

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR WEDNESDAY SEPTEMBER 21, 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 September 21, 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, Secretary Joe Lomonaco, Director Larry Bratton and Director Rob Rea (arrived after meeting started). Absent was Treasurer Ted Bayless, and Director Jan Wynn. Other attendees in person were General Manager James Blodgett, Office Manager Angie Crowsey, John Reidy/KSA Engineers, and Andre Ayala/Hilltop Securities. Other attendees by telephone/video conference were Russell Slayton/The Monitor and Brandon Hill/Kelly-Hart.
4. A quorum was established.
5. Motion was made by Mr. Bratton and seconded to adopt the Agenda. Motion carried unanimously.
6. **Discuss and/or take action to approve the minutes from the regular meeting on August 17, 2022.** Motion was made by Mr. Lomonaco and seconded to approve the minutes from the regular meeting on August 17, 2022. Motion carried unanimously.
7. **Public Comments.** There were no public comments.
8. **Consent Agenda:** The Board requested that items under the General Manager's report #8b(i), and 8b(ii) 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.(i) Key Monthly Activities. The Board discussed the key monthly activities. The Board pointed out that the amount of sewer jetting done for the month was good and it was noted that the District's leadership was doing well working with vacant positions and being able to keep up with the high demands of work orders.

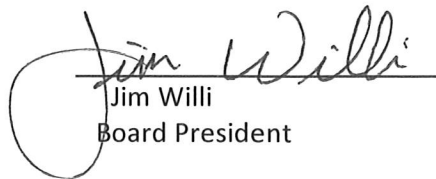
8. b.(ii) Staff Changes. The Board and Mr. Blodgett discussed staffing issues including short term and long term. Mr. Blodgett stated that the field, water operations, and administrative department staffing was strong and that their weakness was in the wastewater operations staffing. The Board discussed if there was adequate room in the salary structure to fill needed staffing. Mr. Blodgett advised that there was a candidate that would have been brought in at top of steps due to qualifications, but that person received a raise at his current job and declined the District's job offer. The Board discussed the succession plan. The Board asked that the management staff review the succession plan to make sure that employees were being cross trained accordingly in event that something happened to key personnel. It was noted that Management continues to keep an education system in place and to have on the job training with employees. Mr. Blodgett informed the Board that all employees receive a Employee Policy Manual that contains Employee policies, a safety manual, and a Standard Operating Procedure (SOP) documents for every department.

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

9. **Discuss and/or take action to consider and approve Resolution 2022-004 approving a plan of finance to issue bonds to finance certain improvements of the District and acknowledging the receipt of approval from the Texas Commission on Environmental Quality with respect thereto, and authorizing the District's staff and professional advisors to prepare and distribute all documents and take all actions deemed necessary in connection with preparing for the issuance of such bonds, including the selection of underwriters, financial advisor, bond counsel, and disclosure counsel.** Motion was made by Mr. Goheen and seconded to approve Resolution 2022-004 approving a plan of finance to issue bonds to finance certain improvements of the District and acknowledging the receipt of approval from the Texas Commission on Environmental Quality with respect thereto, and authorizing the District's staff and professional advisors to prepare and distribute all documents and take all actions deemed necessary in connection with preparing for the issuance of such bonds, including the selection of underwriters, financial advisor, bond counsel, and disclosure counsel. Mr. Ayala presented the Board with a handout. Mr. Ayala reported that the Texas Commission on Environmental Quality (TCEQ) responded favorably back in August to approve the application for this bond and has sent the District an approval letter. Mr. Ayala advised that the interest rates are expected to increase today but that the bond estimates do incorporate the expected rate increase. Mr. Ayala stated that he suspects that the District will get an "A" rating as well as qualify for a bond insurance. The Bond Insurance will prevent the District from having to set aside cash for the bond. Mr. Ayala stated that as far as timing that they expected to publish the final documents in about a week, then will receive bids for the bonds. Mr. Ayala also state that he will be at the Board meeting on October 19th to give the Board the results of those bids and ask for consideration to approve to move forward funding with the closing being on the day of the Board meeting on November 16th. The costs of insurance policy should be about 3% to 4% of the District's debt service requirements. Motion carried unanimously.
10. **Discuss and/or take action to approve an extension of agreement term for KSA Engineers, Inc General Services Agreement.** Motion was made by Mr. Lomonaco and seconded to approve an extension of agreement term for KSA Engineers, Inc General Services Agreement. Mr. Reidy advised that the District's biggest concerns was rates to the senior staffing and KSA Engineers reviewed and did agree to reduce those rates. The Board expressed its appreciation for working with the District on this. Motion carried unanimously.
11. **Discuss and/or take action to approve to purchase two (2) motors for the North Wastewater Treatment Plant rotors in the amount of \$2,554.00 to be paid out of Operating Reserves for a unexpected expenditure for the 2022/2023 Capital Improvement.** Motion was made by Mr. Goheen and seconded to approve to purchase two (2) motors for the North Wastewater Treatment Plant rotors in the amount of \$2,554.00 to be paid out of Operating Reserves for a unexpected expenditure for the 2022/2023 Capital Improvement. Mr. Blodgett advised that he had to take one motor off of another rotor to keep them running and stated that this is a compliance driven issue and these rotors have to stay going to keep the ammonia level right. Mr. Blodgett also advised the Board that this may have happened during a recent weather event and are seeing if it will qualify for an insurance claim. Motion carried unanimously.
12. **Discuss and/or take action to approve to purchase two (2) Backup batteries from My I.T. Consultants for both water treatment plants in the amount of \$1,390.42 to be paid out of Operating Reserves for a unexpected expenditure for the 2022/2023 Capital Improvement.** Motion was made by Mr. Lomonaco and seconded to approve to purchase two

