

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR WORKSHOP/REGULAR MEETING
WEDNESDAY JULY 19, 2023, 11AM**

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 June 21, 2023. The meeting convened at 11am, Vice President Bill Goheen presiding.
2. Pledge of Allegiance.
3. Members present in person were Vice-President Bill Goheen, Treasurer Ted Bayless, Director Larry Bratton, Director Rob Rea, and Director Pat Mullaney. Absent was President Jim Willi, and Secretary Joe Lomonaco. Other attendees in person were General Manager James Blodgett, Bookkeeper Donna Wood, Office Manager Angie Crowsey, Danny Hayes/KSA Engineers, and Mike Ward/Mike Ward Accounting & Financial Consulting, PLLC. Other attendees by telephone/video conference were Russell Slayton/The Monitor. Other attendees arriving later in the meeting in person were other customers Bobbie Roberson, Timothy Lundy, Verna Six, Scott Six, Kris Portmann, Patti Flanders, and Cathy Hern.
4. A quorum was established.
5. Motion was made by Motion was made by Mr. Bratton and seconded to adopt the agenda. Motion carried unanimously.
6. **WORKSHOP:**
 - a. **Discuss and review audit for FY 2022-2023.** Mr. Ward and the Board reviewed the draft/final copy of the audit report. Mr. Ward advised that he was very happy with the way the District's admin staff handled the transition from the Microsoft GP accounting program to QuickBooks for their accounting and noted that it went a lot smoother than he had anticipated. The District saw big jump in assets around 9 million dollars due to the 2022 series bond the District obtained in the fiscal year. It was noted that the unrestricted accounts increased from \$3,138,515 to \$4,005,263. The district's net position increased by \$607,828 or 3.6% during the fiscal year. It was noted that the District's goal for debt ratio for end of fiscal year is 1.25 and it ended well with 1.44 debt ratio. The Board discussed a page in the audit report that listed the full account number for the District and Mr. Ward recommended removing those numbers because they are not necessary for the report. Mr. Ward advised that he did have to work with the Bookkeeper on inventory items and found that the District is now expensing inventory as it is purchased except for 10 to 12 items that are still considered inventoried and are expensed as used. Mr. Ward advised that he had to make standard adjustment, but it was an easier process. Mr. Ward advised that he is still finishing up the statistical information that the Board requested be put in there that is not a requirement and is unaudited and asked if the Board would like to keep adding these additional reports to the document. The Board concurred they would like to keep these reports in the audit. Mr. Ward and the Board discussed the district's accounting policies where the district's administration was commended on their strict policies for cash control, cash handling, and accountability.

The Board took a short break at 11:38am. The Board convened into the Regular meeting at 12:00pm.

7. **Discuss and/or take action to approve the minutes from the regular meeting on June 21, 2023.** Motion was made by Mr. Bratton and seconded to approve the minutes from the regular meeting on June 21, 2023. Motion carried unanimously.

8. **Discuss and/or take action to approve the 2022-2023 annual audit by Mike Ward Accounting & Financial Consulting, PLLC.** Motion was made by Mr. Bayless and seconded to approve the 2022-2023 annual audit by Mike Ward Accounting & Financial Consulting, PLLC with an amendment to remove the District's bank account numbers from the audit and adding in the statistical information (supplemental) that is unaudited. Motion carried unanimously.

Ms. Crowsey and Mr. Ward left the meeting. Customers Bobbie Roberson, Timothy Lundy, Verna Six, Scott Six, Kris Portmann, Patti Flanders, and Cathy Hern arrived at the meeting.

9. **Public Comments.**

- a. **Discuss the low water pressure issue in the Leisureland Road area.** Mr. Blodgett advised the Board that the issue has been happening during the recent summer weekends and holiday weekends when the lake is seeing more visitors. Mr. Blodgett advised that significant growth in the area as well as several short-term rental properties have also contributed to the issue as well as the distance water has to travel through smaller lines to reach these areas. Mr. Blodgett advised that two weeks ago the District tied in another line to this area gave more pressure and the District has not received any further complaints since this has been done. Mr. Blodgett also advised that the District would be tying in another line around the Shady Shores area that was a dead end line which should help provide more positive pressure. Mr. Blodgett advised that the road in the area that the tie in was done had become sunken in and that staff did go back out and put in more road material and Henderson County will be coming back out with a permanent repair. Several members of the public spoke to the Board about the issues with low water pressure, which was a major issue during the fourth of July weekend, but all noted that after the tie in they were able to run things normally. Mr. Blodgett advised that the District will be putting pressure test equipment in this area and will continue to monitor it for the next few weeks including through the weekend of July 29 which should be a big test with the July Fest going on in the area. The Board discussed the short-term rentals in the area which help runs up capacity on the system during the big weekends. The Board discussed the possibility of reaching out to one of the District's resources for advice on this. Mr. Blodgett also noted that the District is in the final phase of one of the priorities for projects in this area. The project phase could be a year or more due to the District and Engineers having to develop plans, funding, and bidding before starting the project. The Board encouraged the customers to continue to contact the office with any low water issues. One customer complained about no response when calling about low pressure and was advised to come to the office and speak to a manager. The Board and the Public discussed the new RV park on Hwy 198 and if this park would affect their water service pressure. Mr. Blodgett advised that he did not think it would cause issues for them and it would be minimum if it was due to the location of the park being close to the plant.

