



# WEST-CENTRAL-TEXAS-MUNICIPAL-WATER-DISTRICT

410 Hickory Street, Abilene, TX 79601 · Phone 325-673-8254 · Fax 325-673-8272 · www.wctmwd.org

401st Meeting of the Board of Directors

STATE OF TEXAS COUNTIES OF: JONES,  
SHACKELFORD, STEPHENS, TAYLOR,  
EASTLAND, AND PALO PINTO

REGULAR MEETING  
February 11, 2020· 9:30 AM  
ABILENE, TEXAS

## DIRECTORS PRESENT

### ABILENE

Norm Archibald      Russell Berry  
Sam Chase            Kelly Kinard

### ALBANY

David Cleveland      Randall Palmore

### ANSON

Keith Gilbert            Rowland Foster

### BRECKENRIDGE

Paul Prater

## DIRECTORS ABSENT

### ABILENE

Ron Butler            Joe Canon

### ALBANY

### ANSON

### BRECKENRIDGE

Scott Harris

## STAFF AND OTHER GUESTS PRESENT

Chris Wingert, General Manager  
Christy Ferguson, Admin. Services Manager  
Bonnie Ayers-Robbins, Field Service Coord.  
Blake Woodall, Planning and Dev. Mgr.  
Jeromy Stephens, Eide Bailley  
Blake Rolls, Principal

David Buhrmann, Attorney  
Debbie Strayer, Admin/Finance Specialist  
Jeff Griffin, Actuaries & Associates  
Mark Zachary, Attorney McMahon, Surovik & Suttle  
Becky Roberts, C.P.A. District Financial Consultant

## Call to Order

Rowland Foster, Vice President, called the 401<sup>st</sup> meeting of the West Central Texas Municipal Water District Board of Directors to order at 9:30 a.m. on Wednesday February 11, 2020, in accordance with the statutes of the State of Texas. A quorum was present.

Vice President Foster formerly introduced several guests to the Board, including: Jeromy Stephens, Becky Roberts, Blake Rolls, Jeff Griffin and Mark Zachary. Vice President Foster stated that President Canon was unable to be here today.

### **Public Comment**

Vice President Foster opened up the floor for public comments at 9:32 am. No comments were made. Requests for public comments were closed at 9:33 am.

### **Recognition of the 2019 Employee of the Year**

Vice President Foster stated at this time he would like to recognize Bonnie Ayers-Robbins as the 2019 Employee of the Year. Vice President Foster asked Mr. Wingert to discuss the selection process and why Mrs. Ayers-Robbins was selected as the employee of the year. Mr. Wingert mentioned that the Employee of the Year is selected by a pool of nominations sent in by co-workers and that a committee consisting of Ronnie Tilly, Christy Ferguson and Keith Harrison make a selection based off of the number of votes received as well as what fellow staff members comment about the employee's performance throughout the year. Mr. Wingert stated that Bonnie serves as the District's Field Office Coordinator at the Lake Office in Breckenridge and stated that she started with the District in February 2013. Mr. Wingert said that Bonnie is key in keeping the Lake Shop paperwork organized, complete and processed on time. Mr. Wingert said Bonnie also presents a friendly and knowledgeable "face" to the District customers and the public. Mr. Wingert then asked the Board to please join him in recognizing Bonnie as the 2019 District Employee of the Year.

### **Minutes**

Vice President Foster stated that the minutes from the prior meeting (#400) need to be considered for approval at this time. Mr. Chase made a motion to approve the minutes. Mr. Berry offered a second and the motion carried unanimously.

### **Consent Agenda**

Vice President Foster asked if there were any comments or concerns with the Consent Agenda items, which include:

- Financial Statements for September 2019, and October 2019
- District's Contingency Fund Balance Sheet as of September 30, 2019
- District's Contingency Fund Balance Sheet for the period ending December 31, 2019
- Quarterly Investment Report for three months ending December 31, 2019
- Expense Vouchers for October, November and December 2019

Mr. Prater made a motion to approve the consent agenda as a whole. Mr. Palmore offered a second and the motion carried unanimously.

Vice President Foster then asked that there be a change to the agenda in that he is requesting the Board to review the Finance, Personnel and Customer Service Committee Report first, in order to accommodate some of the guests present today. The Board agreed.

