

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR MEETING WEDNESDAY FEBRUARY 16, 2022 12:30 PM**

1. A meeting of the Board of Directors for East Cedar Creek FWSD was held at the Administration building in Gun Barrel City, Tx on February 16, 2022. The meeting convened at 12:30pm, President Jim Willi presiding.
2. Pledge of Allegiance.
3. Members present in person were President Jim Willi, Vice-President Bill Goheen, Treasurer Ted Bayless, Secretary Joe Lomonaco, Director Larry Bratton and Director Rob Rea. Other members by telephone/video conference were Director Jan Wynn. Other attendees in person were General Manager James Blodgett, and Office Manager Angie Crowsey. Other attendees by telephone/video conference were Russel Slayton/The Monitor, Steve Farabaugh/KSA Engineers, Shriram Manivannan/KSA Engineers, and Elaine.
4. A quorum was established.
5. Motion was made by Mr. Lomonaco and seconded to adopt the Agenda. Motion carried unanimously.
6. **Discuss and/or take action to approve the minutes from the workshop/regular meeting on January 19, 2022.** Motion was made by Mr. Lomonaco and seconded to approve the minutes from the workshop/regular meeting on January 19, 2022. Motion carried unanimously.
7. **Public Comments.** There were no public comments.
8. **Consent Agenda:** The Board requested that under KSA Engineer item #8a(i) and items under the General Managers' report #8b(i), 8b(ii), 8b(iii), and 8b(iv) be removed for discussion.
 - a. KSA Engineer's Report
 - i. Task Order #24 General Services
 - ii. 2017-2018 Bond Projects. 1) Task Order #31 300K Gal Storage Tank **COMPLETED**). 2) Task Order #32 SWWTP Improvements (**COMPLETED**). 3) Task Order #33 BWTP Raw Water Pump Station Improvement (**COMPLETED**). 4) Task Order #34 Lift Station #19 (**COMPLETED**). 5) Task Order #35 Meter Replacement (AMR).
 - iii. Task Order #39 Brookshire GST project.
 - iv. Task Order #40 NWWTP Permit Renewal.
 - b. General Manager's Monthly Report.
 - i. Key Monthly Activities.
 - ii. Staff Changes.
 - iii. Work Orders.
 - iv. Project Status.
 - v. Operations Report.

Without objections the Board discussed the following consent agenda items.

8. a.(i) Task Order #24 General Services. The Board discussed "The Lodge" project and it was noted that the project is underway and they have started the buildings.

8. b.(i) Key Monthly Activities. The Board discussed the issues with truck #40. Mr. Blodgett advised that the staff had changed out all three batteries on this truck which did not solve the problem. The truck had to be towed to Dallas to the location where the truck was purchased. The Service Center there said that everything worked for them but they did go ahead and change the fuel filters and replaced an air bag under the seat. The Board discussed an issue with a plumbing line on the belt press and Mr. Blodgett advised that a small motor had to be changed out and it is now running properly. The Board discussed an issue with rotor #5 at the NWWTP and Mr. Blodgett advised that the staff has been trying to be proactive by changing out a shaft last month, changing gear boxes every six months, and oiling the entire system two times a month.

8. b.(ii) Staff Changes. The Board discussed the "Employment – Job Openings" page on the website and how it did not state the difference between wages for trainees and experienced applicants. Ms. Crowsey explained that the District did list depending on experience but that she was waiting until after April 1st so she could list the approved new pay wages including starting rate. Mr. Blodgett advised that he had called four candidates for interviews and only one

responded and was hired but did not show up or call when he was scheduled to start. Mr. Blodgett did confirm that he does disclose to candidates that the pay rate will increase after April 1st with the new budget. Mr. Blodgett noted that the District received about fifteen applications in the last few weeks and management is in the process of contacting candidates for interviews. The Board asked where the biggest impact of employee shortage was and Mr. Blodgett advised that it was the wastewater department. Mr. Blodgett explained that he thinks with the lack of employees and inexperience with current employees is one of the biggest reason some mistakes are being made including the recent chemical spill. Mr. Blodgett noted that the plant is running properly. The Board discussed hiring individuals who can only work parttime. Mr. Blodgett advised that management had discussed this possibility because recently an ex-employee approached them about doing parttime, but management is worried that when the District starts filling positions that this position may be holding up a spot for a full time employee when needed.

