



WEST-CENTRAL TEXAS MUNICIPAL WATER DISTRICT

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

426th Meeting of the Board of Directors

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

REGULAR MEETING
July 30, 2025, 9:30 AM
ABILENE, TEXAS

DIRECTORS PRESENT

ABILENE

Norm Archibald Dani Ramsay
Sam Chase
Russell Berry

ALBANY

David Cleveland

ANSON

Rowland Foster Bob Herndon

BRECKENRIDGE

Will Thompson Scott Harris

DIRECTORS ABSENT

ABILENE

Anthony Williams Bob Benham

ALBANY

Randall Palmore

ANSON

BRECKENRIDGE

STAFF AND OTHER GUESTS PRESENT

Brian Yates, General Manager
Keith McLane, Asst. GM/Ops. Mgr.
Christy Ferguson, Admin Services Manager
Mark Gardenheir-FGSUD (Guest)

Mark Zachary, Attorney
Jeremy Walker, GIS Specialist
Debbie Strayer, Finance/Admin. Specialist
Dawn Blankley, HR/Payroll Mgr.

Call to Order

President Scott Harris called the 426th meeting of the West Central Texas Municipal Water District Board of Directors to order at 9:38 a.m. on Wednesday, July 30, 2025, in accordance with the statutes of the State of Texas. A quorum was present.

Public Comment

President Harris opened the public comment period at 9:38 am and stated that no one was in attendance for public comments, so he closed it at 9:38 am. President Harris moved to the next agenda item which is the Consent Agenda.

Consent Agenda

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

- Minutes from the 425th Board Meeting
- Financial Statements for April and May 2025
- Quarterly Investment Report for FY2025 as of June 30, 2025
- Disbursement Reports for May and June 2025
- Travel and Training Report
- USGS Joint Funding Agreement
- Surplus Property Sales Report

Mr. Archibald motioned to approve the Consent Agenda as a whole. Mr. Chase offered a second and the motion carried unanimously.

Regular Agenda

Current Water Supplies & Projections

Mr. Yates updated the Board on the Hubbard Creek Reservoir level, which is about 2 ft higher than it was in January. He noted that the District is currently not under drought restrictions.

No Board action is needed.

Lake Pump Station Power Issues

Mr. Yates discussed with the Board that in early May damage from thunderstorms resulted in a short in the main Oncor power feed to the Hubbard Lake Pump Station. He said that Oncor responded quickly to repair the damage, but the power supply was limited after repairs were complete. Mr. Yates told the Board that Oncor replaced the lakebed feeder but is considering

installing a buried cable along the pipeline easement further south. Mr. Yates stated that this option would be a one-to-two-year process if they decide to go in this direction.

No Board action is needed.

Life Jacket Stations Update

Mr. Yates informed the Board that the life jacket stations at Bob Clark Landing and Paul Prater Landing have been completed and said that this was a joint project between West Central Texas Municipal Water District, Cooks Children's, Stephens County Ag. Extension Service and TX. Dept. of State Health Services.

Fort Griffin SUD Contract Amendment

Mr. Yates told the Board that the contract between the District and Fort Griffin Special Utility District (SUD) needs to be amended to comply with requirements of the U.S. Department of Agriculture. He said that the changes are cosmetic and do not affect the terms of the agreement from the District's perspective.

Mr. Archibald made a motion to approve the Amendment to the Contract with Fort Griffin SUD. Mr. Cleveland offered a second and the motion carried unanimously.

Options for Lake Enforcement

Mr. Yates stated that at the previous board meeting a question was raised about the authority the District has for enforcing compliance with District Rules and Regulations at Hubbard Creek Reservoir. Mr. Yates told the Board that he asked Mark Zachary to review the existing regulations plus statutory authority. Mr. Zachary discussed his findings as well as several options with the Board including fines, liens on property, and losing lake privileges. Mr. Cleveland asked if the current fines can be increased and Mr. Zachary said yes but within certain limits. Mr. Chase commended Mr. Zachary for doing an excellent job putting the summary together for the Board. Mr. Chase believes that the fines may be too low for people to take seriously but he also cautioned that the District does not need to overregulate.

No Board action is needed.

Priority Power Update

Mr. Yates reminded the Board that the District's current electric contract runs through calendar 2027 and includes a rate of \$30.77/MWH. Mr. Yates told the Board that he has been in contact with Tim Ennis of Priority Power and they are monitoring the market for pricing below \$60/MWH and that the District will look for an extension to avoid even higher prices at contract termination. Mr. Yates stated regardless of the outcome, the District's energy costs are expected to rise significantly in the future as the very favorable existing contract ends.

No Board action is needed.

