

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT  
MINUTES FOR WEDNESDAY OCTOBER 19, 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 October 19, 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, and Director Larry Bratton. Absent was Treasurer Ted Bayless, Director Rob Rea, and Director Jan Wynn. Other attendees in person were General Manager James Blodgett, Office Manager Angie Crowsey, Danny Hayes/KSA Engineers, Brandon Hill/Kelly-Hart, and Andre Ayala/Hilltop Securities. Other attendees by telephone/video conference were Russell Slayton/The Monitor and Jonathan Cranz/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 September 21, 2022.** Motion was made by Mr. Lomonaco and seconded to approve the minutes from the regular meeting on September 21, 2022. Motion carried unanimously.
7. **Public Comments.** There were no public comments.
8. **Consent Agenda:** The Board requested that items under the KSA Engineer's Report # ii(5), and under the General Manager's report #8b(i), 8b(ii), 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 #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.a(ii)#5 Task Order #35 Meter Replacement (AMR).** Mr. Hayes advised the Board that AMR contractor, Core and Main, was requesting that the District allow them to have their liability insurance policy under one umbrella for the limits which would allow to stack them together to meet the District's requirements. Mr. Hayes gave examples of each coverage change requested and stated that he did not see any issues as they have never had any problems with Core & Main on insurance coverages. It was confirmed that this is allowed in the state of Texas. Motion was made by Mr. Lomonaco and seconded to approve to authorize modifications to the supplementary insurance for the AMR project with Core and Main to allow for General Liability limits to be met by a combination of General Liability and Excess and/or Umbrella coverage. Motion carried unanimously.

**8.b(i) Key Monthly Activities.** The Board and Mr. Blodgett discussed the Lead and Copper testing. Mr. Blodgett advised that all tests came back good with only one (1) location with showing any levels which was still below the limits. Mr. Blodgett did advise that the Water Operators did miscount and they were two (2) samples short which will cause the District to have a violation. This will cause the District to have to test more locations next year. Mr. Hayes and Mr. Blodgett gave an overview of how the test works and some upcoming requirements for testing that is going to affect every public water system in the United States.

**8.b(ii) Staff Changes.** Mr. Blodgett gave the Board an overview of the staffing status for the District currently, advising that the former Chief Wastewater Operator that had left about five (5) months ago had reapplied and was rehired as a Wastewater Operator only. Another Field Employee who has a lot of good electrical experience was transferred over to the Wastewater department. Mr. Blodgett advised that he did several interviews for the Chief Wastewater position but is glad that he held off filling that position to see if the returning employee who previously held that position could be considered for that position again.

**8.b(iv) Project Status.** The Board asked Mr. Blodgett if the lift station (#8) which was abandoned could have been used on the new buildings going in at Big Chief. Mr. Blodgett explained that the location of the lift station was in the middle of the project and that the developer will design a new lift station. The Board discussed the Bridge project on Welch Lane and asked if the county would be helping in some of the costs of this project. Mr. Blodgett stated that he had not asked for any compensation yet but will speak to the commissioner about it.

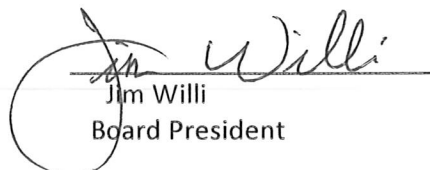
Motion was made by Mr. Lomonaco and seconded to approve the consent agenda. Motion carried unanimously.