- (2) Backup batteries from My I.T. Consultants for both water treatment plants in the amount of \$1,390.42 to be paid out of Operating Reserves for a unexpected expenditure for the 2022/2023 Capital Improvement. Ms. Crowsey advised that this will help keep the plant computers up and running long enough to monitor the plants in the event of a short power outage and noted that the Administrative server has the same type of system that has saved their electronic equipment including the main server from surges. Motion carried unanimously.
13. **Discuss and/or take action to approve to the employee insurance benefits renewal and rates starting December 1, 2022.** The Board received a hand out showing the most recent renewal rates. It was noted that the Personnel Committee met to review the renewal options and there were two medical plans that were competitive but TML/ Blue Cross Blue Shield came back and gave a better quote this week. There would be an increase to the District's costs but TML/Blue Cross Blue Shield was cheaper for the employee's portion costs of dependent care. It was noted that the District still pays 100% of premium costs for the employee and 50% towards dependent coverage for medical, dental, and vision. Motion was made by Mr. Bratton and seconded to approve to the employee insurance benefits renewal and rates starting December 1, 2022 with TML/Blue Cross Blue Shield for medical and Unum for Dental, Vision, Short-term/Long-term disability, and life insurance. Motion carried unanimously.
14. **Discuss and/or take action to approve an awards and recognition dinner for the Board and employees.** The Board discussed the awards dinner and asked about the participation the last few years that it was held which was before the COVID pandemic. Ms. Crowsey advised that attendance had went down. The Board asked management to poll employees and to see if they would like to have an awards and recognition dinner or would they like to continue like the last two years and receive one (1) day off with pay subject to approval based on staffing needs to be taken before the end of the fiscal year and a \$100 gift card. Motion was made by Mr. Lomonaco and seconded to table this item until next month's Board meeting and have management poll employees with the two choices. Motion carried unanimously.
15. **Discuss and/or take action to approve the Certification of Unopposed Candidates and approve the Order of Cancellation for the November 8, 2022 East Cedar Creek FWSD Elections.** Ms. Crowsey advised that there are four board position up for election in the District's November 8, 2022 General Election and the District only received three candidate applications. The deadline to file for a place on the District's November's Election ballot has now passed and there are three unopposed candidates who are Bill Goheen, Larry Bratton, and Joe Lomonaco. The Board will certify the three candidates as elected at the November's Board meeting and Board member Jan Wynn who did not rerun will step down after that meeting and her position will be vacant. After November's meeting the District will then advertise again for candidates to be appointed hope to have candidates to consider at the December Board meeting. Motion was made by Mr. Lomonaco and seconded to approve the Certification of Unopposed Candidates who are Bill Goheen, Larry Bratton, and Joe Lomonaco and approve the Order of Cancellation for the November 8, 2022 East Cedar Creek FWSD Elections. Motion carried unanimously.
16. **Committee Reports.**
- a. **Personnel Committee.** Mr. Bratton advised that the Personnel Committee did meet to review the employee insurance renewal with the District's insurance agent Dean Casey and discussed a candidate for the Chief Wastewater Operator who was given an offer for the position.
 - b. **Operations Committee.** Mr. Lomonaco advised that there was no report.
 - c. **Finance Committee.** Mr. Goheen advised that there was no report.

17. **Review and discuss the August 2022 financial reports.** The Board reviewed the budget line items for water maintenance and wastewater maintenance. Mr. Blodgett advised that this is due to the new way that inventory is expensed which is as it is purchased. Ms. Crowsey advised that there were several inventory items that were carried over from last fiscal year before the new inventory accounting process and the Auditor will be working with the District to help write off unused inventory at the end of this fiscal year. The Debt ratio was good at 2.01 and Mr. Blodgett advised that water usage was at an all-time high with the drought months that just passed.
18. **Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Rea and seconded to approve the payment of bills. Motion carried unanimously.
19. Motion was made by Mr. Bratton and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 1:24pm.



Jim Willi
Board President

10/19/2022
Date