

RIVER ACRES WATER SUPPLY CORPORATION

MINUTES OF REGULAR MEETING NOVEMBER 10, 2020

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

On the 10th day of November, 2020, 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)
	Engineer	Paul Pilarczyk
Members		
Absent:	Director	Debbie Bond
	Director	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. Paul Pilarczyk, engineer for the Corporation and Mr. Hector Benavides, of the Nueces County Water Control and Improvement District No. 3.

PUBLIC COMMENT

3. There was no public comment received by the Board of Directors.

MINUTES

4. Upon motion by Janine Pruski and second by Ron Hellberg the Minutes of the October 27, 2020 Regular Meeting of the Board of Directors were approved.

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

5. Hector Benavides 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. Mr. Benavides stated that there were no after-hours calls over the past two weeks. There were two major leaks since the last meeting, one at 73A Colony and one major leak on 624. Mr. Benavides indicated that there had been a total of 160 work orders since the District took over the operation of RAWs. Mr. Benavides further stated that the smart meter project that was started on October 14th was completed on November 5th.

AFTER HOURS CALLS

6. Hector Benavides advised the Board of Directors that there had been no after-hours incidents since the last meeting of the Board of Directors.

ENGINEER'S REPORT

7. Paul Pilarczyk, engineer for the Corporation, advised the Board of Directors as follows:
- a. The Quail Valley project is finally moving forward with a new line being installed on FM 73.
 - b. The contractor has completed the new smart meters project. He stated that the final project cost will be at or below the original contract price.
 - c. The conflict with Nueces County over the Quail Valley project appears to have been resolved. We are waiting on a response to correspondence sent to the county by Charlie Zahn.
 - d. Are waiting on the contractor to approve a plan where if a homeowner wants a saw cut rather than a trench as bid by the contractor, then, in that event, the homeowner will be responsible for the additional cost.
 - e. The contractor on the First Colony project still needs to come back and complete the punch list items.

BRENDA ZIMMERMAN UPDATE

8. Brenda Zimmerman, Office Co-Manager, provided an update to the Board of Directors as follows:
- a. Customers appear to be happy now with the office transition.
 - b. Southern Networks will have a quote for RAWs this week.
 - c. All of the billing account problems but one, have been resolved.
 - d. There are a number of work orders being generated for minor leaks around the new smart meters.
 - e. Paul King with Texas Rural Water Association visited RAWs this week.

KAYLEE REED REPORT

9. Kaylee Reed, Office Co-Manager, provided an update to the Board of Directors as follows:
- a. Quick Books is now integrated with RVS in the financial system of RAWs.
 - b. Southern Networks will have a quote for RAWs this week.
 - c. Core and Main are working to integrate their software technology into the RAWs system, so that billing can be sent out in a timely manner.

- d. Information on how a member can read their own meters will be posted on the RAWs website.
- e. An update on the on-going law enforcement investigation will be sent out to all of the members of the Corporation.
- d. All bills will be sent out the week of November 16th.

2021 BUDGET

10. Kaylee Reed advised the Board of Directors that she is using the 2019 fiscal year income and expenses to put together a draft of a 2021 fiscal year budget. Ms. Reed recommended that the Board of Directors have a December budget workshop to finalize the budget for fiscal year 2021.

ELECTION COMMITTEE

11. Pam Smith has agreed to serve on the Election Committee and was appointed to that position by President Wishard. The annual meeting will be held in April at which time there will be an election to re-elect/replace two members of the board of Directors. The committee is working on the membership list as well as a meeting venue.

RATE AND TARIFF STUDY

12. Brenda Zimmerman and Kaylee Reed advised the Board of Directors that they are conducting the survey of water providers within a thirty (30) mile radius of RAWs and that they should be able to provide information to the Board of Directors to address rates and tariffs for RAWs within the next two weeks. Mr. Wishard advised the Board of Directors that no bank or financial institution that he has communicated with is willing to lower interest rates on the debt that RAWs has.

WATER LOSSES

13. Brenda Zimmerman and Kaylee Reed advised the Board of Directors that RAWs purchased 10.6 million gallons of water from the Nueces County Water Control and Improvement District No. 3 in October and sold and billed for just over 9 million gallons. The difference is water loss. They are working with RVS to get more accurate figures. They also indicated that the water loss does not take into account inventory such as storage.

DELINQUENT ACCOUNTS

14. Staff advised the Board of Directors that they continue to work with legal counsel to promulgate a policy on handling delinquent accounts. They will have a policy by the next meeting and send the policy out to the members of the Corporation so that it can go into effect by the first of the year.

AUTHORITY FOR OFFICE CO-MANAGERS TO SIGN CHECKS

15. After discussion, upon motion by John Fernan and second by Jeff Holley, the Board of Directors agreed to table this item.

RESTATEMENT OF 2019 FINANCIAL AUDIT

16. Mr. Patrick Kieschnick of Lovvorn & Kieschnick, auditors for RAWs, advised Janine Pruski, Brenda Zimmerman and Kaylee Reed that he left a copy of the restatement of the 2019 Financial

Audit with a partner for review. He will work on the tax return this week. Upon receipt, the restatement of the 2019 Financial Audit and the tax return will be forwarded to Susan Reed for review and comment.

PRIORITY PROJECTS FOR THE OFFICE ADMINISTRATION AND NEED FOR TEMPORARY STAFFING

17. Janine Pruski, Brenda Zimmerman and Kaylee Reed advised the Board of Directors that the priority projects for the office administration are as follows:

- a. Conversion to smart meters.
- b. Produce accurate and timely financial statements.
- c. Organize member files.
- d. Organize all other files.
- e. Survey area rates and tariffs.
- f. Preparation of the 2021 fiscal year Budget.
- g. Preparation of the Agenda for Board of Director meetings.
- h. Collection of delinquent accounts.
- i. Install billing software and undergo training for use of the software.
- j. Integrate Quick Books and RVS.
- k. Attain web site access and training on use of the web site.

After discussion the Board of Directors agreed to keep the temporary employee on staff until the end of December.

MEETING IN NOVEMBER

18. Upon motion by John Fernan and second by Janine Pruski the Board of Directors agreed that the next Regular Meeting of the Board of Directors will be held on November 24, 2020.


DIRECTOR COMMENTS

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

ADJOURN

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

RIVER ACERS WATER SUPPLY CORPORATION

By 
David Wishard, its President

ATTEST:


Janine Pruski, its Secretary