9. **Discuss and/or take action to Consider and approve resolution # 2022-005 authorizing the issuance of “East Cedar Creek Fresh Water Supply District Utility System Revenue Bonds, New Series 2022”; specifying the terms and features of such bonds; pledging the net revenues derived from the operation of the district’s waterworks and sewer system for the payment of the principal of and interest on such revenue bonds; and resolving other matters incident and related to the issuance, payment, security, sale and delivery of such revenue bonds.** Mr. Hill with the District’s Bond counsel advised that the resolution that was in the Board packet was only 90% and did not have the final pricing information or the bond insurer’s name. Mr. Hill presented the Board with the full resolution that contained pricing and the bond insurer’s name. Mr. Ayala, the District’s financial advisor, presented the Board with a handout for the sale of the New Series 2022 bonds. Mr. Ayala congratulated the District on the sale for bonds in the amount of \$9,870,000. Mr. Ayala advise that TCEQ approved 9.2 million for project funds and the rest of the funds are to pay financing costs and underwriting fees. Mr. Ayala advised that the District received four (4) bids for the bonds this morning and coming in at number one was the Baker Group out of Oklahoma City with a 4.32% interest for twenty (20) years. Mr. Ayala pointed out to the Board that all bids came in under 5% which is one of the lowest bids he has seen recently for fresh water supply district bonds. The budget for the bonds was estimated with a 5% interest rate so this will be well under budget for the District. The closing to receive funds will be on November 16, 2022. Mr. Ayala advised that that Standard & Poor’s (S&P) gave the District an “A” rating before the bond sales who noted on their report it was because the District maintains a good debt ratio coverage, has moderate leverage, good operations management, record keeping and policies as well as having annual audits on time. Motion was made by Mr. Lomonaco and seconded to approve resolution # 2022-005 authorizing the issuance of “East Cedar Creek Fresh Water Supply District Utility System Revenue Bonds, New Series 2022”; specifying the terms and features of such bonds; pledging the net revenues derived from the operation of the district's waterworks and sewer system for the payment of the principal of and interest on such revenue bonds; and resolving other matters incident and related to the issuance, payment, security, sale and delivery of such revenue bonds. Motion carried unanimously.

10. **Discuss and/or take action to approve to relocate the water and sewer main at end of Welch due to a special bridge/road project by the county not to exceed the amount of \$14,000.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2022/2023 Capital Improvement.** Motion was made by Mr. Goheen and seconded to approve to relocate the water and sewer main at end of Welch due to a special bridge/road project by

the county not to exceed the amount of \$14,000.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2022/2023 Capital Improvement. The Board and Mr. Blodgett discussed this project again and it was noted that Mr. Blodgett will contact the commissioner. Motion carried unanimously.

11. **Discuss and/or take action to approve to purchase buoys and equipment for District's intakes not to exceed the amount of \$5,000 to be paid out of the Operating for an unexpected expenditure for the 2022/2023 Capital Improvement.** Motion was made by Mr. Lomonaco and seconded to approve to purchase buoys and equipment for District's intakes not to exceed the amount of \$5,000 to be paid out of the Operating for an unexpected expenditure for the 2022/2023 Capital Improvement. Mr. Blodgett gave an overview to the Board on how the new Buoys would be anchored with stainless steel chain and set up 50 feet from intake as required. Motion carried unanimously.
12. **Discuss and/or take action to review the employee polling results and approve the annual awards and recognition benefit for the employees.** Ms. Crowsey advised that all employees were polled and all responses were in favor of the one day off and \$100 gift card except two employees who were in favor of holding an awards dinner. Motion was made by Mr. Lomonaco and seconded approve annual awards and recognition benefit for the employees giving each employee 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 carried unanimously.
13. **Committee Reports.**
  - a. **Personnel Committee.** There was no report.
  - b. **Operations Committee.** There was no report.
  - c. **Finance Committee.** There was no report, but Mr. Goheen stated that he anticipates a meeting in the next few months to review the budget for the 2023-2024 budget.
14. **Review and discuss the September 2022 financial reports.** Mr. Goheen pointed out that our revenues were up but that a lot of the revenues were in the capital contributions and noted that on the sewer side there were some high expenses. The Board asked about the pump rebuilds and Mr. Blodgett noted the District has done some outsourcing of rebuilds to use up inventory we had left in stock for rebuilds. It was noted that the District started paying the Trinidad contract raw water as of October 1<sup>st</sup>. The debt service ratio is looking good. The Board discussed the North waste water plant flows and how it compares to the District's permit. Mr. Blodgett advised that when the District did the application for TCEQ it was at 69% which is just 6 percent from being required to go into the design phase. Mr. Hayes advised that the District would have to go into the design phase after three consecutive months at 75% and construction phase at 90%. The Board discussed lake levels and it was noted that it is down 4.76%. Mr. Hayes spoke about Inflow and Infiltration issues (I & I) and explained how to check it in plant charts.
15. **Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Lomonaco and seconded to approve the payment of bills. Motion carried unanimously.
16. Motion was made by Mr. Bratton and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 1:39pm.

  
Jim Willi  
Board President

11/16/2022  
Date