

RIVER ACRES WATER SUPPLY CORPORATION

**MINUTES OF
REGULAR MEETING
NOVEMBER 24, 2020**

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

On the 24th day of November, 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	Roy George
	Director	Jeff Holley (Via Teleconference)
	Director	Ron Hellberg
Staff:	Office Manager	Brenda Zimmerman
	Office Manager	Kaylee Reed
	Attorney	Charles W. Zahn, Jr. (Via Teleconference)
	Engineer	Paul Pilarczyk
Members		
Absent:	Director	Debbie Bond

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 and Mr. Marcos Alaniz, of the Nueces County Water Control and Improvement District No. 3.

PUBLIC COMMENT

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

MINUTES

4. Upon motion by Janine Pruski and second by Ron Hellberg the Minutes of the November 10, 2020 Regular Meeting of the Board of Directors were approved as corrected.

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

5. Marcos 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 no after-hours calls over the past two weeks. There was one major leak since the last meeting. Mr. Alaniz indicated that they were working with Roth Engineering on FM 73 valve problems and that they will ultimately loop the system in this area. He then addressed the water loss issue indicating that there is a timing issue on when water is purchased and when it is billed. He also addressed the water that is in the RAWS system such as in storage that is purchased but not sold at that time. He further indicated that there were now 5 new auto flushers in the system that again utilize water purchased but not sold. Mr. Alaniz addressed a problem on CR 75 where RAWS must periodically open the water line since it is a dead-end line to address the residuals in the line. He estimated the water loss to be 144,000 gallons of water each day.

AFTER-HOURS CALLS

6. Marcos Alaniz advised the Board of Directors that there had been no after-hours incidents since the last meeting of the Board of Directors.

ENGINEER'S REPORT

7. Paul Pilarczyk, engineer for the Corporation, advised the Board of Directors as follows:

- a. The Quail Valley project with a new line being installed on FM 73 is scheduled to be completed on December 14, 2020.
- b. Upon completion the contractor will then come back into Quail Valley and complete the punch list items.
- c. Mr. Pilarczyk estimated that RAWS carries over one-half million gallons of water in its system including 210,000 gallons in ground storage, 100,000 gallons in elevated storage and the balance in the distribution lines for RAWS.
- d. That he would check with the fire department on the assessment for the work done at the fire department.

BRENDA ZIMMERMAN UPDATE

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

- a. Customers continue to be happy now with the office transition.
- b. The first reading of the new smart meters took an hour to read and half an hour to upload into the system. Within a matter of minutes after that the office staff was ready to bill the members for the month.
- c. There have been 5 calls seeking information on how to read the new meters.
- d. They are transitioning to cards rather than paper billing that needs to be stuffed each month, thereby providing a more efficient way of billing the members on a monthly basis.
- e. She is working with Prosperity Bank on obtaining credit cards for she and Kaylee Reed.

KAYLEE REED REPORT

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

- a. Billings for the month have already been sent out to the members.

- b. They are transitioning to cards rather than paper billing that needs to be stuffed each month, thereby providing a more efficient way of billing the members on a monthly basis.
- c. The reading of the new smart meters has been very successful.
- d. The last mailout included information with bios for Brenda Zimmerman and Kaylee Reed, the delinquent account policy that will go into effect on January 1 and the update on the investigation by Captain Robert D. Garza, Jr., with the Criminal Investigation Division of the Nueces County Sheriff's office.

INVESTIGATION AND ACTION ON WATER LOSS

10. The Board of Directors postponed discussion on the investigation and an action plan on water losses identified in the Director's Report.

RATE AND TARIFF STUDY

11. 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 and that they should be able to provide information to the Board of Directors to address rates and tariffs for RAWs within the next several weeks. The Board of Directors postponed discussion and action on rates and tariffs until the next meeting.

DELINQUENT ACCOUNTS

12. Staff advised the Board of Directors that they have determined that RAWs has a policy for delinquent accounts and that they have advised the membership of this policy and their intent to begin enforcing the policy beginning January 1, 2021.

AUTHORITY FOR OFFICE CO-MANAGERS TO SIGN CHECKS

13. After discussion, upon motion by Ron Hellberg and second by John Fernan, the Board of Directors authorized the Co-office Managers, Brenda Zimmerman and Kaylee Reed, to sign checks on the Corporation's accounts up to \$2,000.00. The authorization for the Co-office managers to sign checks of the Corporation was subject to receipt of a letter from the insurance carrier for the Corporation verifying that the fidelity bond for the Corporation covers the Co-office Managers.

RESTATEMENT OF 2019 FINANCIAL AUDIT

14. Mrs. Susan Reed discussed the restatement of the 2019 financial audit of the Corporation's books and records. Mrs. Reed indicated that there were three areas of adjustments. The first was that certain cost were not capitalized. The second was that the Corporation double paid the Texas Water Development Board on the promissory note the Corporation has with the Board. She indicated that the overpayment was eventually wire transferred back to the Corporation but was placed in the wrong account. Mrs. Reed indicated that the records submitted to the auditor were incorrect but that the Corporation is now in compliance with taxing agencies. She recommended that the Board of Directors review the restated 2019 audit and at its next Regular Meeting sign off on the audit adjustments, approve the 2019 restated audit and submit it to the Texas Water Development Board.

CFO TO GO FROM TEXAS WATER DEVELOPMENT BOARD

15. David Wishard advised the Board of Directors that the Texas Water Development Board has a program, CFO TO GO, where one of their CPA's comes into RAWS to help the office staff with ideas to improve the accounting practices for the Corporation. Mr. Wishard indicated that they would start at the end of January or early February.

DIRECTORS' REPORT FOR OCTOBER, 2020

16. Kaylee Reed reviewed the Directors' Report for October, 2020 with the Board of Directors. No action was taken by the Board of Directors.

BILLING ADJUSTMENTS FOR OCTOBER 2020

17. Kaylee Reed indicated to the Board of Directors that the staff had worked on billing adjustments in October totaling \$2,800.00. There were a total of 66 adjustments with an average amount of \$42.00. Most involved \$25.00 late fees. The Board of Directors indicated that billing adjustments were low priority and that in the future staff should provide an executive summary for the Board of Directors to consider.

FINANCIAL STATEMENTS FOR OCTOBER, 2020

18. Kaylee Reed reviewed the October Profit and Loss statements with the Board of Directors indicating that system maintenance with Nueces County Water Control and Improvement District No. 3 was a little higher in October. The Board of Directors indicated that this report does not need to be on the Agenda next month.

YEAR-TO-DATE FINANCIAL STATEMENTS THROUGH OCTOBER, 2020

19. Kaylee Reed reviewed the year-to-date financial statements through October, 2020 with the Board of Directors. The Board of Directors indicated that this report does not need to be on the Agenda next month.

YEAR-TO-DATE-MONTH-TO-MONTH SPREADSHEET THROUGH OCTOBER, 2020

20. Kaylee Reed reviewed the year-to-date-month-to-month spreadsheets through October, 2020 with the Board of Directors. The Board of Directors indicated that this report does need to be on the Agenda each month.

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 John Fernan and seconded by Roy George and approved to adjourn.

RIVER ACERS WATER SUPPLY CORPORATION

By  12-8-2020
David Wishard, its President

ATTEST:


Janine Pruski,, its Secretary