

**EAST CEDAR CREEK FRESH WATER SUPPLY DISTRICT
WORKSHOP/REGULAR MEETING WEDNESDAY FEBRUARY 19, 2025 11:00AM
MINUTES**

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 February 19, 2025. The meeting convened at 11:00am, President Jim Willi presiding.
2. Pledge of Allegiance.
3. Members present in person were, President Jim Will, Vice-President Larry Bratton, Treasurer Bill Goheen, Secretary Terri Bradley, Director Pat Mullaney, and Director Ted Henley. Other attendees in person were General Manager James Blodgett, and Office Manager Angie Crowsey. Other attendees by telephone/video conference was Russell Slayton/The Monitor. Director Rob Rea arrived later in the workshop and Shriram Manivannan/KSA Engineers arrived later during the meeting.
4. A quorum was established.
5. President Jim Willi advised that there would be a change to one item. Ms. Crowsey advised that agenda line item #14 that has \$5,000 for video should have also included the wording for another \$1,000 that was previously budgeted and reserved for the video system. Motion was made by Mr. Mullaney and seconded to adopt the agenda with the amendment to line item #14. Motion carried unanimously.
6. **WORKSHOP:**
 - a. **Discuss and review the budget for FY 2025/2026.** Mr. Blodgett presented the Board with a handout which gave a brief description of the updates to many of the line items including increases from vendors, insurance, and other factors that helped staff to build the proposed budget. Mr. Blodgett explained that there would be a rate increase proposed of 5% on water and wastewater rates. Rate studies show that the majority of residential customers use around 3,000 gallons. The impact to customers that have water and wastewater using an average of 3,000 gallons would be approximately a \$4.14 per month increase which would be just under \$50.00 for a year. Mr. Goheen advised that the District's rates are still very low according to the TRWA rate studies of water companies our size. It was recommended that the District consider having one of the companies we have a membership with coming in and doing an independent rate study to see how the District is doing and see if there are any recommendations. The Board discussed several budget line items including a proposed increase in personnel wages of approximately 5%. Mr. Blodgett advised that all employees would receive a 3% increase and there would be additional merit increases for some based off of proven performances. The Board and Mr. Goheen also discussed the need for additional employees in the next few years pointing out that there is a temporary clerical position in this proposed budget for the administrative office. The Board discussed installations and material costs for new water and wastewater tap installations. Mr. Blodgett advised that they just received updated quotes for pumps and panel boxes which increased between 3% to 5%. The Board reviewed the proposed capital expenditures in this upcoming budget. Mr. Blodgett pointed out that the project that they had hoped to fund with improvement funds for McKay WTP that was estimated to be \$320,000, had to be budgeted as a capital expense in this proposed budget but that the AMR meters to replace two subdivisions would be funded with improvement funds. Mr. Blodgett advised that they are also looking ahead at capital project needs and anticipate a future bond estimated around 20 million so there is \$150,000 in the capital expenditure reserves in this proposed budget to as well as the \$100,000 currently in this fiscal year budget to

help with that bond. The intention is to keep any rate increase down for customers when this bond is issued. The Board discussed the proposed additional parking lot for the shop and utility service center that is under the capital expense and improvements and Mr. Blodgett and Ms. Crowsey explained the need for additional parking for employees. Mr. Blodgett advised that this fiscal year the District would be going out for request for bids for the hay lease as it will be up this year and also advised that our current mowing lawn care company is closing their business, and the District will be going out for request for bids for lawn care services as well. The Board and Mr. Blodgett discussed personnel line items including vacancies and benefits to draw and keep employees. Mr. Blodgett advised that next month there will be some items on the agenda to address more benefits for employees. Mr. Blodgett advised that he was informed that the roll-off boxes used for transporting sludges were in bad shape and may have to be purchased under the unexpected expenditures if it will not hold until next fiscal year budget. The Board discussed unexpected expenditure projects budgeted this year and Mr. Blodgett advised that the District has saved approximately \$77,000 on budgeted expenditures that will help cover any unexpected expenditures. The Board asked about the organization chart noting that Operation Manager David Hollaway had submitted his resignation and would be leaving within the next few weeks. Mr. Blodgett advised that the District did post the job opening to all employees and had two employees apply for the position. Both employees had good experience, and both talked very highly of each other. Mr. Blodgett advised that it was a very difficult decision, but he chose current Field Supervisor Shawn Zbleski to fill Mr. Hollaway position. The District then posted the Field Supervisor position to all employees and has received three employees who are interested and will be interviewed to make a decision this Friday.