**Finance, Personnel and Customer Service Committee Report:**

***Independent Audit Report for 2019***

Mr. Cleveland stated that the Finance Committee met earlier in January to discuss several items including the Audit Report. He then turned the meeting over to Mr. Wingert to discuss items in further detail. Mr. Wingert stated the Independent Audit Report was completed by Eide Bailley, LLP for the fiscal year ending September 30, 2019. Mr. Wingert then asked Jeromy Stephens C.P.A. representing Eide Bailley to give a summary of the audit report. Mr. Stephens highlighted several key items in the financial audit. He stated that it was a good, clean audit and no adjusting entries were recommended. Mr. Stephens asked if there were any questions and Vice President Foster asked for clarification on the pension plan numbers. Mr. Stephens gave the Board a summary of how the pension plan figures are calculated. Vice President Foster then asked if there were any further questions or comments and there were none.

Mr. Cleveland stated that the Finance Committee recommends the Board approve the Independent Auditor's Report for the Fiscal Year Ending September 30, 2019. With no further discussion Vice President Foster asked the Board for approval and the motion by Mr. Cleveland to approve the audit carried unanimously.

***District Internal Auditor Report***

Vice President Foster asked Becky Roberts to address the Board. Ms. Roberts stated that she has been the District's Financial Consultant for many years. Ms. Roberts gave the Board a summary of projects she has worked on which included: reviewing financials, assisting with audit preparation, reviewing the investment report, reviewing budget information and various consultations with staff as needed. Ms. Roberts then asked if there were any further questions regarding her report and there were none.

Mr. Archibald joined the Board Meeting at 9:51 am.

Mr. Cleveland stated that the Finance Committee recommends the Board approve Ms. Roberts report as shown on page 6.01. With no further discussion Vice President Foster asked the Board for approval and the report was approved with a unanimous vote.

***Consider Terms Adjustment to the Financial Consultant Agreement***

Vice President Foster stated that Ms. Roberts has requested a compensation increase and he asked her to please give the Board some insight on her request. Ms. Roberts stated that the latest contract was signed in 2017 for the services she provides and her current rate at that time was \$115 an hour and she would like to increase the rate to \$140 an hour to match what

her firm currently charges. Vice President Foster stated that the agreement remains the same except for increasing the rate. Mr. Wingert commented that there is a clause in the agreement that states "This rate can be adjusted one time during the contract period at the mutual consent of both parties". Mr. Wingert mentioned that when Ms. Roberts originally started with the District she was highly undervalued at \$60 an hour and this would bring her back up to Market rate.

Mr. Cleveland commented that Ms. Roberts does a great job and stated the Finance Committee recommends that the Board approve an increase in Ms. Roberts compensation from \$115 to \$140 per hour as provided under the terms of the AGREEMENT FOR A FINANCIAL CONSULTANT. With no further discussion Vice President Foster asked the Board for approval and the rate increase request was approved unanimously.

### *Revisions to the District's Private On-Water Facilities Regulations*

Mr. Wingert stated that the District continues to work with owners of sub-standard (derelict) docks at Hubbard Creek Reservoir. Mr. Wingert then went on to give statistics of how many violations were issued last year and how many to date had been corrected. Mr. Wingert stated the District looked into the possibility of contracting with a third-party to remove the most severely dilapidated docks with the intent to file a lien on the adjacent property to eventually recover the District's cost of removal. Mr. Wingert stated that after consultation with David Buhrmann, that a lien is not the best option. Mr. Buhrmann suggested that instead the District should:

- Use its regulatory authority under the Texas Water Code, under the District Act and under a revised POWF rule to make sure the District can enter the property for inspection and removal of the dock.
- Placing a lien on the property could have some unintended consequences if the property is a "homestead: and/or if there is a deed of trust/mortgage on the property.
- Enforcement of the rules should be sought through civil proceedings in either the District Court for Stephens County for an injunction requiring compliance of the Justice of the Peace in Stephens County to recover all costs and expenses.

Mr. Buhrmann stated that it could be a long and probably difficult process to recover any of the District costs which will need to be treated on a case-by-case basis. He noted that regardless, the first step will be to strengthen the existing POWF Rules. Mr. Wingert stated that no action needs to be taken at this time pending the drafting of revised POWF rules.

Mr. Chase asked Mr. Buhrmann if there were any plans to put in the rules that the District would repair a bad dock. Mr. Chase said either the owner would repair the dock, or the District will remove it, to which Mr. Buhrmann agreed. Mr. Archibald commented that every city has structures that are about to fall apart and he feels that if the District acts on getting things cleaned up that others will follow and be appreciative of what is being done.

No Board action is needed for this item.