8. b.(iii) Work Orders. The Board reviewed the work order report. The Board discussed the grinder maintenance work orders. Mr. Blodgett advised that the admin staff runs a report that shows addresses that have had multiple visits for the grinder maintenance type of work orders to show the supervisors reoccurring issues at the same residence. Mr. Blodgett also advised that he had reviewed this work order type and found a majority of them were nuisance calls due to falling floats so the District has changed the type of ties used to hang floats to a better quality which seems to have decreased the amount of calls for this reason. The Board reviewed inspection work orders and Mr. Blodgett advised that the main CSI inspector for the District has had to help cover reading meters due to being shorthanded due to illness. Mr. Blodgett noted that our customer service representative has contacted the customers and builders for almost every one of these open inspections and a lot of them are not ready for inspections.

8. b.(iv) Project Status. The Board discussed the chemical spill that happened at the North Wastewater Treatment Plant. Mr. Blodgett advised that the District did contact Texas Commission on Environmental Quality (TCEQ) and the National Response team of the spill and that a representative from TCEQ was on location the same day as reported. Mr. Blodgett did get an email from TCEQ about the spill that stated that the report and photos he sent looked good and that they will close out this incident. TCEQ also stated that they appreciated Mr. Blodgett's quick response to this release. The Board discussed what could be done for catching spills and leaks and it was recommended that Mr. Blodgett look at some leak detection options for catching these as they are happening. There was recommendation to look the Fort Worth water district to see what their devices were that they are using to see if it could be used in these cases. The Board advised that they were happy with the District's quick response. The Board discussed the cold weather report from the General manager and commended Mr. Blodgett for the District preparing so well for the recent storm.

Motion was made by Mr. Bratton and seconded to approve the consent agenda. Motion carried unanimously.

9. **Discuss and/or take action to approve for KSA Engineering to go out for rebids on Task Order #35 Meter Replacement (AMR).** Motion was made by Ms. Wynn and seconded to approve for KSA Engineering to go out for rebids on Task Order #35 Meter Replacement (AMR). The Board discussed the Automatic Meter Reading (AMR) versus the Automatic Metering Infrastructure (AMI) and it was noted that the difference is that an AMR is a drive by metering system and an AMI is located on towers and done remotely. Mr. Blodgett advised that when the District gets a AMR system that the meters will be compatible with a AMI system for future upgrade. Ms. Crowsey advised that they were told a few years ago that for AMI towers (on existing water towers) the costs was estimated at around \$20,000.00 per tower and the District would need approximately four of them. Mr. Farabaugh with KSA Engineers advised that he worked with the District's legal counsel to submit a letter to Ferguson advising

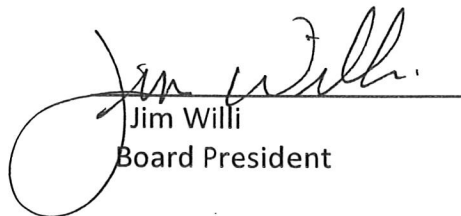
that the Board voted to cancel the award of contract to Ferguson for this project unless they agreed to move forward without exceptions immediately. Mr. Farabaugh advised that Ferguson did respond back acknowledging the cancellation of the contract award. Mr. Farabaugh advised that there was no contract signed since Ferguson refused to sign without exceptions and advised that the District has made a good faith effort to give Ferguson a final chance so the District can move forward with going out for rebids. The Board and Mr. Farabaugh discussed the last bids for the AMR project and how they had only one bidder. Mr. Farabaugh stated that he had several companies stating they would and for some reason they did not but that he will be reaching out to them as well as putting it on the public bid cast with no exceptions allowed. Mr. Farabaugh stated that he expects an April award for the AMR bid and to estimated that they would start installation in July. The Board expressed their recommendation that this project get started and move forward rapidly and Mr. Farabaugh noted that they were aware and would be working to get this going immediately and completed as quickly as possible. Motion carried unanimously.

