

RIVER ACRES WATER SUPPLY CORPORATION

**MINUTES OF
REGULAR MEETING**

MARCH 2, 2021

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

On the 2nd 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	Ron Hellberg

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

Members

Absent: Roy George

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. Hector Benavides, of the Nueces County Water Control and Improvement District No. 3. Mr. Paul Pilarczyk, engineer for the Corporation Mr. Andrew Friedman, financial advisor for RAWS and RAWS members, Mrs. Renee Kozak-Hellberg and Tiisetso Masiane.

PUBLIC COMMENT

3. Mrs. Hellberg and Mr. Masiane provided public comment to the Board of Directors.

MINUTES

4. Upon motion by Janine Pruski and second by Ron Hellberg the Minutes of the February 23, 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. Hector Benavidez 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 was one after-hours leak and after-hours callouts since the last meeting of the Board of Directors. This was due to a crack in the main line and was repaired quickly with a one-man crew and in approx. one hour.
 - b. The District informed the board that the metal detector for RAWS has been ordered.
 - c. The District informed the board that they have ordered a total of 7 fire hydrant meters and should arrive in approx. 2 weeks. These meters will allow for more accurate flushing numbers.
 - d. The District informed the board that 1st colony has been tested and chlorinated and the contractors can begin swapping out lines.
 - e. The District informed the board of possibly recruiting school agers for painting of the fire hydrants for the RAWS system.

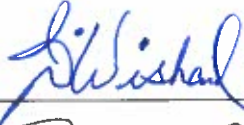

ENGINEER'S REPORT

6. 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 May, 2021.
 - b. The punch list items by 5125 has been completed and Paul will perform a final inspection.

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

7. 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. Upon motion by Ron Hellberg and seconded by Jeff Holley, the board unanimously adopted the following resolutions:

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 Pruski	Secretary	x 

acting for and on behalf of the Corporation and as its agent 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 evidence 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.

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

8. Paul Pilarczyk, engineer for the Corporation, discussed purchasing approx. 0.60 acres of land for the erection of a new elevated water storage tank. Upon motion by Jeff Holley and seconded by John Fernan, the board unanimously approves for Mr. Pilarczyk to negotiate an offer of \$10,000 and up to 20% for said land.

UPDATE ON WATER CONSERVATION PLAN

9. Paul Pilarczyk, RAWS engineer, informed the board of some comments he has received from the board and he will be making those revisions. Once the revisions are made, Paul will submit the Water Conservation Plan to the Texas Water Development Board for their approval. Once, TWDB approval is received, the board will approve the Water Conservation Plan. Upon motion by John Fernan and seconded by Janine Pruski, this item was tabled following a unanimous vote by the board.

OFFICE CO-MANAGERS UPDATE

10. 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 provided a handout that will be sent to members informing them of the new Facebook page.
- b. Kaylee Reed informed the board that she will be purchasing the new business projector and appropriate equipment up to \$1,200; and upon motion by John Fernan and seconded by Ron Hellberg, this purchase was unanimously approved by the board.
- c. 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.
- d. Kaylee Reed informed the board that she reached out to the RVS Billing software programmer, Mike, regarding billing by (1) gallon instead of (1,000) gallons. This CAN be done; however, it will do the members a disservice and will only increase the amount that members will be billed. No action was taken by the board.

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 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 03.15.21 Board Meeting.

UPDATE ON BOARD ELECTIONS AND MEMBERS MEETING

12. Janine Pruski informed the board that the next step in elections is to name an election auditor. Janine will reach out to last year's election auditor to see if she will be available to do it this year. If not, the board will have to decide on who will be this year's election auditor. No action was taken by the board.

UPDATE ON APPLICATIONS ON OPEN BOARD POSITION

13. David Wishard informed the board that there are no valid applications for this position and upon motion by Janine Pruski and seconded by Jeff Holley, the board unanimously approved to extend the deadline for receiving applications to March 15, 2021.

RECESS OPEN SESSION AND CONVENE IN EXECUTIVE SESSION

14. At 7:48 p.m. the President, Mr. Wishard announced that the Board of Directors would go into Executive session pursuant to §551.074 of the Texas Government Code to deliberate agenda item 14. which was described in the agenda as follows:
 - 14a. to evaluate the performance of the administrative staff of RAWs over the past 5 months, with possible action and discussion in open session. (Section 551.074 of the Texas Government Code).

RECONVENE IN OPEN SESSION

15. At 8:09 p.m. the President reconvened in Open Session and the Board took action on the following matter deliberated in Executive Session:

- 15.a. Upon motion by Janine Pruski and second by John Fernan the Board took action to commend the Co-Office Managers for a job well done and to authorize the payment of a bonus of \$700.00 each to the Co-Office Managers Kaylee Reed and Brenda Zimmerman.


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 Ron Hellberg 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