



WEST-CENTRAL-TEXAS-MUNICIPAL-WATER-DISTRICT

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402nd Meeting of the Board of Directors

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

REGULAR MEETING
May 13, 2020 · 9:30 AM
ABILENE, TEXAS

DIRECTORS PRESENT

ABILENE

Norm Archibald Russell Berry
Sam Chase Dani Ramsey
Joe Canon

ALBANY

David Cleveland Randall Palmore

ANSON

Keith Gilbert Rowland Foster
(Attended by Zoom) (Attended by Zoom)

BRECKENRIDGE

Will Thompson Scott Harris
(Attended by Zoom)

DIRECTORS ABSENT

ABILENE

Ron Butler

ALBANY

ANSON

BRECKENRIDGE

STAFF AND OTHER GUESTS PRESENT

Chris Wingert, General Manager
Christy Ferguson, Admin. Services Manager
Ronnie Tilly, Assistant GM/Operations Mgr.
Blake Woodall, Planning and Dev. Mgr.

David Buhrmann, Attorney
Debbie Strayer, Admin/Finance Specialist
Mark Zachary, Attorney McMahon, Surovik & Suttle

Call to Order

Joe Canon, President, called the 402nd meeting of the West Central Texas Municipal Water District Board of Directors to order at 9:32 a.m. on Wednesday May 13, 2020, in accordance with the statutes of the State of Texas. A quorum was present.

President Canon welcomed the newest Board members Dani Ramsay and Will Thompson.

Public Comment

President Canon opened up the floor for public comments at 9:34 am. No comments were made. Requests for public comments were closed at 9:35 am.

Change in Agenda: **Appointment of Board Members**

President Canon asked the Board to address agenda item 7a at this time in order for the reappointed and new Directors to take their Oath of Office. The Board agreed. Mr. Buhrmann administered the Oath of Office to Joe Canon, Sam Chase, Dani Ramsay, Randall Palmore, Rowland Foster, Will Thompson and Scott Harris.

Minutes

President Canon stated that the Minutes from the prior meeting (#401) need to be approved and asked for any comments. Mr. Wingert mentioned that Mr. Buhrmann had some corrections that have already been incorporated into the minutes to be signed. Mr. Buhrmann noted the changes were nothing significant and that they were mainly grammatical corrections. Mr. Berry made a motion to approve the minutes with the included corrections. Mr. Palmore offered a second and the motion carried unanimously.

Consent Agenda

President Canon asked for comments or concerns with the Consent Agenda items, which include:

- Financial Statements for November 2019, December 2019, and January 2020
- District's Contingency Fund Balance Sheet as of March 31, 2020
- Quarterly Investment Report for six months ending March 31, 2020
- Expense Vouchers for January, February and March 2020

Since there were no comments or concerns, Mr. Chase made a motion to approve the consent agenda as a whole. Mr. Berry offered a second and the motion carried unanimously.

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 for FY 2018-FY 2020. He reviewed the projects showing their budgeted cost, current cost and current status. Mr. Wingert asked if the Board had any questions and Mr. Cleveland questioned if the largest item (the MCC replacement 2020-11) would extend into next year, and Mr. Wingert stated that it

would. Mr. Chase questioned the difference in the grand total amounts for FY 2020 and Mr. Wingert reminded him that the District added two more projects this year after the Board approved the initial budget (The Eliasville Pipeline Bypass and the EPA Risk & Resilience Assessment).

No Board action was needed.

FY 2021 CIP/MIP Project Discussion

Mr. Wingert told the Board that the Coronavirus is going to impact member cities revenue sources severely and he is concerned about the resulting financial impact to their budgets. Mr. Wingert stated the District has looked at ways to help reduce the member cities' cost under the draft FY 2021 budget by minimizing salary increases, deferring the WCBWDS repayment, and minimizing the FY 2021 CIP/MIP program by concentrating only on critical items at this time.

Mr. Wingert stated that Staff prepared a "high" draft CIP/MIP program which included 20 projects at an estimated cost of \$570,000, and a "low" draft program with only 15 projects costing \$382,700 for the Operations Committee. He said that the Operations Committee recommended focusing on the low draft program but also prioritizing each project and removing any projects of low priority or projects that could be delayed. Mr. Wingert then reviewed several different scenarios with the Board and discussed the cost for each. Mr. Wingert stated at this point the eight item CIP/MIP budget of \$314,000 would be the Staff recommendation at this time. Mr. Wingert reminded the Board that final action on the FY 2021 CIP/MIP Program will occur during the August 26th Board Meeting.

