

**RIVER ACRES WATER SUPPLY CORPORATION**

**MINUTES OF  
REGULAR MEETING**

**DECEMBER 8, 2020**

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

On the 8th day of December, 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
	Secretary	Janine Pruski
	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:	Vice-President	John Fernan
	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: Carlton Wilkes, Mr. Dennis Kyhos and Ms. Inette Hutching-Brown with Texas Water Development Board attended by teleconference.

**PUBLIC COMMENT**

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

**MINUTES**

4. Upon motion by Janine Pruski and second by Jeff Holley the Minutes of the November 24, 2020 Regular Meeting of the Board of Directors were approved as corrected.

### **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 a written update on the District managing the field operations for RAWS. Mr. Benavides stated that there was one after-hours call over the past two weeks, a leak in a 6" water line off of Lone Oak. He then stated that 700 feet of waterline between Monta Dr. and River Trail has been put back in service. 3,200 feet of new waterline has been prepared to resume service between CR 73 A – River Hills Baptist Church off FM 624. The second phase of the project is the Wagon Trail/Lariat (5,000 foot) loop with the third phase of Ridge Trail 1,900 feet/Saddle Trail 1,900 feet to follow. He then advised the Board that the next project is 2,300 feet of new 3" water line that will be updated after the Board of Directors authorizes the District to proceed. They are proposing that a 3" line be installed on CR 75 to alleviate the daily flushing of the existing line. The estimated cost to install the line is \$51,350.00.

#### **AFTER HOURS CALLS**

6. Hector Benavides advised the Board of Directors that there was one after-hours incident since the last meeting of the Board of Directors, a leak in a 6" water line off of Lone Oak.

#### **ENGINEER'S REPORT**

9. Paul Pilarczyk, engineer for the Corporation, advised the Board of Directors through a written report on the progress of the water line to connect CR 73 and FM 624.

#### **RETURN ON INVESTMENT ON CR 75 CAPITAL PROJECT**

7. Kaylee Reed provided an analysis of the return on investment (ROI) if the Board of Directors approves the capital project to install a new 3" for consumption along CR 75, thereby doing away with the daily flushing of the line and the subsequent loss of water purchased but not sold. Estimating the cost to construct the line at \$51,350 she estimated the installation of the service line and the termination of the flushing of the existing line would save RAWS \$198.00 a day. Based on that savings the line would pay for itself in 260 days which translates into a 27% ROI on an annual basis.

On a motion by Ron Hellberg and second by Janine Pruski the Board of Directors authorized its engineer to prepare plans and specifications and to bid the replacement of the water line on CR 75.

#### **BANK ACCOUNT BALANCES LESS COMMITTED FUNDS**

8. Janine Pruski advised the Board of Directors that the Operating Account for RAWS has \$507,267.00 in the account and that the Frost Account has \$250,000.00 in the account. She advised the Board that out of those funds \$330,000.00 are committed leaving a balance available of \$427,000.00.

#### **AMENDMENT OF CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)**

10. Charles W. Zahn, Jr., attorney for the Corporation, advised the Board of Directors that the staff of the Public Utility Commission of Texas (PUC) had approved the maps of the area being added, submitted a proposed order approving the amendment and a consent form approving the map being proposed. He stated that if there are no requests for a hearing on the proposed amendment to the CCN then, in that event, the amendment to the CCN should be approved by the members of the Commission in their regular meeting in February, 2021. Upon motion by Ron Hellberg and second by Jeff Holley the Board of Directors authorized Mr. Zahn to execute and file any and all documents on behalf of RAWS, necessary to comply with the requirements of the PUC.

## **TEXAS WATER DEVELOPMENT BOARD CFO TO GO PROGRAM**

11. Carleton Wilkes and Dennis Kyhos with the Texas Water Development Board ("TWDB") described the CFO to Go Program of the TWDB. They stated that the program, fully funded by TWDB, is to lower risks to water supply corporations that have loans with the TWDB. The program shares and improves best practices of the water supply corporations. Utilizing a local CPA firm, the program:

- a. helps measures of internal control;
- b. reduces loss, fraud, waste and abuse;
- c. works to demonstrate good governance by the Board of Directors; and
- d. helps to update bylaws and other organizational documents.

Once the Board of Directors approves participation in the program the CPA consultant:

- a. looks at the current condition of RAWS;
- b. works with RAWS to develop the deliverables described above; and
- c. has the Board of Directors approve the deliverables.

