

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR WEDNESDAY FEBRUARY 15, 2023, 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 February 15, 2023. 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, Secretary Joe Lomonaco, Director Larry Bratton, and Director Pat Mullaney. Director Rob Rea (arrived at 11:03am). Other attendees in person were General Manager James Blodgett, and Office Manager Angie Crowsey. Other attendees by telephone/video conference were Russell Slayton/The Monitor.
4. A quorum was established.
5. Adopt the Agenda.
6. **WORKSHOP:**
 - a. **Discuss and review the budget for FY 2023/2024.** The Board reviewed the proposed budget for FY 2023/2024. Mr. Blodgett created a bullet point chart for the Board. The proposed budget includes increases from last year by approximately 14.2% that included a 3% increase for water and wastewater rates, increase to water and wastewater installation costs, increased rates from the electricity provider estimated at 10%, a one-time payment from the Improvement fund to new bond debt, an increase to fee for septic haulers, increase to wages/salaries, and material costs increases by approximately 5%. The Board discussed the increases and rates. Mr. Lomonaco advised that he felt that the District could still make the budget work without increasing the water and wastewater rates. The Board discussed that the budget was based on a lot of guessing and that it only takes a drought season to increase revenues or a rainy season to make revenues go way down. It was also noted by Mr. Goheen that sometimes rate increases also will create conservation so the revenues could also be lower based on less use. The Board discussed the employee wage and salaries proposal which would include a \$2 an hour raise. It was discussed that the District was trying to be retain employees by being competitive in pay with other local companies and industry. Mr. Goheen noted that in years past that the District had issue retaining employees because after they were trained they could go to other companies and make more money with the same benefits. The Board did discuss the ongoing issue with water loss on the Southside and noted that the District would have to find out why this was happening because it was causing monetary loss for the District. Mr. Blodgett advised that all departments were working on reviewing water loss including how the spreadsheet is created by the District. The Board discussed that the budget did include costs for sell back of vacation. Mr. Blodgett explained that employees who were employed with the District for five consecutive years or more would be able to sell up to one week of vacation. The Board reviewed the customer count and how the budget included an increase of around 100 customers, and Mr. Lomonaco felt that the revenues did not reflect this increase. Mr. Blodgett noted that there were some conservative numbers in revenue since not all 100 customers would be added at the first of April but would be gradually added on with new installs over the remainder of the fiscal year. The Board reviewed the capital projects and expenditures in the proposed budget.

The Board took a short break from 12:00p.m. to 12:10p.m.

The Board convened into the regular meeting. Additional members arriving for the regular meeting in person was Treasurer Ted Bayless. Additional other attendees arriving for the regular meeting in person was Shriram Manivannan/KSA Engineers.

7. **Discuss and/or take action to approve the minutes from the regular meeting on January 18, 2023.** Motion was made by Mr. Mullaney and seconded to approve the minutes from the regular meeting on January 18, 2023.
8. **Public Comments.** Ms. Crowsey advised the Board and public that the District's new website design would be going live by the end of the February. Ms. Crowsey advised that the website would just have a new look and that the everyone could still just go to the same website address.
9. **Consent Agenda:** The Board requested that the item under KSA Engineer's Report a(ii) and under the General Managers' report b(ii), and b(v) be removed for discussion.
 - a. **KSA Engineer's Report.**
 - i. Task Order #24 General Services
 - ii. **2017-2018 Bond Projects.** 1) Task Order #35 Meter Replacement (AMR).
 - iii. **2022 Bond Projects.**

1) Task Order #101208 Generators	2) Task Order #101209 Master Plan
3) Task Order #101210 NWWTP Catwalk	4)a Task Order #101211 SWWTP Improvement
4)b Task Order #101212 SWWTP Improvement	5) Task Order #101213 Brookshire GST
6) Lift Station Improvement #57 & #59	7) Task Order #101215 Southside AMR.
 - 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.

9.a(ii) Task Order #35 Meter Replacement (AMR). Mr. Blodgett advised that there was a pre-construction meeting held on January 30, 2023 for the AMR projects that included some District staff, KSA Engineers, a representative from Core and Main, and the construction contractor from Ratliff Utilities. The District is currently working on sending the reports to the Engineers and contractors requested from the meeting as well as working with the District's software company to ensure an integration created for the meter reading software. Mr. Blodgett also stated that Core and Main will be working on getting all materials before a start date is determined. Mr. Blodgett advised that the District will be doing some public relations notices including a news letter going out in one of the upcoming billing cycles, on the District's website, and on the District's social media page.

9.b(ii) Staff Changes. Mr. Blodgett and the Board discussed the two employees who had separated from the District and the one employee who had passed away in January.

9.b(v) Operations Report. The Board reviewed the Operations Report including year to date and last year to date counts for installations.

