

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR WORKSHOP/REGULAR MEETING WEDNESDAY JULY 20, 2022 11:00AM**

1. A workshop/meeting of the Board of Directors for East Cedar Creek FWSD was held at the Administration building in Gun Barrel City, Tx on July 20, 2022. The meeting convened at 11:00am, 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 (arrived at 11:10am), 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, Bookkeeper Donna Wood, and Mike Ward/Mike Ward Accounting & Financial Consulting, PLLC. Other attendees by telephone/video conference was Russell Slayton/The Monitor. Arriving later in the meeting other attendees by telephone/video conference were Shiram Manivannan/KSA Engineers, Danny Hayes/KSA Engineers. and Brandon Hill/Kelly-Hart who joined at the start of the regular meeting.
4. A quorum was established.
5. Motion was made by Mr. Bratton and seconded to adopt the Agenda. Motion carried unanimously.
6. **WORKSHOP:**
 - a. **Discuss and review audit for FY 2021-2022.** Mr. Ward and the Board reviewed the final copy of the audit report. Mr. Ward advised that this year there was only standard adjustments but did note that he and the District administrative staff were looking at future adjustments for the water and wastewater installation revenues and expenses due to the fact that when the revenue is received it is not expensed until months later. It was noted that the administrative staff was not sure if it would be a significant amount because it would be expensed in the next few months and that District is almost caught up installations and have recently made the installation contractors aware that things are slowing down. The District's staff may be able to start keeping up with installs soon. Mr. Ward advised that the District received a clean, unmodified audit opinion. It was noted that the District has completely switched over from the Microsoft GP accounting to the QuickBooks accounting software. Mr. Ward noted that there are some adjustments that are more typical that the auditor makes that the administrative office can make including the recording of depreciations which is the only suggestion that Mr. Ward had for this year. Mr. Ward noted that this year the District's fund balance had a 4% increase versus last fiscal year with a gain of \$642,179 in the bottom line net position. Mr. Ward pointed out the reports for unrestricted and restricted funds and noted that of the \$16,697,308 balance that \$3,138,516 was restricted. Mr. Ward and the Board discussed the Districts accounting policies where the District's administration was commended on their strict policies for cash control, cash handling, and accountability. The Board also reviewed the long-term obligations reporting and discussed the new bond that would be taken out in the next fiscal year. Mr. Ward concluded by again advising that he was presenting a clean audit with no issues.

The Board took a short break at 11:59am. The Board reconvened into the Regular meeting at 12:10pm.

7. **Discuss and/or take action to approve the minutes from the regular meeting on June 15, 2022.** Motion was made by Mr. Goheen and seconded to approve the minutes from the regular meeting on June 15, 2022. Motion carried unanimously.
8. **Discuss and/or take action to approve the 2021-2022 annual audit by Mike Ward Accounting & Financial Consulting, PLLC.** Mr. Ward presented the annual audit to the Board of Directors. Mr. Ward advised the Board that his company was giving a clean unmodified opinion for the audit. Mr. Ward advised that the Board should focus on a few pages that showed a 4% increase in net position for the District. The other reports in the audit that Mr. Ward pointed out was a report that was like a financial statement that gives the Board a comparison to the previous year to be able to look at them to see what has changed. The Board and Mr. Ward reviewed the installation costs were revenues come in and are not expensed for a few months. Mr. Ward advised that if he found that there was a material amount from the installation revenues versus expenses that he would come back to the Board to consider revising the audit with these adjustments but suspected it would not be. Motion was made by Mr. Rea and seconded to approve the 2021-2022 annual audit by Mike Ward Accounting & Financial Consulting, PLLC. Motion carried unanimously.
9. **Public Comments.** There were no public comments.
10. **Consent Agenda:** The Board requested that the item under the General Managers' report #10b(i) 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.

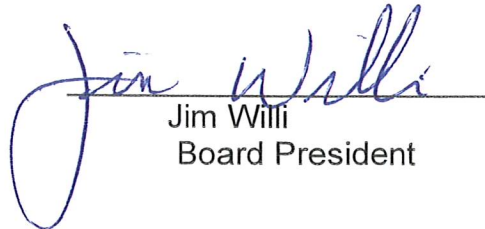
Without objections the Board discussed the following consent agenda items.

10. b(i) Key Monthly Activities. The Board reviewed the monthly activities report and noted that the staff did a great job keeping up with the large number of work orders completed this month. Motion was made by Mr. Rea and seconded to approve the consent agenda. Motion carried unanimously.

11. **Discuss and take action to approve Resolution 2022-003 ratifying prior action by the Board, authorizing the filing of an application with the Texas Commission on Environmental Quality for approval of certain projects and the issuance of bonds, New Series 2022.** The Board discussed the resolution and Ms. Crowsey advised that the action that the Board took last month to approve the application normally has a resolution with it so today this resolution is just to ratify the prior month's Board approval and to have it for record. Motion was made by Mr. Rea and seconded to approve Resolution 2022-003 ratifying prior action by the Board, authorizing the filing of an application with the Texas Commission on Environmental Quality for approval of certain projects and the issuance of bonds, New Series 2022. Motion carried unanimously.
12. **Discuss and/or take action to approve an engagement letter for Kelly & Hart for services as bond counsel for the District.** Motion was made by Mr. Lomonaco and seconded to approve an engagement letter for Kelly & Hart for services as bond counsel for the District. Ms. Crowsey explained that the IRS has a new rule that you have to approve your Bond counsel

and noted that Kelly & Hart has been the District's bond counsel for the last few bonds they have received. Mr. Hill confirmed that what Ms. Crowsey stated was true and that this is just a bit of a formality as there must be an engagement letter. Motion carried unanimously.

13. **Discuss and/or take action to approve a successful bidder for the Meter Replacement Bond project (Task order #35).** The Board discussed the bids received for the meter replacement project. Motion was made by Mr. Goheen and seconded to approve Core and Main as the successful bidder for the Meter Replacement Bond Project (Task order #35). Mr. Hayes and the Board discussed the bids and Mr. Hayes noted that Core and Main use a Neptune meter and the current costs is \$281.25 but noted that these costs could increase over time. Motion carried unanimously.
14. **Committee Reports.**
 - a. **Personnel Committee.** There were no reports. Mr. Blodgett noted that the District interviewed and intended to hire a double c operator for the wastewater department.
 - b. **Operations Committee.** There were no reports. The Board and Mr. Blodgett discussed the operations report for southside water usage which was down. The Board discussed conservation and when the District would enter into stage 1 and it was noted that the District has several criteria's that would trigger stage 1 and one is that the lake is 75% below capacity.
 - c. **Finance Committee.** There were no reports.
15. **Review and discuss the June 2022 financial reports.** The Board reviewed the debt service which was less than 1.25 for the month (year to date was 1.61). It was noted that grinder maintenance costs were high but there were a lot of grinder work orders done in July.
16. **Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Goheen 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 12:44pm



Jim Willi
Board President

08/17/2022
Date