

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
MINUTES FOR WEDNESDAY APRIL 20, 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 April 20, 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. Absent was Director Jan Wynn. Other attendees in person were General Manager James Blodgett, Office Manager Angie Crowsey, Danny Hays/KSA Engineers, and Andre Ayala/Hilltop Securities. Other attendees by telephone/video conference were Russel Slayton/The Monitor.
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 regular meeting on March 16, 2022.** Motion was made by Mr. Bayless and seconded to approve the minutes from the regular meeting on March 16, 2022.
7. **Public Comments.** There were no public comments.
8. **Consent Agenda:** The Board requested that items under the General Managers' report #8b(ii), and 8b(v) 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 #739 Planning/Engineering service for bond application Support.
  - 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. b (ii) Staff Changes.** The Board discussed the current staff status noting that there were no separations in the month of March. It was noted that Mr. Blodgett was able to hold more interviews last month and has hired a few new employees as well as brought back some prior employees. The Board discussed the current COVID-19 policies and noted that the District is still practicing social distancing when they are able to and still monitoring sick employees.

**8. b (v) Operations Report.** The Board reviewed the ongoing issues with the water loss on the southside of the District. The current loss is at 52%. The Board, Mr. Blodgett, and Mr. Hays discussed several options to try to locate or figure out what is causing the loss. There were several recommendations from Mr. Hays and the Board and Mr. Blodgett will be following up on those including hiring a diver to inspect the under-water lines as well as performing some other line checks.

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

9. **Discuss and/or take action to approve to purchase Chemical pumps and repair kits for the water treatment plants not to exceed the budgeted amount of \$15,000.00 to be paid out of Operating Reserves for a budgeted expenditure for the 2022/2023 Capital Improvement.** Motion was made by Mr. Lomonaco and seconded to approve to purchase

Chemical pumps and repair kits for the water treatment plants not to exceed the budgeted amount of \$15,000.00 to be paid out of Operating Reserves for a budgeted expenditure for the 2022/2023 Capital Improvement. Motion carried unanimously.

10. **Discuss and/or take action to approve to purchase chemical pumps, a chlorine regulator, and scales for the wastewater treatment plants not to exceed the budgeted amount of \$14,250.00 to be paid out of Operating Reserves for a budgeted expenditure for the 2022/2023 Capital Improvement.** Motion was made by Mr. Lomonaco and seconded to approve to purchase chemical pumps, a chlorine regulator, and scales for the wastewater treatment plants not to exceed the budgeted amount of \$14,250.00 to be paid out of Operating Reserves for a budgeted expenditure for the 2022/2023 Capital Improvement. Motion carried unanimously.
11. **Discuss and/or take action to approve a new website/domain not to exceed the budgeted amount of \$3,800.00 to be paid out of Operating Reserves for a budgeted expenditure for the 2022/2023 Capital Improvement.** Motion was made by Mr. Bratton and seconded to approve a new website/domain not to exceed the budgeted amount of \$3,800.00 to be paid out of Operating Reserves for a budgeted expenditure for the 2022/2023 Capital Improvement. Ms. Crowsey explained that these costs were obtained last November, and she had reached out to several companies and wanted to use a local company located in Tyler who came highly recommended. It was noted that they have had their current website vendor for many years and have had some issues including website not working, not being able to post or update the website in emergencies for customers notifications, and they have made the District completely rebuild from scratch a new website without notice several times. Ms. Crowsey also noted that the new vendor would negotiate to purchase their domain from the current vendor for the District so that there would not be much of an interruption for customers and the District and she noted that this process would not be quick that it would likely take some time to move the website to the new provider. Motion carried unanimously.
12. **Consider and approve a Preliminary Plan of Finance and direct District staff and consultants (including the District engineer, bond counsel and financial advisor) to prepare a bond application to the TCEQ for the issuance of Utility System Revenue Bonds.** Mr. Ayala presented the Board several handouts that showed the current market and an analysis of what financing bonds would cost the District. Mr. Ayala explained to the Board that today the board would be approving for his office to work with the Engineers and Management to complete a application to be submitted to the Texas Commission On Environmental Quality (TCEQ) for the proposed projects totaling an estimated \$9,310,500.00. Mr. Ayala did advise that the Board could reduce this bond amount and projects if interest rates change drastically even after TCEQ approves the application and projects, stating it is better to have it approved up front then try to add later. The Board and Mr. Ayala discussed the current market and requirements that the District has of going out for competitive bids. Mr. Ayala gave a time frame to the Board which included a estimated closing date of November or December of this year. The Board approved a Preliminary Plan of Finance and direct District staff and consultants (including the District engineer, bond counsel and financial advisor) to prepare a bond application to the TCEQ for the issuance of Utility System Revenue Bonds.
13. **Discuss and/or take action to approve to open another Improvement account with Prosperity bank that will allow deposits and when the current improvement fund matures in June 2023 to transfer those funds into this account.** Motion was made by Mr. Rea and seconded to approve to open another Improvement account with Prosperity bank that will allow deposits and when the current improvement fund matures in June 2023 to transfer those funds into this account. Ms. Crowsey explained that the bank had a change in staff and the representative that normally takes the deposits for the Improvement Fund CD advised that

the account is not allowed to have deposits put into it even though the District has done this since 2013. Ms. Crowsey advised that the recommendation is to open another type of account like a money market that can accept deposits and when this current Improvement fund CD matures in June of 2023 to close and move the funds into this new account. The Board discussed going out for bids for interest rates with all the local banks. Motion by Mr. Rea was amended and seconded to approve to have the administrative staff get interest rates quotes and have the investment officers approve to open another Improvement account with the bank with best quote that will allow deposits and when the current improvement fund matures in June 2023 to transfer those funds into this account. Motion carried unanimously.

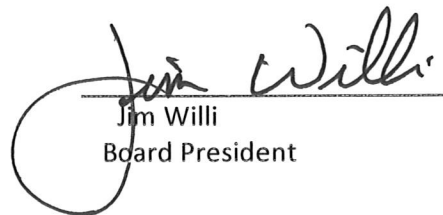
**14. Committee Reports.**

- a. **Personnel Committee.** There was no report.
- b. **Operations Committee.** There was no report.
- c. **Finance Committee.** Mr. Bayless advised that the finance committee did meet to discuss the future bond application discussed earlier in the meeting and to discuss the improvement fund account issue.

**15. Review and discuss the March 2022 financial reports.** Mr. Bayless pointed out that the current monthly debt ratio was low due to expenses catching up from the new installation costs. The Board discussed the AMR projects and impact. Mr. Hays advised that they are currently working on getting the bid process together and that they have spoken to a few vendors and made inquiries to why they did not bid on the last one. The Board and Mr. Blodgett discussed the new installations, and it was noted that they are still coming continuously. Mr. Blodgett advised that last year at this time the new installations were at 102 for water and 102 for wastewater and this year they were 215 for water and 197 for wastewater.

**16. Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Lomoncao and seconded to approve the payment of bills. Motion carried unanimously.

**17. Motion was made by Mr. Bratton and seconded to adjourn.** Motion carried unanimously. The Board adjourned out of the meeting at 2:10pm.

  
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Jim Willi  
Board President

05/18/2022  
Date