

EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR WORKSHOP/REGULAR MEETING WEDNESDAY FEBRUARY 18, 2026, 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 18, 2026. The meeting convened at 11:00am, President Jim Willi presiding.
2. Pledge of Allegiance.
3. Members present in person were, President Jim Willi, Treasurer Pat Mullaney, Secretary Terri Bradley, Director Ted Henley, Director Michael Divine, and Director Debbie Emmerich. Absent was Vice-President Larry Bratton. Other attendees in person were General Manager James Blodgett, and Office Manager Angie Crowsey. Other attendees by telephone/video conference were Russell Slator/The Monitor and one individual listed as Michael.
4. A quorum was established.
5. Motion was made by Ms. Bradley and seconded to adopt the Agenda. Motion carried unanimously.
6. **WORKSHOP:**
 - a. **Discuss and review the budget for FY 2026/2027.** Mr. Blodgett presented the Board with several handouts which gave a brief description of the updates to many of the line items that helped staff to build the proposed budget. Mr. Blodgett pointed out that the current inflation rate is 3% and that the budget being proposed is a 2% increase overall. It was mentioned that one of the biggest factors playing in this year's budget was the need to issue a new bond for very high priority capital improvement projects. Mr. Blodgett advised that the first consideration for bonds was a 27 million bond for ten (10) priority projects but after meeting with the Finance committee and reviewing the huge cost of approximately 7% monthly increase for the customers the committee asked him to review projects to see what could be considered to reduce this impact. Mr. Blodgett then met with management to review projects for what they felt were their priorities before discussing the projects again with the engineers. Mr. Blodgett stated that once the engineers came back with their reports everyone felt comfortable with going with only the top six (6) priority projects and reevaluate priority needs with the knowledge that the District will have to review the other top priority projects in about five or more years. The bond the District will now consider is 14.5 million to cover the six projects which will end up being closer to 15.5 million after closing due to the other fees. Mr. Blodgett explained that there would be a rate increase proposed of 2% on water and wastewater rates. Rate studies show that the majority of residential customers use around 3,000 gallons. The impact on customers that have water and wastewater using an average of 3,000 gallons would be approximately \$1.74 per month and an increase of approximately \$20 for a year. The Board discussed several budget-line items including a proposed increase in personnel wages of approximately 3.5%. Mr. Blodgett advised that all employees receive a 3% increase and there would be additional merit increases for some based off of proven performances. The Board and Mr. Blodgett discussed the need for an additional full-time administrative employee, pointing out that there is a temporary clerical position that was budgeted for in the current fiscal year and that position would turn into a full-time employee in the new fiscal year. Mr. Blodgett pointed out that new installation for taps was down approximately 30% from last fiscal year and that was also taken into consideration when building this budget. It was noted that there would be four (4) new trucks purchased this year and next fiscal year they anticipated only having to replace a backhoe. The Board and Mr. Blodgett discussed the current process where capital improvement projects and expenditures that are approved as part of the budget each year are being placed on monthly agendas again for

approval, which seems to be duplication since they are being approved as part of the budget. The Board concurred that if a project is approved as part of the budget, then it should not be put on agendas for approval a second time unless there is a cost increase for the budgeted amount or if the project is unexpected and unbudgeted. Mr. Blodgett advised that there will be a slight increase to the septic haulers in this budget explaining that there is an increase in costs to the district for treating the intake from the haulers and the District is having to repair the driveway and has done multiple repairs to the water valve and parts at the dump location. The Board discussed the bond and Mr. Blodgett noted that the District is hoping to secure the new bond this year. It was noted that the majority of the priority projects that are scheduled to be completed with the bond are from the District's master list.

The Board took a short break at 11:42am. At 11:47am the Board reconvened into the regular board meeting.

7. **Discuss and/or take action to approve the minutes from the regular meeting on January 21, 2026.** Motion was made by Mr. Mullaney and seconded to approve the minutes from the regular meeting on January 21, 2026. Motion carried unanimously.
8. **Public Comments.** There were no public comments.
9. **Consent Agenda:** The Board requested that all items under the General Managers' report be removed 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 #101214 Lift Station Improv 57 & 59
 - iii. Lake Crossing / CBP
 - iv. 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.

9.b(i) Key Monthly Activities. The Board and Mr. Blodgett discussed the installations revenues being down but it was noted that the expenses for Installations were down also.

9.b(iv) Project status. The Board and Mr. Blodgett reviewed the project statuses. On the SWWTP Improvement project, it was noted that this project is behind schedule, but Mr. Blodgett advised they are doing some work including preparing the driveway. The South WWTP Permit renewal is complete and the North WWTP Permit has just started. The NWWTP Catwalk is still in engineering design phase and Mr. Blodgett explained the need to complete this project. Motion was made by Mr. Divine and seconded to approve the consent agenda. Motion carried unanimously.

10. **Discuss and/or take action to approve the FY 2026/2027 Budget including the pay scale and organization chart for FY 2025/26.** Motion was made by Mr. Divine and seconded to approve the FY 2026/2027 Budget including the pay scale and organization chart for FY 2025/26. Motion carried unanimously.
11. **Discuss and/or take action to approve Resolution #2026-001 for the revised Customer Service Policy Resolution that also includes revised water and wastewater rates.** Motion was made by Mr. Mullaney and seconded to approve Resolution #2026-001 for the revised Customer Service Policy Resolution that also includes revised water and wastewater rates. Motion carried unanimously.
12. **Discuss and/or take action to approve an additional \$8,800 to purchase a new flow control valve actuator at the NWWTP for an unexpected 2025-2026 capital improvement expenditure to be paid out of the Operating Reserves account. (Originally approved**

\$19,680 now would be \$28,480). Motion was made by Mr. Divine and seconded to approve an additional \$8,800 to purchase a new flow control valve actuator at the NWWTP for an unexpected 2025-2026 capital improvement expenditure to be paid out of the Operating Reserves account. Motion carried unanimously.

13. **Discuss and/or take action to approve the Brookshire WTP Clarifier Mixers rehab not to exceed the amount of \$38,500 for a budgeted 2025-2026 capital improvement expenditure to be paid out of the Operating Reserves account.** Motion was made by Mr. Mullaney and seconded to approve the Brookshire WTP Clarifier Mixers rehab not to exceed the amount of \$38,500 for a budgeted 2025-2026 capital improvement expenditure to be paid out of the Operating Reserves account. Motion carried unanimously.
14. **Committee Reports.**
 - a. **Operations Committee.** No report.
 - b. **Personnel Committee.** No report.
 - c. **Finance Committee.** Mr. Mullaney advised that the Finance Committee did meet a couple of times to review the proposed budget and to review the future bonds.
15. **Review and discuss the January 2026 financial reports.** The Board reviewed and discussed the financial reports. It was noted that revenues for installations were down and reconnect fees were down. The Debt ratio is looking good with a 2.85.
16. **Discuss and/or take action to approve the payment of bills.** Motion was made by Ms. Bradley and seconded to approve the payment of bills. Motion carried unanimously.
17. Motion was made by Ms. Bradley and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 12:06pm.



Jim Willi
Board President

03/18/2026
Date