Finally, the representatives advised the Board of Directors that the process takes about 75 days and that, if approved, should be completed in April.

Upon motion by David Wishard and second by Jeff Holley, the Board of Directors approved participation in the Texas Water Development Board CFO to Go Program starting in February, 2021.

## **BRENDA ZIMMERMAN UPDATE**

12. Brenda Zimmerman, Office Co-Manager, provided an update to the Board of Directors as follows:

- a. Customers had some problems reading the new meters vs. the old meters. It was simply a transition problem that has been resolved.
- b. All of the new meters are working fine at this time.
- c. The fliers on the action that the Board of Directors will taking beginning January 1, 2021 seem to have worked as people are attempting to comply prior to that time.
- d. After the RVS system is installed next week billing will get better.

## **KAYLEE REED REPORT**

13. Kaylee Reed, Office Co-Manager, provided an update to the Board of Directors as follows:

- a. Now have Wi Fi with Spectrum.
- b. Still working on transitioning to cards for the new bills.
- c. RVS software will be installed next week.
- d. They are working on the server and the backup for the server.
- e. Ron Hellberg will take the lead on the CFO to Go program.

## **CHRISTMAS EVE AS A PAID HOLIDAY**

14. After discussion and upon motion by Ron Hellberg and second by Jeff Holley the Board of Directors approved Christmas Eve as a paid holiday for the employees of RAWS.

## **2021 BUDGET**

15. Kaylee Reed advised the Board of Directors on the status of the development of the 2021 Budget for RAWS and indicated that it will be presented to the Board of Directors for final approval on December 22, 2020.

## **ELECTION COMMITTEE**

16. Charles W. Zahn, Jr., attorney for the Corporation, advised the Board of Directors that he would have the Election Procedures for Member Meetings for the 2021 Annual Meeting of Members of the Corporation for approval at the January 5, 2021 Regular Meeting of the Board of Directors.

## **RATE AND TARIFF STUDY**

17. Brenda Zimmerman and Kaylee Reed advised the Board of Directors that they are continuing to conduct the survey of water providers within a thirty (30) mile radius of RAWS. They, along with Mr. Zahn, stated that they did not think the survey would provide a realistic tool for the Board of Directors to use in setting rates and tariffs. Instead, they suggested utilizing the rate and tariff schedule of the Nueces County Water Control and Improvement District No. 3 (the "District") since they provide the water to RAWS and are under contract to manage the operations of RAWS. The Board of Directors asked staff to present a comparison of rates and tariffs of RAWS and the District at its Regular Meeting next month.

## **WATER LOSSES**

18. Brenda Zimmerman and Kaylee Reed advised the Board of Directors that RAWS water use for fire and flushing accounts for the majority of the water loss which now stands at 27-28%. The new meters should help. The Board of Directors directed staff to provide loss information as follows:  
*Inventory + water purchased – sales = ending balance.*

No action was taken by the Board of Directors.

## **RESTATEMENT OF 2019 FINANCIAL AUDIT**

19. Janine Pruski and Susan Reed provided an update to the Board of Directors with a recommendation on the approval of the 2019 Financial Audit. Upon motion by Janine Pruski and second by Jeff Holley the Board of Directors:

- a. approved the adjustments to the 2019 Financial Audit;
- b. accepted the restatement of the 2019 Financial Audit; and,
- c. authorized the restated 2019 Financial Audit to be filed with the Texas Water Development Board.

## **PRIORITY PROJECTS FOR THE OFFICE ADMINISTRATION AND NEED FOR TEMPORARY STAFFING**

20. Janine Pruski, Brenda Zimmerman and Kaylee Reed advised the Board of Directors that the priority projects for the office administration are still as presented at the last meeting and that they believe that RAWS needs to retain the temporary staff at this time.

After discussion, upon motion by Ron Hellberg and second by Janine Pruski the Board of Directors agreed to keep the temporary employee on staff through January with a further review to take place at the January 19, 2021 Regular Meeting of the Board of Directors.

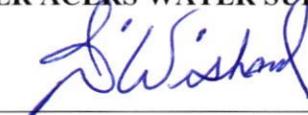
**DIRECTOR COMMENTS**

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

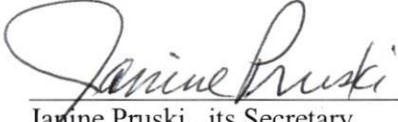
**ADJOURN**

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

**RIVER ACERS WATER SUPPLY CORPORATION**

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

**ATTEST:**

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Janine Pruski, its Secretary