

- 4.a. Minutes of July 2, 2020 Special Called Meeting of the Board of Directors.

Upon motion by Janine Pruski and Second by Ron Hellberg the following minutes were tabled by the Board of Directors:

- 4.b. Minutes of July 16, 2020 Special Called Meeting of the Board of Directors;

CHANGE ORDER NO. 4-R1 IN THE BROAD ACRES NEIGHBORHOOD

5. Paul Pilarczyk, engineer for the Corporation, advised the Board of Directors that by moving the line from the east side to the west side of FM 73 to meet the requirements of Nueces County for an easement, additional expense had been incurred for new residential service and the relocation of a fire hydrant. Upon motion by Debbie Bond and second by Ron Hellberg, Change Order No. 4-R1 in the amount of \$14,478.84 was approved to cover the additional costs.

AUTOMATED WATER METERS

6. Paul Pilarczyk advised the Board of Directors that Requests for Proposals for the purchase and installation of the Automated Water Meters would be published in the Nueces County Record Star on August 5th and 12th and that the requests would be received and opened on August 21, 2020.

AMENDMENT TO CERTIFICATE OF CONVENIENCE AND NECESSITY

17. Paul Pilarczyk and Charles Zahn provided an update on the request before the Public Utility Commission of Texas ("PUC") to amend the Corporation's Certificate of Convenience and Necessity by added two additional tracts of land to the Certificate. Mr. Zahn advised that the Corporation had met all of the requirements imposed by staff at the PUC as well as the notice requirements and that the Corporation is waiting on the staff recommendation before the request is considered and acted upon by the Commission.

ANNUAL PROFITABILITY TO AMORTIZE THE CAPITAL IMPROVEMENT LOAN

7. David Wishard provided an update to the Board of Directors on the excess income over expenses that the Corporation must generate in order to cover its debt service commitment for the capital improvement project. He stated that the Corporation must generate the sum of \$50,000.00 per month in excess of expenses to cover the principle and interest on the capital improvement loan.

FINANCIALS

8. Janine Pruski advised the Board of Directors that the January, March, April, May and June, 2020 profit and loss statements have been supplied by the outside bookkeeper. The forensic bookkeeper has provided January, February, March, April, May and June 2020 financials. Mrs. Pruski advised the Board of Directors that financial information from the two sources do not match and recommended that the financials be tabled until such time as the differences can be reconciled. Mr. Wishard then provided an update on the discrepancies in the financials in the accounting being provided to the Board of Directors. Upon motion by Debbie Bond and second by Ron Hellberg the financial statements for the months of January, March, April, May and June, 2020 were tabled for further consideration.

DISPERSING ASSETS FROM THE MAIN RAWS ACCOUNT

9. Janine Pruski advised the Board of Directors that the new accounts had been set up to and that she was waiting for the corporate resolutions authorizing the accounts, as well as the signatories on the accounts and the signature cards. Upon motion by Debbie Bond and second by Ron Hellberg this matter was tabled pending receipt of the required documentation from the bank.

REALLOCATION OF FUNDS FROM OPERATING ACCOUNT TO CAPITAL ACCOUNT

10. David Wishard advised the Board of Directors that the transfer of the funds from the Operating Account to the Capital Account had not been completed. Upon motion by Ron Hellberg and second by Debbie Bond, the Board of Directors authorized the transfer of the sum of \$5.00 per metered account from January to July, and continuing monthly thereafter, from the Operating Account to the Capital Account.

UPDATE ON FORENSIC BOOKKEEPER

11. Janine Pruski advised the Board of Directors that the forensic bookkeeper has completed her examination of the January through June, 2020 financials. Upon motion by Janine Pruski and second by Debbie Bond, the Board of Directors tabled the consideration of the continued engagement of a forensic bookkeeper.

AUTO FLUSHERS

12. John Fernan advised the Board of Directors that RAWS should wait to purchase and install new auto flushers until such time as the City of Corpus Christi requests the return of the auto flushers they loaned RAWS.

PAST DUE ACCOUNTS

13. David Wishard provided an update on past due accounts and the steps that are being taken to bring these accounts current. He also addressed closed accounts that are on the books of RAWS. Upon motion by John Fernan and second by Roy George the Board of Directors authorized David Wishard to address the delinquent account problem and bring a proposed resolution to the Board of Directors for their consideration.

FIXED RATE STRUCTURE

14. Upon motion by Ron Hellberg and second by Roy George the Board of Directors tabled the discussion of the current fixed rate structure excluding water charges.

ADMINISTRATIVE DUTIES AND OFFICE MANAGEMENT

15. Upon motion by Debbie Bond and second by Roy George the Board of Directors tabled the discussion of administrative duties and office management.

SEARCH/RECRUITMENT OF QUALIFIED OFFICE MANAGER/BOOKKEEPER

16. Janine Pruski provided an update on the recruitment of a qualified office manager. Debbie Bond advised the Board of Directors that the position is being advertised at this time.

FINANCIAL AUDIT FOR 2019 AND REVISED FINANCIAL AUDIT FOR 2018

18. After discussion, upon motion by Ron Hellberg and second by Jeff Holley, the Board of Director accepted the 2019 and the revised 2018 Annual Audit of the books and records of the Corporation. Director Roy George abstained.

AUTHORIZED/APPROVED EXPENDITURE AMOUNT

19. After discussion, upon motion by John Fernan and second by Jeff Holley, the Board of Directors authorized the expenditure of a sum not to exceed \$3,000.00 for day to day operations without prior Board approval.

DIRECTOR COMMENTS

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

ADJOURNMENT

21. 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:

Janine Pruski, its Secretary