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

10. **Discuss and/or take action to approve a vacation sell back policy for employees with five (5) years of employment or longer.** Motion was made by Mr. Rea and seconded to approve a vacation sell back policy for employees with five (5) years of employment or longer. Ms. Crowsey advised that the policy would allow employees with employment of five (5) consecutive years or greater who would accrue 120 hours of vacation a year or those that were employed ten (10) years or longer who accrue 160 hours of vacation a year the opportunity to sell up to one week's worth of vacation just one time in the fiscal year. It was noted that the District's fiscal year is April through March. President Willi called for the vote.

There were five (5) votes for the motion and with Mr. Lomonaco voting against motion. Motion carried with majority vote.

11. **Discuss and/or take action to approve the FY 2023/2024 Budget including the pay scale and organization chart for FY 2023/2024.** Motion was made by Mr. Goheen and seconded to approve the FY 2023/2024 Budget including the pay scale and organization chart for FY 2023/2024. President Willi called for the vote. There were five (5) votes for the motion and with Mr. Lomonaco voting against motion. Motion carried with majority vote.
12. **Discuss and/or take action to approve Resolution #2023-003 for the revised Customer Service Policy Resolution that also includes revised water and wastewater rates and revised installation/tap costs.** Motion was made by Mr. Rea and seconded to approve Resolution #2023-003 for the revised Customer Service Policy Resolution that also includes revised water and wastewater rates and revised installation/tap costs. The Board reviewed the policy noting that the new water and wastewater rates that was approved in the budget is included in this policy. Ms. Crowsey pointed out other changes including a new policy allowing Customer's in good standing to be allowed to share water usage on a temporary basis with Recreational Vehicles (RV) and/or travel trailers located on the customer's property provided the customer submits a request to the District's office five (5) days prior to shared usage begins, the customer installs the proper backflow device, and the shared usage cannot exceed a period of thirty (30) days. The Board request that the wording be added to add the inspection fee. Ms. Crowsey also pointed out changes which include a bankruptcy policy that had been reviewed by the District's attorney. Motion was amended by Mr. Rea and seconded to approve Resolution #2023-003 for the revised Customer Service Policy Resolution that also includes revised water and wastewater rates and revised installation/tap costs with the addition to adding the inspection fee to the temporary use policy for RVs. President Willi called for the vote. There were five (5) votes for the motion and with Mr. Lomonaco voting against motion. Motion carried with majority vote.
13. **Discuss and/or take action to approve to upgrade security at the administrative office not to exceed the amount of \$3,000.00 for a budgeted 2022/2023 Capital Improvement expenditure to be paid out of the Operating Reserves account.** Motion was made by Mr. Lomonaco and seconded to approve to upgrade security at the administrative office not to exceed the amount of \$3,000.00 for a budgeted 2022/2023 Capital Improvement expenditure to be paid out of the Operating Reserves account. Ms. Crowsey explained that when they first budgeted for the camara system alone but after some recent work the camera system was still in very good shape. Ms. Crowsey advised that the District would be looking at getting two additional cameras with one having the ability to speak to customers through the front door if the office was closed and personnel was still present and to use the remaining funds to put with the safety bullet proof glass funds already approved last year for the administrative office. Motion carried unanimously.
14. **Discuss and/or take action to approve to close out upcoming maturing accounts and approve for those funds to be reinvested.** Motion was made by Mr. Goheen and seconded to approve to close out upcoming maturing accounts and approve for those funds to be reinvested. Ms. Crowsey advised that the list in the Board packet showed all maturing accounts coming up this year and was requesting for the Board to approve move these accounts into the new TexStar or LOGIC accounts approve by the Board in January's meeting when they mature to allow the Investment officers a chance to review and negotiate better interest for these accounts. Ms. Crowsey pointed out that she thought the District had to give a month's notice so the three (3) coming up in March may not be able to be closed but they would try. Motion carried unanimously.
15. **Committee Reports.**

- a. **Personnel Committee.** Mr. Bratton advised that the Personnel Committee met to review wages/salaries for the new 2023/2024 fiscal year budget and to address an issue with a current employee and their pay status.
 - b. **Operations Committee.** Mr. Lomonaco advised that they did not meet but that he did send an email to review education costs for the field and operations and was happy to find it was employees trying to obtain license and training.
 - c. **Finance Committee.** The Board and Mr. Manivannan/KSA Engineers discussed kickoff meetings for some projects, the Board discussed the water loss with Mr. Manivannan still recommending clamp on meters for subdivisions and areas where the District could monitor water flows and usages. Mr. Manivannan advised that KSA will be developing a new master plan and has three years' worth of data for the southside area and the models will also be able to help look at usage and discrepancies with usages.
16. **Review and discuss the January 2023 financial reports.** The Board reviewed financials. There was discussion on the difference in expenses for sewer installations between last year to date and this year today's. The Board asked what the difference was for revenues from the Water Operations report billing numbers and the budget analysis billing numbers and the differences. Ms. Crowsey advised that Bookkeeper will look into that and give a response at next meeting.
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. Motion was made by Mr. Bratton and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 1:11pm.


Jim Willi
Board President

03/15/2023
Date