

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR WORKSHOP/REGULAR MEETING WEDNESDAY JULY 16, 2025 12:00PM

1. A workshop and meeting of the Board of Directors for East Cedar Creek FWSD was held at the Administration building in Gun Barrel City, Tx on July 16, 2025. The meeting convened at 12:00pm, Vice-President Larry Bratton presiding.
2. Pledge of Allegiance.
3. Members present in person were Vice-President Larry Bratton, Treasurer Pat Mullaney, Director Ted Henley, and Director Michael Divine. Absent was President Jim Willi, Secretary Terri Bradley, and Director Rob Rea. Other attendees in person were Operations Manager Shawn Zbleski, Chief Water Operator Anthony McLaughlin, Office Manager Angie Crowsey, Bookkeeper Donna Wood, and Mike Ward//Mike Ward Accounting & Financial Consulting, PLLC. Other attendees by telephone/video conference was Russell Slator/The Monitor. Shriram Manivannan/KSA Engineers arrived later during the regular meeting.
4. A quorum was established.
5. Motion was made by Mr. Divine and seconded to adopt the agenda. Motion carried unanimously.
6. WORKSHOP:
 - a. **Discuss and review the audit for FY 2024-2025.** Mr. Ward and the Board reviewed the final draft of the audit report. Mr. Ward advised that he was giving a clean unmodified report, which is what you want from your audit report and congratulated the District and thanked the staff for providing all documentation needed to complete the audit. Mr. Ward pointed out that the District's audit keeps getting better. Mr. Ward noted that the District ended the year with 39.9 million in total assets, which is a slight increase from last fiscal year and also noted that the District ended the year with about 19.1 million in liabilities, which is about a 5.1% decrease from last fiscal year. Mr. Ward and the Board reviewed the restricted versus unrestricted net position from the balance sheet. Mr. Ward pointed out that the District is still benefiting from interest income but that the District is seeing some reduction as these rates are coming down. Mr. Ward pointed out the analytical schedule showing that the District outstanding debts for bonds had decreased from 18.3 million down to 17.5 from the last fiscal year. Mr. Ward reviewed pages 20 and 21 with the Board and advised that this is basically the long form of the statement of new position as seen on pages 14 and 15. The Board and Mr. Ward reviewed the remainder of the audit including details of debt including the pay out of life of the debt. Mr. Ward advised that he likes to focus on the unrestricted part that is listed currently at about 5.5 million which he explained is the funds that are available to operate into the future. The Board asked Mr. Ward if there were any concerns or any recommendation after performing the audit. Mr. Ward stated that all accounts have been reconciled and when the Board decided to change how they account for their inventory that it had improved the accountability for those records. Ms. Crowsey explained that the District now follows an expense as it is purchased policy for inventory parts in that way everything is expensed to a budget line item as it paid for except for large items such as pumps which are expensed as they are utilized. Mr. Ward recommended that the District consider fixed asset management software that would help the District perform the depreciation and amortization of assets for them. The District reviewed the fiscal year ending debt ratio which came in at a 2.83 for the year. The Board asked about the report showing the number of miles of pipeline and asked if the District had something that helped the District account for the pipeline's age. Mr. McLaughlin advised that there was not really a program like that but gave an example of

when the District extended lines years ago for a project that this report was updated and any future projects for line extensions that fall under the District's master plan will be updated also. The Board asked if the District had lead in the pipes. McLaughlin advised that the District has a rotating testing for both lead and copper that has to be done and in the twelve years that he has been here he has rarely seen a number above registering on lead but for copper he has seen some but none were anywhere near the levels where a required notice has to be sent or be concerned about at all. Ms. Crowsey also advised that a new requirement came out where the District had to perform a lead service line inventory. Mr. McLaughlin advised that we did complete this inventory and found nothing advising that the District had to dig up the customer's side of the lines for every address in the District. Ms. Crowsey advised that results from that inventory are listed on the District's website.

Convene into Regular Meeting.

The Board convened into the regular meeting at 12:24pm. Mr. Ward and Ms. Wood left the meeting. Mr. Manivannan arrived at the meeting.

