

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
MINUTES FOR WEDNESDAY OCTOBER 20, 2021 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 20, 2021. The meeting convened at 12:30pm, President Harry McCune presiding.
2. Pledge of Allegiance.
A minute of silence in memory of Board Vice-President Allen Brier.
3. Members present in person were President Harry McCune, Treasurer Ted Bayless, Secretary Joe Lomonaco, Director Jim Willi, and Director Larry Bratton. Absent members was Director Jan Wynn. Other attendees in person were General Manager James Blodgett, and Office Manager Angie Crowsey. Other attendee by telephone/video conference were Steve Farabaugh/KSA Engineers, Danny Hays/KSA Engineers, Russel Slayton/The Monitor, James Reue/Customer, and Jeff Zudell/Customer. Dallas Wendling/KSA Engineers joined by telephone/video conference during the consent agenda discussion.
4. A quorum was established.
5. Motion was made by Mr. Lomonaco 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 15, 2021.** Motion was made by Mr. Bayless and seconded to approve the minutes from the regular meeting on September 15, 2021. Motion carried unanimously.
7. **Public Comments.** Mr. Reue advised that he lives at the Lakeland Condos at 160 Pennusula Point in Payne Springs. He wanted to address the Board about the lift station in this area that is about 30ft to 40ft from a pavilion that is used by him and others who live in the condos and surrounding area. Mr. Reue advised that when they meet at the pavilion for social gatherings and other events that the smell from the nearby lift station is very bad that he has made a few complaints to the Texas Commission on Environmental Services (TCEQ). Mr. Blodgett advised that he has met with TCEQ out there at that lift station and the staff did install a deodorant block and the staff will continue to monitor the cleanliness and condition of the lift station but advised that this is a sewer lift station that is handling raw sewer. The Board advised that they could not take action but recommended that he contact Mr. Blodgett about the issue. Mr. Zudell address the Board that he was here in support of Mr. Reue and agreed with his complaints.
8. **Consent Agenda:** The Board requested that items under KSA Engineer #8a(ii)#5, and #8a(iii), and all items under the General Managers' report 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 #39 Brookshire GST project.
 - iv. Task Order #40 NWWTP 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.

8 a.(ii) #5)Task Order #35 Meter Replacement (AMR). The Board discussed the contract for the AMR. Mr. Blodgett advised that it had not yet been signed because the District's lawyer

was out of town and had just returned to be able to review the documents. Mr. Farabaugh noted that there are certain items in this contract that the District's lawyer needs to review because the District would be tied to this system, company, and meters for a long time. Mr. Farabaugh advised that he expects to have everything signed and completed within the next few weeks and with the company having to organize mobilization, shipment of products, and setting up crews he is hoping they can start in a couple of months. The Board asked about the companies' stability since the District will be tied to this for possible up to 20 years and Mr. Farabaugh confirmed that the vendors are well vetted and one of the bidding options was that they had to be established in this type of business for a certain period of time.

8 a.(iii) Task Order #39 Brookshire GST project. KSA presented an updated report for the Ground Storage Tanks. The Board and the engineers discussed several options and scenarios for rebuilding the leaning tank and options for the other tank. The area between the two tanks is less than 12 feet so rehabilitating them exactly where they currently are, would be difficult and constrictive for the equipment. One option included filling one of the existing ponds with compound fill and select materials to build on. Mr. Hayes advised that they will be bringing in a Geo technical engineer to study the area to see what the District has to do to be able to make it stable and hold up. The Board discussed still obtaining adjoining property, when possible, for future needs.

8 b.(i) Key Monthly Activities. The Board discussed the leak on the caustic line and Mr. Blodgett confirmed that the leak had been repaired and was a very small leak. The Board discussed the hay cutting contract at the SWWTP Farm Operations. Mr. Blodgett advised that the contractor has just completed his second cut of hay. The Board asked why the District had to cover costs of irrigation equipment instead of the contractor and Mr. Blodgett explained that the District is required to use the irrigation for permitted compliance for effluent water from the plant and that the hay contractor helps keep the field maintained. Mr. Blodgett explained that the contractor pays for fertilizer and cuts the field then pays the District \$10.00 a bale of what he cuts. The Board asked about the relocation of the 260ft of 2" water main for the condo project and discussed if the contractor/owner paid for this project and it was noted that this was done at the District's expense.

8 b.(ii) Staff Changes. The Board discussed the District's current open positions status and asked if the two separations this last month was money related or work ethics. Mr. Blodgett confirmed they were work performance related. The Board asked if Mr. Blodgett could give a summary of the number of interviews done monthly.

8 b.(iii) Work Orders. The Board reviewed the work orders and there was some discussion on water and sewer installation inspections and question if outside contractors were needed. Mr. Blodgett advised that the District currently had two certified Customer Service Inspectors and had a third employee working on his licenses. Ms. Crowsey advised that inspections are much easier when done in house and would highly recommend that the District use their own employees as they know the Districts rules and regulations as well as state regulations.

8 b.(iv) Project Status. The Board discussed the inserta valve that is on the agenda for today going into the Tamarack Subdivision. Mr. Blodgett advised that they had the inserta valve installed due to the urgency and will now have a second one due to a tapping sleeve that is about to blow apart. Mr. Blodgett advised that the company is in route to the location today and will arrive this afternoon for an emergency installation of a second inserta valve. The Board

asked about the damaged door at the filter press building and Mr. Blodgett advised that a former employee caused the damage while he was still employed by the District but did inform the Board that this would be covered by insurance and the District will just be out the \$1,000 deductible once it is completed.

