

RIVER ACRES WATER SUPPLY CORPORATION

MINUTES OF REGULAR MEETING NOVEMBER 15, 2022

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

On the 15th day of November 2022, 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
Director	Jeff Holley

Staff:	Office Manager	Kaylee Reed
	Legal Counsel	Charlie Zahn

Board of Directors Members
Absent: None

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 and Marcos Alaniz 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 Jeff Holley, the Minutes of October 18, 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. Marcos Alaniz and Mr. Hector Benavidez with The District provided the following updates to the Board of Directors:
- a. Approximately 77 personal water wells have been checked for potential cross connections in the system. There have been no cross-connection issues discovered.
 - b. There has been one leak since the last board meeting and that took place today (11/15/22) due to the fiber optic company hitting the water line at Carousel Lane and FM 624. Crews were able to get the leak fixed in a timely manner and approx. 50,000 gallons of water was lost.
 - c. The elevated storage tank will be cleaned on Thursday (11/17/22) to remove the approx. ½" of sediment at the bottom of the tank causing residual issues within the system.

UPDATE FROM RAWS ENGINEER, PAUL PILARCZYK

8. Mr. Paul Pilarczyk, the Corporation's engineer provided the following updates to the Board of Directors:
- a. Completed plans for repairs to the existing elevated storage tank will be ready by December 12th and will be sent out for bid at that time. Repairs for the tank will cost approx. \$130,000 which will increase the life expectancy by about 5 additional years.
 - b. The GIS model is continuously improving and getting updated as items in the field are identified. The field operators now can update dates in the system when valves get exercised or when private water wells get inspected.

UPDATE FROM RAWS ATTORNEY CHARLIE ZAHN

9. Charlie Zahn, the Corporation's legal counsel provided the following updates to the Board of Directors:
- a. Again, there has been no movement by the District Attorney's Office on the investigation of alleged nefarious activity by a former employee of River Acres Water Supply Corporation. Charlie is hopeful that once a new District Attorney is in place beginning January 1st of 2023, RAWS can get some information regarding the investigation.
 - b. There have been no additional public information requests made by Kathy Vinson. Charlie will reach out to Mr. Ozuna from the valley regarding the election request made by Mrs. Vinson in April of 2022.
 - c. In the case of River Acres Water Supply Corporation v. Victor Leo Villarreal, Cause No. 2022-SC-0014-JP 5-1 we have submitted an Affidavit of Fact from Kaylee Reed as well as an Affidavit from the undersigned which prove up the damages incurred by RAWS in this matter. We also submitted a proposed Default Judgment for the Court to consider. If he does not favorably consider the two affidavits, we will obtain a trial setting and try the matter.

REVIEW 2023 ELECTION TIMELINE

10. Ron Hellberg discussed the 2023 election timeline with the Board of Directors.

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 \$359,609.08
 - ii. Construction account \$0
 - iii. Bond Reserve I \$201,155.84
 - iv. Bond Reserve II \$43,895.85
 - v. UMB Green Money \$50.47
 - vi. UMB Sweep Money \$203,861.46
 - c. Kaylee discussed with the Board of Directors that there is approx. 3.3 months of cash on hand for RAWS.
 - d. The Original Petition for the CR73A property has been filed and served on the tenant for legal action and RAWS is currently waiting on a date from the judge to try the case.

- e. RAWS has received the draft 2021 financial audit and tax return. They are both awaiting review by the Board officers and will then be presented to the Board of Directors for approval.
- f. Kaylee Reed has informed the Board of Directors that the new electronic filing system is in effect in the RAWS office. To reduce waste, vendor files including accounts payable will be scanned and filed electronically, instead of in the filing room.
- g. Kaylee Reed has reached an official agreement with Gowland, Morales & Smith, PLLC as the new auditors beginning in 2023 for the 2022 financial year.
- h. Kaylee has officially escheated \$2,461.81 of uncollected account deposits to the state of Texas.
- i. Kaylee requested newsletter ideas from the Board of Directors for the December newsletter.
- j. Kaylee will have a 2023 budget ready for the Board of Directors at the December regular board meeting and RAWS has only used 81% of the 2022 budget with only about 10% of the year remaining.
- k. Kaylee discussed a bill credit holiday with the Board of Directors. This agenda item will be placed on the December regular meeting agenda for discussion and an action item.

DISCUSS OPEN BOARD OF DIRECTORS POSITION

12. The Board of Directors discussed the open board position. No action was taken as a result of that 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.

DISCUSS OCTOBER 2022 LTM REPORT

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

DISCUSS OCTOBER 2022 DIRECTOR'S REPORT

15. The Board of Directors reviewed the October 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 Ron Hellberg with a second by John Fernan to adjourn.

RIVER ACRES WATER SUPPLY CORPORATION

By 
David Wishard, its President

ATTEST:


Janine Pruski, its Secretary