The Board took a short break from 11:48p.m. to 12:00p.m.

The Board convened into the regular meeting.

7. **Discuss and/or take action to approve the minutes from the regular meeting on January 15, 2025.** Motion was made by Mr. Rea and seconded by to approve the minutes from the regular meeting on January 15, 2025. Motion carried unanimously.
8. **Public Comments.** There were no public comments.
9. **Consent Agenda:** The Board requested that item # b(i) 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 #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.

9.b(i) Key Monthly Activities. The Board discussed the key monthly activities which included the belt press motor that was replaced. It was noted that the District would have to look at an additional belt press or a upsized press in the future to keep up with growth.

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

10. **Discuss and/or take action to approve the FY 2025/2026 Budget including the pay scale and organization chart for FY 2025/26.** Motion was made by Mr. Mullaney and seconded to approve the FY 2025/2026 Budget including the pay scale and organization chart for FY

2025/26. The Board commended the administrative staff on a good job on the budget. Motion carried unanimously.

11. **Discuss and/or take action to approve Resolution #2025-001 for the revised Customer Service Policy Resolution that also includes revised water and wastewater rates.** Motion was made by Mr. Goheen and seconded to approve Resolution #2025-001 for the revised Customer Service Policy Resolution that also includes revised water and wastewater rates. Ms. Crowsey went through the recommended changes for this policy, which included the new water and wastewater rates and new water and wastewater taps. Ms. Crowsey went over several small wording changes but noted there was a big change in the real estate inspection policy, moving it from 72 hours to 48 hours, and changing the rules on the dates it can be performed, and increasing the cost of this service. Motion carried unanimously.
12. **Discuss and/or take action to approve KSA Engineers task order #103767 South WWTP Permit Renewal not to exceed the amount of \$17,500 for a budgeted 2025/2026 capital improvement expenditure to be paid out of the Operating Reserves account.** Motion was made by Mr. Rea and seconded to approve KSA Engineers task order #103767 South WWTP Permit Renewal not to exceed the amount of \$17,500 for a budgeted 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 Integrity Services to replace the gas heater at the utility service center no to exceed the amount of \$3,200. for a unexpected 2024/2025 capital improvement expenditure to be paid out of the Operating Reserve account.** Motion was made by Mr. Rea to approve Integrity Services to replace the gas heater at the utility service center no to exceed the amount of \$3,200. For a unexpected 2024/2025 capital improvement expenditure to be paid out of the Operating Reserve account. Mr. Blodgett asked the Board to revise the approved costs to include the other gas heater at the utility service center because they fear it will have the same issues, and they are both the same age and in bad shape. The new quote for both heaters would be \$6,200. Motion was amended by Mr. Rea and seconded to approve Integrity Services to replace the gas heater at the utility service center no to exceed the amount of \$6,200. for a unexpected 2024/2025 capital improvement expenditure to be paid out of the Operating Reserve account. Motion carried unanimously.
14. **Discuss and/or take action to approve to have video compatible (TV, Cabling, camera, set up) for the Board room not to exceed the amount of \$5,000 for a budgeted 2024/2025 capital improvement expenditure and \$1,000 for a budgeted 2020/2021 capital improvement expenditure to be paid out of the Operating Reserves account.** Motion was made by Mr. Goheen and seconded to approve to have video compatible (TV, Cabling, camera, set up) for the Board room not to exceed the amount of \$5,000 for a budgeted 2024/2025 capital improvement expenditure and \$1,000 for a budgeted 2020/2021 capital improvement expenditure to be paid out of the Operating Reserves account. Ms. Crowsey advised that the District uses three laptops to run video at the meetings and this would eliminate the need for two of the laptops plus the cost to keep them updated and running, only keep one for administration purposes. The Board discussed this project and proposed increasing it to have a better chance of getting a better system in. Motion was amended by Mr. Goheen and seconded to approve to have video compatible (TV, Cabling, camera, set up) for the Board room not to exceed the amount of \$8,000 for a budgeted 2024/2025 and 2020/2021 capital improvement expenditure to be paid out of the Operating Reserves account. Motion carried unanimously.
15. **Discuss and/or take action to approve of removing the Operations Manager from all checking accounts and to add the Billing Supervisor to the operations accounts.** Motion was made by Mr. Mullaney and seconded to approve of removing the Operations Manager

