

# **RIVER ACRES WATER SUPPLY CORPORATION**

## **MINUTES OF REGULAR MEETING**

**OCTOBER 27, 2020**

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

On the 27th day of October, 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	Debbie Bond
Director	Roy George
Director	Jeff Holley
Director	Ron Hellberg

Staff:	Office Manager	Brenda Zimmerman
	Office Manager	Kaylee Reed
	Attorney	Charles W. Zahn, Jr. <b>(Via Teleconference)</b>
	Engineer	Paul Pilarczyk

Members  
Absent: None

### **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, Mr. Marcus Alaniz, of the Nueces County Water Control and Improvement District No. 3, Mr. Hector Benavides, of the Nueces County Water Control and Improvement District No. 3, and Captain Robert D. Garza, Jr. with the Nueces County Sheriff's Department.

### **PUBLIC COMMENT**

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

## **MINUTES**

4. Upon motion by Debbie Bond and second by Janine Pruski the Minutes of the October 13, 2020 Regular Meeting of the Board of Directors were approved.

## **UPDATE ON INVESTIGATION OF ALLEGED FINANCIAL IMPROPRIETES**

5. Captain Robert D. Garza, Jr., with the Criminal Investigation Division of the Nueces County Sheriff's office, provided an update on the investigation of alleged financial improprieties at River Acres Water Supply Corporation. Captain Garza indicated that the investigation is an on-going investigation that was initiated with the service of a search warrant of the RAWS offices on April 23, 2020. He indicated that they obtained 15 boxes of materials that they are sorting through. They are working with the Nueces County District Attorney as they review the records. He indicated that there is no target of their investigation at this time. His division is conducting an objective unbiased review of the documents tying in bank records with invoices, checks, check registers and minutes of RAWS meetings to determine if transactions were authorized. He said if they were authorized then, in his opinion, they were legal. He stated that he is a RAWS resident and won't let someone steal from RAWS. Captain Garza indicated that they don't have all of the information they need to begin interviewing witnesses and that he has no time line on when the investigation will be concluded. Once the investigation is concluded he will take the information to the District Attorney who will determine if it is sufficient to take to a Grand Jury. He then reiterated that there is nothing that the Board of Directors can do until the investigation is completed. He also stated that hiring a litigator without a determination from a court that there is accountability to RAWS would be improper. He said Sheriff Hooper is aware of the investigation and gets periodic updates.

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

6. Marcus Alaniz 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. Alaniz stated that there were two after-hours calls over the past two weeks, one involving a major water leak and one involving a contractor failing to turn the water back on. He advised the Board of Directors of a problem with Nueces County pulling water from a water main that flooded several yards rather than flushing in the street. Mr. Alaniz indicated that 500 smart meters had been installed so far and that that project should be completed in the next 1 to 1 ½ weeks. He stated that the Quail Valley project was experiencing delays as a result of action taken by Nueces County. He also stated that he is dealing with the TCEQ on behalf of RAWS over a quarterly report issue.

## **AFTER HOURS CALLS**

7. Marcus Alaniz advised the Board of Directors that there had only been 4 after-hours incidents since the Provider took over the field operations for RAWS including the 2 the past two weeks.

## **ENGINEER'S REPORT**

8. Paul Pilarczyk, engineer for the Corporation, advised the Board of Directors as follows:
- a. The contractor is ready to begin the Quail Valley project, but there are delays as a result of Nueces County starting a paving project in the same area at the same time.
  - b. The contractor has installed 500 of the new smart meters and should complete the project in the next 2 weeks. Lids on the meter project have not been ordered.
  - c. There has not been any follow up on the two previous projects.
  - d. RAWS has released ½ of the retainage on the Broadacres project.

- e. The Professional Services Agreement with Hanson Professional Services, Inc. has been signed and delivered.

#### **BRENDA ZIMMERMAN UPDATE**

- 9. Brenda Zimmerman, Office Co-Manager, provided an update to the Board of Directors as follows:
  - a. There are less and less customer complaints now.
  - b. There are 6 customer accounts that are a mess. The staff has been able to fix all but one.
  - c. The contractor Persons has caused problems for the staff as a result of busting lines and turning off the water without notice to the customers.

#### **KAYLEE REED REPORT**

- 10. Kaylee Reed, Office Co-Manager, provided an update to the Board of Directors as follows:
  - a. The adjustment reports are not integrated into the financial system of RAWs.
  - b. There are less and less customer complaints now.
  - c. The smart meter project is going well. Staff is working on the software system for the new meters.
  - d. Quick Books and RVS integration is not complete.

Mr. Wishard voiced his concern about the security for RAWs financial system.

#### **RATE AND TARIFF STUDY**

- 11. 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 four weeks.

#### **DELINQUENT ACCOUNTS**

- 12. Staff advised the Board of Directors that accounts delinquent 1 to 60 days totaled \$62,567 to date. Staff will work with legal counsel to promulgate a policy on handling delinquent accounts. In that policy Staff will have the authority to make decisions on hardship cases on a case by case basis.

#### **FINANCIAL STATEMENT (P&L) FOR SEPTEMBER, 2020**

- 13. The Board of Directors discussed the September, 2020 Profit and Loss Statement. No action was taken by the Board of Directors.

#### **YEAR TO DATE FINANCIAL STATEMENTS THROUGH SEPTEMBER, 2020**

- 14. The Board of Directors discussed the Year to Date Financial Statement through September, 2020. No action was taken by the Board of Directors.

#### **YEAR TO DATE – MONTH BY MONTH SPREADSHEET THROUGH SEPTEMBER, 2020**

- 15. The Board of Directors discussed the Year to Date – Month by Month Spreadsheet through September, 2020. No action was taken by the Board of Directors.

### **DIRECTOR'S REPORT**

16. The Board of Directors discussed the September Director's Report. Concern was expressed over the difference in water sold versus water cost. Staff indicated that one incorrect meter was causing the majority of the problem and that they were working to resolve it.

### **BILLING ADJUSTMENTS**

17. Staff advised the Board of Directors that billing adjustments were \$2,343. The Board of Directors determined that that figure did not warrant any additional steps that need to be taken by the Board of Directors at this time.

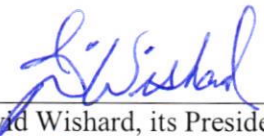
### **DIRECTOR COMMENTS**

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

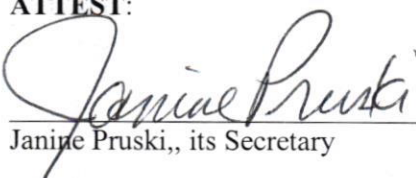
### **ADJOURN**

19. 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 and approved to adjourn.

### **RIVER ACERS WATER SUPPLY CORPORATION**

By  \_\_\_\_\_  
David Wishard, its President

**ATTEST:**

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Janine Pruski, its Secretary