## **Development, Operations, and Water Policy Committee Report:**

### ***Quarterly Update of Outstanding CIP/MIP Projects***

Mr. Wingert gave a report on the current outstanding CIP/MIP projects. He presented the update and stated that several of the projects have either been closed, completed, or are nearing completion. No Board action was needed.

### ***AWIA Risk and Vulnerability Assessment***

Mr. Wingert stated that the District has completed the 2020 Risk & Resiliency Assessment. Mr. Wingert told the Board that the Draft report was reviewed by Parkhill, Smith & Cooper (Engineering firm in Lubbock) and then modified following their recommendations. Mr. Wingert stated their comments were positive and there was very little that needed to be changed in the report. Mr. Wingert said that Datroo Technologies has performed their external and internal scans of the District's SCADA and IT systems and that they found several weaknesses that can be traced back primarily to software updates. Mr. Wingert said that the District has sealed up all of the identified weaknesses.

Key Assessment Results were:

#### **Top 10 Risks**

- Loss of Power (5 various causes)
- Pipe Corrosion
- Drought
- Dam Impacted by Flood
- Equipment Damage by Attack
- Equipment Obsolesce

#### **Top 10 by Cost**

- Pipe Corrosion
- Drought
- Loss of Power (2 causes)
- Equipment Attacked
- Equipment Obsolesce (3)
- Dam Impacted by Flood
- Earthquake

Mr. Wingert stated the report was finalized on January 28, 2020 a hard copy was delivered to Enprotec Hibbs and Todd at the request of the City of Abilene. He said that Enprotec Hibbs and Todd is working on the report for the City of Abilene, and they will integrate the District's information into their report for Abilene. Mr. Wingert said that a hard copy was also delivered to the City of Breckenridge.

Mr. Wingert stated that all that is left to do is certify with the EPA that the report has been completed and that certification will start a six-month clock for the District to develop the second phase-Emergency Response Plan. Mr. Wingert also commented that a section was added after the Operations Committee reviewed the report and that addition addressed what protections the District already has in place right now.

No Board action is needed for this item.

### ***Long-Term PK Water Contract for the City of Albany***

Mr. Wingert stated that the Brazos River Authority is offering possible Long-Term Water contracts from Possum Kingdom to the member cities. He said the District polled the member cities and the City of Albany was the only one that expressed an interest for long term water. Mr. Wingert said that the City of Albany requested a contract for 130 acre-feet per year, but only settled on a 26-year term for this water.

Mr. Prater made a motion that the Board authorize two things. First; the execution of a 26-year, 130 acre-foot Municipal Water Supply Contract with the Brazos River Authority primarily to meet the Long-Term water needs of the City of Albany and subject to the execution of a supporting Water Supply Contract between the District and that City. Second; Mr. Prater moved the Board to authorize the execution of a 26-year, 130 acre-foot Possum Kingdom Water Supply Contract with the City of Albany. Mr. Chase offered a second and motion carried unanimously.

### **Weapons Policy Study Sub-Committee**

Vice President Foster asked Mr. Archibald to give the Board an update on the Weapons Policy. Mr. Archibald stated that President Canon had assigned himself, as well as David Cleveland and Vice President Foster to look over the Weapons Policy. Mr. Archibald said the goal is to have a report of recommendations for review at the May Board Meeting. No Board action is needed for this item.

### **President's and Officer's Report**

#### ***Assign a Nominating Committee to seek Board Officers for 2020-2021***

Vice President Foster stated that President Canon will make the recommendation regarding what Directors should serve on the Nominating Committee at a later time. This Committee will seek Board Officers for June 2020 to May 2021.

## Manager's/Staff Report

### *Water Supplies and Projections*

Mr. Wingert commented that Hubbard Creek Reservoir is currently 87% full. Mr. Wingert then went on to review the current water supplies and projections.

No Board action needed for this item.

### *457 (b) Update*

Mr. Wingert told the Board that the District has been working with Principal to set up an optional 457 (b) retirement plan for employees and stated that initially, the District was told that the cost to implement the program would be an estimated \$1,630 per year and no "set-up fee". Mr. Wingert said that after more investigation it was discovered that the District was not clearly informed about various Actuarial Fees associated with the operation of the account. Mr. Wingert stated that the Actuary fees total about \$2,500 for the first year and then drop to around \$1,300 per year thereafter. He said that the combined total fees (Principal fees and the Actuary fees) would be around \$4,000 for the first year and then decrease to about \$2,800 a year thereafter, which means participants would have to earn over 4% on their investments just to pay combined fees and "break even". Mr. Wingert stated that back in November the Board indicated they were willing to implement the 457 (b) plan provided the plan participants cover all the costs. Mr. Wingert said that most similar entities cover the entire cost to administer a 457 program through their annual budget, as a benefit to their employees. Mr. Wingert then asked Blake Rolls (with Symonds Wealth Management and the Principal representative) to address the Board with any questions they might have regarding the program. Mr. Rolls explained the fees associated with the 457(b) plan and stated that in early conversations with staff the Principal participant fees were discussed but a discussion about plan sponsor fees did not take place and Mr. Rolls stated that he takes full responsibility for that omission. Mr. Rolls asked Jeff Griffin from Actuaries and Associates to join him and discuss the actuary plan document fees.