10. **Discuss and/or take action to approve a Task Order for KSA Engineering to get estimated costs for projects to be done under the new bond.** The Board reviewed the handout from KSA for the proposal for professional planning and Engineering Services for the bond application support. There were five projects listed on KSA's planning letter that included the Brookshires GST, Generators installed throughout the District, the South Wastewater Treatment Plant Rehab, the Southside AMR's, and the North Wastewater Treatment Plant's catwalk. Motion was made by Mr. Rea and seconded to approve a Task Order for KSA Engineering to get estimated costs for projects to be done under the new bond. Motion carried unanimously.
11. **Discuss future bond projects and approve for Management and the District's financial advisors, Hilltop Securities, to go forward with any actions needed to start on a future bond.** Motion was made by Ms. Wynn and seconded to approve for Management and the District's financial advisors, Hilltop Securities, to go forward with any actions needed to start on a future bond. Ms. Crowsey read an email from the District's financial advisor Andre Ayala with Hilltop Securities, Inc that stated that the his company needed direction from the Board for what projects they would like to finance with the Series 2022 Bonds so that Mr. Ayala can start working with the District's Engineers on the TCEQ Application. A handout was presented to the Board that was emailed from Mr. Ayala and his email also stated that the pro forma analysis tells us that the District could finance up to approximately \$5,000,000 worth of projects without an impact on existing utility rates. The Board and Mr. Blodgett discussed the possibility of adding additional projects since the District could borrow up to 5 million now and not affect customer utility rates and noted that interest rates will be going up in the future. The Board asked Mr. Blodgett to look at other priority projects such and replacing piping on the southside as well as recommending a hydraulic analysis on the southside to determine if another water tower would be needed on that side. Mr. Blodgett advised that lift station #57 and lift station #59 would need to have a project done for them in the future also. Mr. Farabaugh estimated that it would costs around \$30,000 to \$40,000 for a hydraulic analysis study. The Board discussed the possibility of using improvement funds because some of these projects could be due to growth. Motion carried unanimously.
12. **Discuss and/or take action to approve repairs for the lift station #36 not to exceed the amount of \$7,499.24 to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvements. (In 2020 there was \$7,499.24 pending for Lift Station #36 Improvement Project for FY 2016/2017 and the Board recommended removal off several pending projects including this one).** Motion was made by Mr. Lomonaco and seconded to approve repairs for the lift station #36 not to exceed

the amount of \$7,499.24 to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvements. Mr. Blodgett advised that this was a project that was approved and started in the 2016/2017 budget year and some parts were already purchased for the project but there was a remaining budget balance of \$7,499.24 left to finish the project. This balance was removed from the capital expenditure list back in April of 2020 because the District did not have time to get to this project. Mr. Blodgett explained that there has been a busted pipe at this lift station and the District needs to get it repaired quickly. Mr. Blodgett explained that the District had gotten some quotes back when it was first approved and they were approximately \$8,000 for a contractor to finish the project so that is why it was going to be done in house. Recently Mr. Blodgett got a bid from Aqua Services to complete this project for \$2,500. The Board discussed the project and it was noted that some additional materials will need to be purchased and there may be some other contingency costs so they recommended to increase the amount for this line item from \$7,499.24 to \$10,000.00. Motion was amended by Mr. Lomonaco and seconded to approve repairs for the lift station #36 not to exceed the amount of \$10,000.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvements. Motion carried unanimously.