7. **Discuss and/or take action to approve the minutes from the regular meeting on June 18, 2025.** Motion was made by Mr. Mullaney and seconded to approve the minutes from the regular meeting on June 18, 2025. Ms. Crowsey advised there was only one change to the minutes because she had inadvertently put in that Ms. Bradley was at the meeting when she was absent and noted that this correction was made before it was included in today's Board packet. Motion carried unanimously.
8. **Discuss and/or take action to approve the 2024-2025 annual audit by Mike Ward Accounting & Financial Consulting, PLLC.** Motion was made by Mr. Mullaney and seconded to approve the 2024-2025 annual audit by Mike Ward Accounting & Financial Consulting, PLLC. Motion carried unanimously.
9. **Public Comments.** There was no public comments.
10. **Consent Agenda:** The Board requested that items under the Engineer's Report #10 a(i) be removed from the consent agenda for discussion.
 - a. KSA Engineer's Report
 - i. Task Order #24 General Services
 - ii. 2022 Bond Projects.
 1. Task Order #101210 NWWTP Catwalk
 2. Task Order #101212 SWWTP Improvement
 3. Task Order #101213 Brookshire GST.
 4. Task Order #101214 Lift Station Improv 57 & 59
 - iii. Task Order #103767 South WWTP Permit Renewal.
 - 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.a(i). Task Order #24 General Services. The Board and Mr. Manivannan discussed several projects including pier 334 that were still pending. The Board discussed the ground storage tank project noting that it is only one week behind schedule. Mr. Manivannan stated that the contractor is doing a good job with no concerns. The Board was advised that the bid for task order #101212 SWWTP Improvement and task order #101214 lift station Improvement 57 and 59 will have a sealed bid opening on July 31st.

11. **Discuss and/or take action to approve to pay for destruction of records, hard drives, and other important paperwork not to exceed the amount of \$2,000.00 for a budgeted**

2025/2026 capital expenditure to be paid out of the Operating Reserves. Motion was made by Mr. Henley and seconded to approve to pay for destruction of records, hard drives, and other important paperwork not to exceed the amount of \$2,000.00 for a budgeted 2025/2026 capital expenditure to be paid out of the Operating Reserves. Ms. Crowsey explained that this project consists of destruction of records, hard drives and other important paperwork that the District destroys in compliance with the record retention programs and also noted that the District may also utilize these funds to purchase commercial grade shredders. Motion carried unanimously.

12. **Discuss and/or take action to approve to purchase a new display case for the Administrative office for legal postings not to exceed the amount of \$1,000.00 for a budgeted 2025/2026 capital expenditure to be paid out of the Operating Reserves.** Motion was made by Mr. Henley and seconded to purchase a new display case for the Administrative office for legal postings not to exceed the amount of \$1,000.00 for a budgeted 2025/2026 capital expenditure to be paid out of the Operating Reserves. Ms. Crowsey advised that she is hoping that they can repair the current one that is located on the front of the office building but did budget for a new one if the repairs would cost more than replacing it with a new one. Motion carried unanimously.
13. **Discuss and/or take action to approve to purchase Lift Station SCADA Upgrades not to exceed the amount of \$25,000.00 for a budgeted 2025/2026 capital expenditure to be paid out of the Operating Reserves.** Motion was made by Mr. Divine to approve to purchase Lift Station SCADA Upgrades not to exceed the amount of \$25,000.00 for a budgeted 2025/2026 capital expenditure to be paid out of the Operating Reserves. Mr. Zbleski gave a brief overview of how the lift station SCADA system works, explaining how it calls out when there is an issue at the lift station so the District can respond. Mr. McLaughlin explained that the same type of SCADA is currently at the water and wastewater plants, and they work well. Mr. McLaughlin explained that the SCADA system is run on radio telemetry. The Board questioned having back up for this system, but Mr. Laughlin advised that the plants have had radio telemetry for over ten years and the only thing that seems to affect it is heavy rain and even then, it is very rare. Mr. Zbleski advised this is upgrading the system we currently have and adding more to it, but we will still have more that may have to be upgraded in future budgets. Motion carried unanimously.
14. **Committee Reports.**
 - a. **Operations Committee.** There was no report.
 - b. **Personnel Committee.** There was no report.
 - c. **Finance Committee.** There was no report.
15. **Review and discuss the June 2025 financial reports.** The Board reviewed the monthly financials. It was noted that revenues are down slightly but so are the expenses. The debt ratio for year to date is up from last year's but noted that the current month debt ratio which is 2.63 is the exact same as last year.
16. **Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Henley and seconded to approve the payment of bills. Motion carried unanimously.
17. Motion was made by Mr. Henley and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 12:53pm.


Jim Willi
Board President

08/20/2025
Date