

RIVER ACRES WATER SUPPLY CORPORATION

**MINUTES OF
REGULAR MEETING**

MARCH 19, 2024

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

On the 19th day of March 2024, 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	Jeff Holley
Director	Mike Olszewski
Director	Ron Hellberg
Director	Patrick Rueckert

Staff: Office Manager Kaylee Reed
 Legal Counsel Charlie Zahn (via teleconference)

Board of Directors Members

Absent: None

Number of Members Present: 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. Mr. Paul Pilarczyk with Hanson Engineering, Engineer for the Corporation, Mr. Hector Benavidez and Mr. Marcos Alaniz with Nueces County Control and Improvement District #3 "The District".

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 the February 20, 2024, Regular Meeting of the Board of Directors were unanimously approved by the Board of Directors.
 - b. Upon motion by Jeff Holley and a second by Janine Pruski, the Minutes of the February 29, 2024, Special 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. Upon motion by Ron Hellberg and a second by David Wishard, the Board of Directors unanimously approved to implement stage 2 of the Drought Contingency Plan effective Monday, March 25, 2024.

UPDATE FROM THE DISTRICT ON SYSTEM OPERATIONS

7. Marcos Alaniz with The District provided the following updates to the Board of Directors:
 - a. 12-month average daily water production by The District is 1.76 million gallons. The District is currently capable of 6.6 million gallons per day before upgrades and after upgrades, will be capable of 10.3-10.5 million gallons per day.
 - b. Current RAWS water consumption is 246,000 gallons per day based on the 12-month average. Which accounts for approximately 14% of The Districts daily capacity.
 - c. Current Robstown water consumption is 1.7 million gallons per day.
 - d. The proposed ammonia plant water consumption is predicted to be 5.5 million gallons per day which consists of 4.5 million gallons of treated water and 1 million gallons of raw water.
 - e. With the proposed ammonia plant going in a location located within The District's CCN, The District is OBLIGATED to provide them water service.
 - f. The District owns 11,546 acre feet of the water source
 - g. The proposed ammonia plant will NOT take away any operational resources from the RAWS system.
 - h. The proposed ammonia plant will NOT take away any water supply resources from the RAWS system.
 - i. The estimated completion, start and production date of the proposed ammonia plant is unknown.
 - j. The District intends to honor its existing water supply contract with RAWS.
 - k. The District will continue to supply water to the RAWS system indefinitely in the future provided there is a mutually agreed to and executed supply agreement in place.

UPDATE FROM RAWS ENGINEER, PAUL PILARCZYK

8. Mr. Paul Pilarczyk, the Corporation's engineer provided the following updates to the Board of Directors:
 - a. The Project Information Form (PIF) for the Texas Water Development Board (TWDB) was submitted on May 23, 2023, for consideration of funds for the Lead and Copper Rule Revision. Preliminary results placed RAWS in a position of 55 out of a total of 257 systems. Since the submittal of the PIF, the TWDB has reached out to RAWS and officially invited them to provide their intent to apply for the funding. Upon motion by Ron Hellberg and a second by Mike Olszewski, the Board of Directors unanimously approved to move forward with providing the TWDB with RAWS's intent to apply.
 - b. No updates on the Quality Assurance (QA) Coatings Inspections for the EST by Dunham Engineering.
 - c. The repairs and maintenance on the existing EST by Stoic Industrial Coatings, LLC is on track to be completed by March 29th. Final inspections will then take place by Dunham Engineering and construction should be finalized by early April.
 - d. No action taken on approving the ultrasonic testing inspection of the elevated water tower by Dunham Engineering.

REVIEW, DISCUSS AND TAKE ACTION ON 2024 MEMBERSHIP MEETING

9. The Board of Directors discussed the 2024 membership meeting and meeting packet.

OFFICE MANAGER UPDATE

10. 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 \$268,932.18
 - ii. Construction account \$14,300
 - iii. Bond Reserve I \$206,705.76
 - iv. Bond Reserve II \$44,655.19
 - c. Kaylee Reed discussed actions taken regarding an illegal hookup from a property on FM 624
 - d. Kaylee Reed provided an update on the 2023 financial audit.
 - e. Kaylee Reed discussed items that need to be cured by RAWs regarding our loan covenants with the TWDB.
 - i. Segregation of duties as found in RAWs financial audits.
 - ii. Internal auditors preparing financial statements as found in RAWs financial audits.
 - iii. Public funds collateral act
 - iv. Public funds investment act

DISCUSS FEBRUARY 2024 LTM REPORT

11. The Board of Directors reviewed the February 2024 LTM report.

DISCUSS FEBRUARY 2024 DIRECTOR'S REPORT

12. The Board of Directors reviewed the February 2024 Director's report.

DISCUSS FREQUENCY OF BOARD MEETINGS

13. The Board of Directors discussed board meetings frequency. No action was taken.

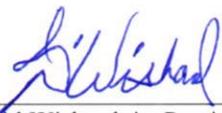
DIRECTOR COMMENTS

14. Mr. Wishard asked for comments from the Board of Directors.

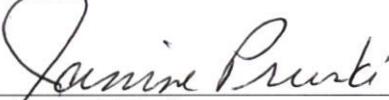
ADJOURN

15. As there was no further business to come before the Board of Directors, a motion was made by David Wishard with a second by Jeff Holley to adjourn.

RIVER ACRES WATER SUPPLY CORPORATION

By  _____
David Wishard, its President

ATTEST:


Janine Pruski, its Secretary