One member in the public asked about the smell coming from the Lakeland condos and how the District's sewer is over flowing and backing up into the condos. Mr. Blodgett advised that they have been monitoring this area closely and that they discovered that the buildings storm/rain gutters were connected into the lift station directly at the condos. The District will be conducting more tests as the staff have found this to be a direct tie in from the rain gutters. For the other lift station located in this area Mr. Blodgett advised that the staff has been at this lift station during any complaints and bad weather and have sealed the lid as well as used deodorant blocks to help with the odor.

Customers Bobbie Roberson, Timothy Lundy, Verna Six, Scott Six, Kris Portmann, Patti Flanders, and Cathy Hern left the meeting.

10. **Consent Agenda:**

- 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.

10. b (i) Key Monthly Activities. The Board and Mr. Blodgett discussed the South Wastewater Treatment Plant assessment for the 2022 Bond. Mr. Blodgett explained that the staff had taken down the old plant last month for the assessment then had to put it back online. It was noted that on the graph in the Board packet it shows the flow coming back up on the 18th.

10. b(ii) Staff Changes. Mr. Bratton expressed appreciation for adding the amount of interviews held each month on the employee status report.

10. b.(iv) Project Status. The Board and Mr. Blodgett discussed the costs incurred by the District and anticipated costs for the other tie in for the Leisureland pressure issue. The Board further discussed the storm/rain gutters being tied into the sewer and it was advised by both Mr. Blodgett and Mr. Hayes that this is illegal under state rules and that the District also had a rule against it. It was noted that years ago the District did smoke test in Harbor Point.

10. b(v) Operations Report. The Board reviewed the water loss for southside that showed some improvement this month.

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

11. **Discuss and/or take action to approve to pay D & F Service to replace the District's shop ice machine in the amount of \$3,833.50 to be paid out of Operating Reserves for an unexpected expenditure for the 2023/2024 Capital Improvement.** Motion was made by Mr. Mullaney and seconded to approve to pay D & F Service to replace the District's shop ice machine in the amount of \$3,833.50 to be paid out of Operating Reserves for an unexpected expenditure for the 2023/2024 Capital Improvement. There was some discussion, and it was confirmed that we do own equipment, and it is not leased as stated. Motion carried unanimously.

12. **Discuss and/or take action to approve to pay RLC Controls to install a replacement device on the NWWTP effluent filter not to exceed \$3,250.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2023/2024 Capital Improvement.** Motion was made by Mr. Rea and seconded to approve to pay RLC Controls to install a replacement device on the NWWTP effluent filter not to exceed \$3,250.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2023/2024 Capital Improvement.

13. **Discuss and/or take action to approve to pay C&P Pump Services to install a decant pump in the pond at the Brookshire WTP not to exceed \$8,288.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2023/2024 Capital Improvement.** Motion was made by Mr. Rea and seconded to approve to pay C&P Pump Services to install a decant pump in the pond at the Brookshire WTP not to exceed \$8,288.00

to be paid out of Operating Reserves for an unexpected expenditure for the 2023/2024 Capital Improvement. Motion carried unanimously. Motion carried unanimously.

14. **Discuss and/or take action to approve to pay David Floyd Welding and Excavation to purchase recycled asphalt for the shop parking lot and driveway not to exceed \$20,000.00 to be paid out of Operating Reserves for a budgeted expenditure for the 2023/2024 Capital Improvement.** Motion was made by Mr. Bayless and seconded to approve to pay David Floyd Welding and Excavation to purchase recycled asphalt for the shop parking lot and driveway not to exceed \$20,000.00 to be paid out of Operating Reserves for a budgeted expenditure for the 2023/2024 Capital Improvement. It was noted that this was budgeted and the District did call for estimates when the budget was being prepared. Motion carried unanimously.
15. **Discuss and/or take action to approve resolution 2023-004 for the District's Conservation plan & Utility Profile for Brookshire WTP and McKay WTP.** Motion was made by Mr. Bratton and seconded to approve resolution 2023-004 for the District's Conservation plan & Utility Profile for Brookshire WTP and McKay WTP. Mr. Blodgett confirmed they have updated the plan using current District data and done forecasting from the master plan and put in the plan to update. Motion carried unanimously.
16. **Committee Reports.**
 - a. **Personnel Committee.** No report.
 - b. **Operations Committee.** No report.
 - c. **Finance Committee.** No report.
17. **Review and discuss the June 2023 financial reports.** The Board reviewed the June 23 financial reports. Mr. Bayless stated that the installations revenues versus expenses and the time frame that work is being performed for water and wastewater installations helps with the debt ratio. The Board discussed the improvement fund and the expenses from the Leisureland emergency tie in being paid from this fund due to these issues being driven by growth.
18. **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,
19. Motion was made by Mr. Bratton and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 1:39pm.



Bill Goheen
Board Vice-President

08/16/2023

Date