searching for potential properties along CR624 for the construction of the new Elevated Storage tank.

OFFICE CO-MANAGERS UPDATE

8. Brenda Zimmerman and Kaylee Reed, Office Co-Managers, provided an update to the Board of Directors as follows:
 - a. Brenda Zimmerman informed the board that she has accounted for all the bad debt over one year old and will be recording that in the financials. This has not been done in the past but will be performed on a yearly basis for proper financial accounting. This item will be on the agenda for upcoming meetings.
 - b. Kaylee Reed informed the board that meters have been read and it was successful. She mentioned the cards have been printed but were in short supply and will send them all out by the end of the week.
 - c. Kaylee Reed informed the board that she was lacking some cords long enough to set up the office projector. The cords have been ordered and once they arrive, ace computer service will come out to set everything up.

- d. Kaylee Reed informed the board that the office sent out a total of 61 past due cards for \$10,622.
- e. Kaylee Reed informed the board that an engagement with Lavvorn and Kieshnick has been established and the financial audit will be completed by the end of April, 2021.
- f. Kaylee Reed informed the board of a developer, Southwest Homes, that came in the office Wednesday, March 3, 2021 that wants to develop property west of CR75. The developer has been in contact with Paul Pilarczyk.

UPDATE ON WATER CONSERVATION PLAN

9. Paul Pilarczyk, RAWs engineer, informed the board that the Conservation plan has been revised and submitted to the Texas Water Development Board for review and approval. Once TWDB has approved, the Board can then approve.

UPDATE ON CERTIFICATE OF CONVENIENCE AND NECESSITY

10. Charlie Zahn, Corporation's attorney, informed the board that the final documents were submitted to the Public Utilities Commission on 03.12.21 for final signatures and approval of the CCN.

APPROVAL OF ORDER OF CANCELLATION OF THE 2021 DIRECTORS' ELECTION

11. Mr. Zahn advised the Board of Directors that Kylee Reed, the Office Manager and Election Official for the Corporation had filed a Certificate of Unopposed Candidates for Other Political Subdivisions thereby certifying that Ron Hellberg and Debbie Reiter are unopposed for election to the office of Director at the election to be held on April 22, 2021. A motion was made by Jeff Holley and seconded by Janine Pruski to approve the Order of Cancellation cancelling the 2021 Directors' Election. The motion carried. Roy George voted against.

UPDATE TO THE CORPORATION'S BYLAWS

12. Upon motion by John Fernan and seconded by Janine Pruski, the board voted to table this item. Roy George abstained from voting.

UPDATE ON BANK BALANCES FROM SECRETARY/TREASURER

13. Janine Pruski informed the board that there is \$442,508.89 in Operating Account, \$245,000 in Frost Account, \$0 in Construction Account, and \$200,534.67 in Debt Service Reserve Fund Account.

DIRECTOR'S REPORT FEBRUARY 2021

14. Kaylee Reed informed the board on the Director's Report, that there was only a 2% loss mainly due to the freeze. She also mentioned the office is still working with the RAWs CPA for more information on the receivables.

BILLING ADJUSTMENTS OVER \$250

15. Kaylee Reed informed the board that there were none for February 2021.

13 MONTH (LTM) SPREADHSEET THROUGH FEBRUARY 2021

16. Kaylee Reed discussed the spreadsheet comparison with the board. She also informed the board of the Accrual for the loan principal and interest expense.

ACTUALS REPORTS FOR FEBRUARY 2021

17. Kaylee Reed discussed the Actuals Reports comparing Feb 2020 to Feb 2021 and Feb 2021 to the 2021 Budget. RAWs made approx. \$24,000 more in Feb 2021 compared to Feb 2020.

DIRECTOR COMMENTS

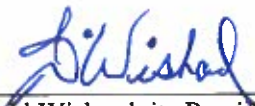
16. Mr. Wishard asked for comments from the Directors.

ADJOURN

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

RIVER ACERS WATER SUPPLY CORPORATION

By



David Wishard, its President

ATTEST:



Janine Pruski, its Secretary