13. **Discuss and/or take action to approve to purchase an upgrade for the current meter reading software not to exceed \$5,500.00 for an unexpected expenditure for the 2021/2022 Capital Improvements.** Motion was made by Mr. Lomonaco and seconded to approve to purchase an upgrade for the current meter reading software not to exceed \$5,500.00 for an unexpected expenditure for the 2021/2022 Capital Improvements. Ms. Crowsey explained that the District had not budgeted and did not intend to update the current meter reading software and handhelds due to going to a new meter reading system with the AMRs but knew that there would be an end of support for both the handheld and software on December 31, 2021. Ms. Crowsey explained that they have not had any major issues with these items until recently where one handheld keeps losing charge and a new battery has been ordered but since the handheld is obsolete, they are having to purchase a replica battery that is two months' behind on shipping. Ms. Crowsey also noted there was a recent glitch that the Billing Supervisor believes may be from the meter reading software where the handheld lost an entire route. Ms. Crowsey stated that the District is keeping a close eye on the reading routes as well as having the meter readers bring in their handhelds at lunch to charge and download routes as they go so that they don't lose any data. The Board and Ms. Crowsey discussed the costs and Ms. Crowsey noted that if they do not have any further problems after replacing the battery that they will not purchase the new software until after a new AMR contract is signed to see if they will be getting a new reading device compatible with the new software. The Board asked about the meter reading and Mr. Blodgett advised the District's meter readers are having a hard time keeping up with reading and that they are looking at hiring another meter reader to help read until the AMRs are put in. Mr. Blodgett advised that they have spoken with a temporary agency about the possibility of hiring temporary help, they are currently offering overtime to the meter readers and field staff who want to read meters on the weekends, and they have considered contracting some of the meter reading out. Motion carried unanimously.
14. **Discuss and/or take action to approve the revision to the District's Red Flag Rules.** Motion was made by Mr. Bratton and seconded to approve the revision to the District's Red Flag Rules. Ms. Crowsey explained that the changes were to update the Board of Directors on the document and to add in the required annual cyber security training for the District. Motion carried unanimously.
15. **Committee Reports.**
 - a. **Personnel Committee.** There was no meeting and no report.

- b. **Operations Committee.** Mr. Lomonaco advised that they did not have a meeting but that he did email over some questions to Mr. Blodgett on some line items already discussed earlier in the meeting.
 - c. **Finance Committee.** Mr. Bayless advised that they did not have a meeting but that he had spoken with Mr. Blodgett and Ms. Crowsey about the AMR project and how he felt that it did have a snowball effect and that he was recommending that they do not let issues such as the AMR project delay to have a snowball effect on the District and make sure that management takes steps to keep the District in compliance with day to day business.
16. **Review and discuss the January 2022 financial reports.** The Board reviewed and discussed the January 2022 financial reports. Mr. Bayless noted that the revenues and debt ratio look good but did note that the Board needs to keep in mind that when the expenses for the installations get completed that this will make the debt ratio go down which may be below the 1.25.
17. **Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Bayless and seconded to approve the payment of bills. Motion carried unanimously.
18. **Convene into Executive Session to deliberate personnel matters as per section 551.074 of the Open Meetings Act.**
- a. Deliberate the request for an exception of Administrative Leave for an employee who will be out due to medical reasons.
 - b. Deliberate the annual evaluation for the General Manager.
- The Board went into executive session at 1:59 p.m. The Board reconvened out of executive session at 2:40pm.
19. **Discuss and/or take action on items discussed in executive session.** Motion was made by Mr. Rea and seconded to approve a one-time exception of Administrative Leave to be extended until February 28th, 2022 for an employee who will be out due to medical reasons. Motion carried unanimously.
20. Motion was made by Mr. Bratton and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 2:41p.m.


Jim Willi
Board President

03/16/2022
Date