8 b.(v) Operations Report. The Board discussed the slip lining going in on the hwy 334/Welch Lane project that will be installed by Rub-a-dub plumbing. The Board discussed the possible sewer on the eastside of Gun Barrel City going out towards Hwy 175. It was noted that a local contractor may be looking at putting in a truck stop type gas station and would need sewer for that area. The Board discussed costs and who would incur the costs of this project. Mr. Blodgett advised that he thinks the District needed to start looking at potential growth in this area and maybe consider absorbing the costs for this project. The Board discussed the possibility of requiring anyone connecting to this line pay for frontage fees as they join the system once it is installed. The Board discussed the report from the leak detection company SAMCO. Mr. Blodgett advised that the only major leak found was on a line that belonged to the Payne Springs Water. There were other small leaks found but no major leaks for the District.

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

9. **Discuss and/or take action to approve to pay Overhead Door Company of Tyler to replace the overhead door at the filter press building not to exceed \$8,300.00 to be paid out to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement.** Motion was made by Mr. Willi and seconded to approve to pay Overhead Door Company of Tyler to replace the overhead door at the filter press building not to exceed \$8,300.00 to be paid out to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement. The Board discussed the invoice which was actually \$8,375.00. Motion was amended by Mr. Willi and seconded to approve to pay Overhead Door Company of Tyler to replace the overhead door at the filter press building not to exceed \$8,375.00 to be paid out to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement. Motion carried unanimously.
10. **Discuss and/or take action to approve to replace the mixer for the Brookshire elevated tower not to exceed \$20,000.00 to be paid out to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement.** Motion was made by Mr. Lomonaco and seconded to approve to replace the mixer for the Brookshire elevated tower not to exceed \$20,000.00 to be paid out to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement. Mr. Blodgett advised that the warranty on the mixer was seven (7) years and it had been seven years and three months since purchase. Mr. Blodgett advised that they are looking at purchasing the mixer and hiring a contractor we are currently using to install the mixer which may reduce the costs. Motion carried unanimously.
11. **Discuss and/or take action to approve to pay JZ Southern Boys for installing a 10" InsertaValve on a water main in the Tamarack Subdivision for an emergency repair in the amount of \$10,500.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement.** Motion was made by Mr. Bratton and seconded to approve to pay JZ Southern Boys for installing a 10" InsertaValve on a water main in the Tamarack Subdivision for an emergency repair in the amount of \$10,500.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement. The Board discussed the second valve that was to be installed today. Motion

was amended by Mr. Bratton and seconded to approve to pay JZ Southern Boys for installing a 10" InsertaValve on a water main in the Tamarack Subdivision for an emergency repair in the amount of \$25,000.00 to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement. Motion carried unanimously.

12. **Discuss and/or take action to approve to pay Rub-A-Dub Plumbing to repair install a slip for the Hwy 334/Welch Lane project not to exceed \$50,000.00 to be paid out to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement.** Motion was made by Mr. Lomonaco and seconded to approve to pay Rub-A-Dub Plumbing to repair install a slip for the Hwy 334/Welch Lane project not to exceed \$50,000.00 to be paid out to be paid out of Operating Reserves for an unexpected expenditure for the 2021/2022 Capital Improvement. Mr. Blodgett gave an overview to the Board of the process of installing a slip in the line. Mr. Blodgett advised that he is performing some negotiations on pricing with the company because the District will be able to use their own equipment since our staff will already be out there setting it up and this will cut some costs. The Board discussed going out for bids on projects of this costs/size. Motion carried unanimously.
13. **Discuss and/or take action to initiate an engineering study of the capacity and capabilities of lift station three, based on history and data from installation till now.** Mr. McCune noted that this lift station has had a lot of issues and he would like to have a study to determine if it needs updating, upgrading, or replaced. The Board discussed the history and other issues with this lift station. Ms. Crowsey advised that the District did require that only a certain meter brand could be used on this project. The Board and Mr. Farabaugh discussed potential costs and Mr. Farabaugh estimated that it would be around \$10,000.00 for the study. Motion was made by Mr. Lomonaco and seconded to initiate an engineering study of lift station three to determine if changes need to be made. Motion carried unanimously.
14. **Discuss and/or take action to approve an alternative to the annual employee awards and recognition dinner for the Board and employees.** Motion was made by Mr. Willi and seconded to approve the same benefit as last year which was to give all employees 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 as an alternative to holding the annual employees awards and recognition dinner. The Board discussed the wording of the recognition dinner that included the Board. Mr. Blodgett advised that each department will still hand out and recognize tenure and performance awards. Motion carried with majority vote with three (3) votes for the motion and one (1) vote against the motion.
15. **Committee Reports.**
 - a. **Personnel Committee.** Mr. Bratton advised that the Personnel Committee did meet to discuss the Employee Policy Manual and will be meeting again next week to finish up the proposed policy.
 - b. **Operations Committee.** There was no report.
 - c. **Finance Committee.** Mr. Bayless advised that the Finance Committee did not meet but did learn that the Administration office is focusing on the budget. Mr. Bayless advised that he suspects a rate increase will be implemented and estimates at least \$1 for water and \$1 for sewer on the base rate due to the increased costs of goods, the unexpected capital expenditures and the costs of maintaining employees. Mr. Bayless stated that 50% of any increase will probably go for employee costs and a portion would go to capital expenditure costs.
16. **Review and discuss the September 2021 financial reports.** Mr. Bayless pointed out to the Board that we knew the debt ratio would be an issue after last month's was so high. The expenses for new installations were expensed this month. Mr. Bayless pointed out that the

debt ratio for year to date was still good. Mr. Blodgett advised that the new installs have not slowed down but anticipates it slowing down during the holidays and winter months.

17. **Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Bratton and seconded to approve the payment of bills. Motion carried unanimously.
18. **Motion to adjourn.** Motion was made by Mr. Willi and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 2:53pm.


Harry McCune/Board President

11/17/2021
Date