Norm Archibald joined the meeting at 10:09 am.

Mr. Wingert stated that he would take any questions at this time regarding the CIP/MIP budget. Mr. Chase asked if the pickups the District purchases are diesel and Mr. Wingert replied no. Mr. Wingert told Mr. Chase the District has had several problems in the past with diesel vehicles.

Mr. Wingert then mentioned that the City of Abilene has entered into an Interlocal Agreement with the City of San Angelo and the City of Midland to purchase 28,400-acre ft. of water from the Fort Stockton holdings which is the old Clayton Williams Ranch. Many of the Board members joined in on discussion of cost to the City of Abilene and the terms of the agreement.

Declare Surplus Property and Authorize its Sale or Disposal

Mr. Wingert said that the District inventoried equipment and came up with a list of thirty-four items shown on Page 4.04 that the District would like to declare as surplus property. The list includes three vehicles, computers, old boardroom chairs, and coffee makers. Mr. Chase questioned the process of how the District disposes of old surplus items to which Mr. Wingert explained that it varies. Mr. Wingert said that vehicles would go through an auction house, other items may sell on eBay and some items are simply given away or otherwise disposed.

Mr. Palmore made a motion the Board declare the thirty-four items shown on page 4.04 as Surplus Property and authorize their disposal or sale. Mr. Chase offered a second and the motion carried unanimously.

Sale of Real Property

Mr. Wingert stated that Matthew Thompson inquired about purchasing a 6-acre tract from the District and he told the Board that this tract of land is located at the extreme southern end of Hubbard Creek Dam. Mr. Wingert said that the Operations Committee considered the sale of this property but after much discussion the Committee ultimately took no action. Mr. Chase commented that the District could sell this property with the understanding that one house would be built and then the owner could ultimately sell it off in pieces and decide to develop more homes. Mr. Chase said he felt the Operations Committee should first decide if development is something the District wants to do and if not, he really doesn't see any benefit for the District in selling this land.

Christy Ferguson asked if she could please verbally verify that Mr. Gilbert, Mr. Foster, and Mr. Harris were attending the meeting by zoom and that they could hear the meeting clearly to which all three responded affirmatively.

President Canon stated that the options are for the property to be declared as surplus for public sale or take no action. Mr. Archibald questioned what the land would sell for per acre and several prices were mentioned. Mr. Archibald stated that he saw no benefit for the District to sell this property. Mr. Cleveland commented that this land is definitely in a strategic location for the District and he would be hesitant to sell it. Mr. Foster stated the Operations Committee considered it and made no recommendation as they did not believe the land to be surplus property.

Mr. Chase made a motion that this tract of land not be declared surplus property at this time. Mr. Archibald offered a second and the motion carried with Mr. Thompson abstaining from voting.

ONCOR Power Line Easement (TE&L Survey 1268, Stephens County, Texas)

Mr. Wingert stated that ONCOR approached the District about obtaining a 154.74-foot-long easement to provide power from an existing power line on the District's property to an adjacent property where a landowner is building a house. Mr. Wingert referenced pages 4.06-4.08 in the Board book which show a draft easement document. He stated that this easement contains many provisions benefiting ONCOR (the Grantee).

Mr. Buhrmann told the Board that the easement wording ONCOR gave the District doesn't specify a 30-foot provision and said that the wording needs to be revised to benefit the District.

Mr. Chase recommends the Board grant a 30-foot wide easement to ONCOR across a portion of TE&L Survey No. 1268, Stephens County, Texas for the purpose of installing and maintaining a distribution power line to serve an adjacent customer with additional wording

to benefit the District, subject to approval of the General Manager and the President. Mr. Palmore offered a second and the motion carried unanimously.