Mr. Kinard questioned where the District stands from a legal perspective at this point in the process and if the plans already been executed with Principal. Mr. Wingert stated that staff has started execution on some of the plans but nothing is complete. Mr. Kinard stated that at this point the District has no legal liability to Principal for this program and Mr. Wingert stated that he is correct. Mr. Kinard then asked if the Finance Committee looked at any other providers and Mr. Wingert stated that two other companies offered quotes, but their fees were higher. Mr. Cleveland commented that the District should offer this plan as an added benefit in order to try and retain employees.

Mr. Cleveland made a motion for the Board to implement the optional 457 (b) retirement program under the conditions that the District pays all set-up and document fees and the employee pays all participant fees and to take whatever action the Board deems appropriate on the matter. Mr. Berry offered a second to the motion.

Mr. Buhrmann stated that the District will need to make this motion apply for both companies, Principal and Actuaries & Associates. Mr. Berry made a motion that it apply to both companies and Mr. Cleveland offered a second.

Mr. Chase stated that when this issue was initially brought to the Board his perception was that this would be a great benefit for the employees at little cost to the District, but now the plan will cost a lot more than initially thought. Mr. Chase said that the Finance Committee heard the original presentation but questioned whether or not the District needs to assign this issue to a Committee for further review to find other options available for administering a 457(b) plan. Mr. Chase said he is not opposed to the idea, but he is not comfortable saying yes, this is what needs to be done at this time. Vice President Foster asked if there was any further discussion and there was none. Vice President Foster then took a vote and all were in favor except Mr. Kinard and Mr. Chase who both opposed. Both motions carried.

#### ***WCBWDS Issues***

Mr. Wingert discussed that there was a leak on the 36" pipeline at MT7 Ranch that staff is currently working on. Mr. Wingert also talked about the conversion of Possum Kingdom Pump 4 to a VFD and the problems encountered with that. Mr. Wingert brought the Staff up to date on the Eliasville Pipeline Bypass.

#### ***Maintenance Activities***

Mr. Wingert stated that Staff has been busy cleaning the Breckenridge tank and replacing pump seals.

#### ***Travel and Training Report***

Mr. Wingert referenced the report in the book showing training opportunities and conferences that Staff has taken part in this quarter.

#### ***Staff Vacancies***

Mr. Wingert referenced the organization chart in the Board book and noted that the District is fully staffed at this time.

#### ***Other Significant Issues***

Mr. Wingert discussed a piece of remnant property that Matthew Thompson has inquired about. Mr. Wingert will bring this discussion to the Committee in April and the Board in May. No Board action is needed for this item.

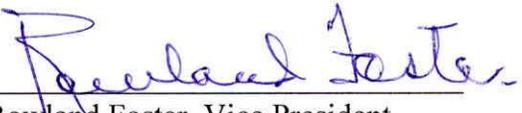
#### ***Executive Session***

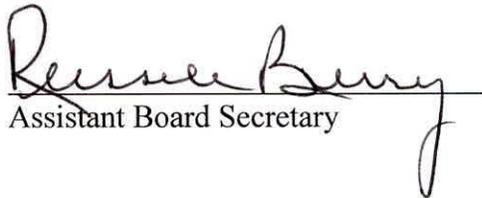
Vice President Foster announced that the Board of Directors of the West Central Texas Municipal Water District will now convene in a closed Executive Session beginning at 11:00 am in accordance with the Texas Open Meetings Act Section 551.071 for Consultation with Attorney.

Vice President Foster stated that the Board of Directors of the West Central Texas Municipal Water District will now reconvene and open the regular session at 11:41 am in accordance with the Open Meetings Act. Vice President Foster stated no action was taken during the closed Executive Session.

There being no further business before the Board, the 401st meeting adjourned at 11:41 am.

Approved this 13<sup>TH</sup> day of May, 2020.

  
Rowland Foster, Vice President

  
Assistant Board Secretary