from all checking accounts and to add the Billing Supervisor to the operations accounts. Ms. Crowsey advised that many years ago the Billing Supervisor position was the one that signed on the three operations account (Operations, Managers, and Payroll) but was switched to Operations Manager because the person in that Billing position had become ill and the District was not sure of their return. Motion carried unanimously.

16. **Discuss and/or take action to approve the investment officers to review maturing accounts in 2025 and authorize the officers to close and/or reinvest these accounts following the Investment Policy and internal procedures.** Motion was made by Mr. Rea and seconded to approve the investment officers to review maturing accounts in 2025 and authorize the officers to close and/or reinvest these accounts following the Investment Policy and internal procedures. Ms. Crowsey advised that currently we only have two accounts coming up for maturity this year but sometimes those are rolled over into a different month's CD like four or six and sometimes those will mature again before next year so every year the Board approves for this to authorize the investment officers to make these decisions. Ms. Crowsey advised that the administrative office always gets approval from the investment officers before taking any action on maturing accounts. The investment officers as listed in the Investment policy is the General Manager and the Board President that is reviewed and approved every year by the Board in an open Board meeting. Motion carried unanimously.

17. **Committee Reports.**

- a. **Operations Committee.** There was no report.
- b. **Personnel Committee.** There was no report.
- c. **Finance Committee.** Mr. Goheen advised the committee had met to review the budget approved today and has no scheduled meetings at this time.

18. **Review and discuss the January 2025 financial reports.** The Board reviewed the financials and Mr. Goheen advised that the debt ratio looks good at 2.48 for the month and 2.69 year to date and he doesn't anticipate many changes on this for the next few months.

19. **Discuss and/or take action to approve the payment of bills.** Motion was made by Mr. Rea and seconded to approve the payment of bills. Motion carried unanimously.

20. **Convene into Executive Session to deliberate personnel matters as per section 551.074 of the Open Meetings Act.**

- a. **Deliberate the annual evaluation for the General Manager.**

The Board went into executive session at 12:25 p.m. The Board reconvened out of executive session at 12:53pm

21. **Discuss and/or take action on items discussed in the executive session.** The Board came out of executive session and advised that they did meet in executive session to review the annual evaluation of General Manager James Blodgett and that the Board President will meet with General manager James Blodgett to present him his annual evaluation. The Board also advised that they recommend a 5% wage increase which would be approximately \$5,500 for Mr. Blodgett for this next fiscal year. The Board commended Mr. Blodgett for doing a good job.

Without objections the Board president read a letter of resignation he received from Board member Bill Goheen whose stated his last meeting will be March 19, 2025.

22. Motion was made by Mr. Bratton and seconded to adjourn. Motion carried unanimously. The Board adjourned out of the meeting at 1:01pm.



Jim Willi
Board President

03/19/2025

Date