Finance, Personnel and Customer Service Committee Report

FY 2021 General Fund Budget Discussion

Mr. Wingert presented a summary of the Draft FY 2021 budget to the Board for discussion purposes only. He stated that key elements of the draft budget include:

- District Salaries – Due to the uncertainty of COVID19 tax revenue predictions for our member cities the District is only including a 2% salary increase this year which includes money for both “merit” and “step” raises.
- Estimated Water Use–The total estimated water use for the four cities increased by 13,630 acre-feet or for FY 2021 12.4%.
- Power cost reduction – No change in the 3.702¢ per kWh Energy Charge for FY2021. Congestion fees are estimated to average about 0.70¢ per kWh for FY 2021. Last year those fees were estimated to be 1.27¢ per kWh.
- TCDRS – Total contribution of 9.03% including both the required contribution and group term life. TCDRS recommended holding the required contribution at the current 9.06% to build up a small surplus as a cushion against the 2021 rates. The Board recommended keeping the required rate at the current rate for FY 2021.
- Health Insurance – Health insurance on a National level remains in a state of flux making the cost extremely volatile. The District does not expect to receive insurance rates until late July.
- CIP/MIP Budget of \$314,500.
- No annual repayment of the WCBWDS “Loan”.

Mr. Wingert stated that under the Draft budget Abilene would get the bulk of the savings, \$266,057, while Anson, Albany and Breckenridge would each save \$29,395, \$42,941, and \$54,381 respectively.

No Board action was needed.

Policy Updates

Mr. Wingert mentioned that President Canon did appoint a Sub-Committee to study possible changes to the District’s Weapons Policy. Mr. Wingert said that a meeting was held by conference call and no consensus was reached regarding whether or not to allow District employees to carry a handgun. Mr. Wingert stated that Staff drafted two versions of a possible Weapons Policy; one allowing and one not allowing District employees who have a valid license to carry on District business. He said that the two versions were then sent to Mr. Buhrmann for his review and critique.

No Board action was needed.

Executive Session

(under Sections 551.072 and 551.074 of the Texas Open Meetings Act)

President Canon stated 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 551.072 Deliberation Regarding Real Property and Section 551.074 Personnel Matters.

The Board reconvened in an Open Session at 11:32 am and President Canon stated that no action was taken in Executive Session.

President and Officer's Report

Resolutions of Recognition

President Canon told the Board that staff drafted Resolutions for Paul Prater and Kelly Kinard for their years of service to the Board. Mr. Wingert then discussed that Mr. Prater served as a District Director from 1992 to 2020 and went over his many accomplishments through the years. He then mentioned that Kelly Kinard was appointed to the Board in 2009 and reviewed Mr. Kinard's accomplishments as well.

Mr. Berry made a motion that the Board adopt the Resolutions honoring Mr. Paul Prater and Mr. Kelly Kinard for their dedicated service to the District. Mr. Chase offered a second and the motion carried unanimously.

Nominating Committee Report and Election of Officers

President Canon asked Mr. Berry to give the report on the Nominating Committee and Election of Officers. Mr. Berry stated that he, Mr. Gilbert and Mr. Harris were chosen to serve on the Nominating Committee with himself serving as Chairman of the Committee. Mr. Berry stated that the Nominating Committee is recommending the following Directors serve in Officer Positions from June 1, 2020 to May 31, 2021.

President-Rowland Foster
Vice President-Norm Archibald
Treasurer-Russell Berry
Assistant Treasurer-Scott Harris
Secretary-David Cleveland
Assistant Secretary-Sam Chase

President Canon extended his thanks to the Nominating Committee for all of their help.

Water Supplies & Projections

Mr. Wingert went over current water supplies and projections. Hubbard Creek Reservoir is currently 98% full.

WCBWDS Issues

Mr. Wingert stated the newly modified Pump 2 at Possum Kingdom Intake which now includes a variable frequency drive is successfully operating. He said staff has completed the connections on the 24-inch line for the Eliasville Pipeline By-pass and design of the pipeline is underway. He commented that the Copeland spillway has washed out again as a result of extremely high rainfall so it is being repaired.

Maintenance Activities

Mr. Wingert said that crews have also repaired several small leaks on the system.

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. He said there wasn't a lot to report as travel has been suspended at this time due to the virus.

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 addressed President Canon and said he had nothing else to report.

There being no further business before the Board, the 402nd meeting adjourned at 11:49 am.

Approved this 26th day of August, 2020.



Norm Archibald, Board Vice-President
Elect



David Cleveland, Board Secretary Elect