Brazos River Authority (BRA) Water Rights Status

Mr. Yates discussed the fact that the District holds contracts for a combined 930 acre-feet/year for water rights from Possum Kingdom Reservoir (PK) with the Brazos River Authority (BRA). He further noted that there is an additional 1,838 acre-feet/year of contracted water rights from PK directly by District customers. He told the Board that Abilene holds water rights of about 19,400 acre-feet/year of PK water noting that there is a lot of Possum Kingdom water tied up and unavailable to other customers while also going unused.

Mr. Yates informed the Board that he would like to consolidate the District's existing surface water availability agreements and water rights agreements with the BRA. He said that under the District's new Pipeline Customer Service Agreement, the amount of water available to each customer is not pre-determined and that his goal is for the District to become the single customer of the BRA at the PK Pump station, rather than an intermediary managing dozens of contracts. He informed the Board that current water rights are sufficient to cover customer needs but the District would like to seek to assume other customer water rights with a goal of having rights to 2,000 acre-feet/year. Mr. Yates stated that he is currently working with the BRA to consolidate the contracts for water rights at PK.

No Board action is needed.

A short break was taken at 10:45 and the meeting reconvened at 10:59. Mr. Thompson left the meeting at 10:45. A quorum was still present.

Capital Improvement Projects (CIP) Update and Approval

Mr. Yates recommended that the Board consider closing the following projects:

2023-14, 2023-20, 2023-22, 2024-01, 2024-06, 2024-07, 2024-08, 2024-11, 2024-13, 2025-01, 2025-02, 2025-03, 2025-04, and 2025-06.

Mr. Yates then presented the projects he is proposing for FY 2026 which include (2026-01) SCADA Replacement Design/Build estimated to cost \$2,900,000 and (2026-02) a long-range infrastructure planning project estimated to cost \$250,000. He reviewed the need for the projects as well as the high costs associated with them. He informed the Board that the current SCADA system is almost obsolete and availability of parts to make repairs is very low. Mr. Yates noted that Staff has made repairs to the system here and there over the years, but that the system will eventually fail and a total replacement is necessary. He then explained the long-range infrastructure planning project in that this report will guide the Board on how to plan for future projects to repair the District's aging infrastructure and such. Mr. Yates stressed that it is time to acknowledge that major expenditures are on the horizon for the District.

Mrs. Ramsay questioned if the Board will still approve big ticket items and Mr. Yates said yes. She also questioned if the District will still draw interest from the \$2,900,000 scheduled for SCADA Improvements until the time that the check is actually written and Christy

Ferguson confirmed that the funds would remain in an interest-bearing account until time of purchase. Mrs. Ramsay gave guidance to Staff to make sure that the funds are in the best accounts to maximize interest earnings.

Mr. Cleveland made a motion to close the recommended projects as listed in the Board packet and approve the FY2026 proposed projects. Mr. Berry offered a second and the motion carried unanimously.

Ending Meter Fees for Member Cities

Mr. Yates informed the Board that Albany and Anson are currently billed for having a second meter and he would like the Board to consider removing these charges from city billings.

Mr. Archibald made a motion to discontinue the charges for Albany and Anson for the additional meters. Mr. Herndon offered a second and the motion carried unanimously.

Public Hearing and Approval for FY 2026 Rates and Fees

Mr. Yates presented the proposed rates and fees to the Board for FY 2026 below:

Base Water Rate	\$1.29 per 1,000 gallons
Conservation Surcharge	\$0.20 per 1,000 gallons (\$1.49 total)
Trigger for Conservation Surcharge	100,000 gallons per month per customer
Monthly Meter Fee	\$20.00 per month for each meter
Activation Fee	\$120.00 for each new or unlocked meter
Pipeline Tap Fee	\$2,500 for each new tap in pipeline
Direct-Use Raw Water Rate	\$0.46 per 1,000 gallons

President Harris opened a public hearing at 11:25 am to allow comments on the recommended rates and fees that Staff is proposing for FY2026. He noted that no comments were made and closed the public hearing at 11:25 am.

Mr. Berry made a motion to approve the Resolution Setting WCTMWD Raw Water Rates and Fees for FY 2026. Mr. Archibald offered a second and the motion carried unanimously.

Discussion on Employee Health Plans

Mr. Yates reviewed several options for health insurance plans with the Board and noted that the draft FY2026 budget includes the Blue Cross/Blue Shield plan that Staff has chosen.

No Board action is needed.

Discussion on TCDRS Contribution Rates

Mr. Yates discussed with the Board that the Texas County and District Retirement System (TCDRS) has presented the District with the 2026 Plan Assessment and that the required rate for employer contributions is 8.80% and the elected rate is 9.56%, which is what the District has contributed the past few years. Mr. Yates told that Board that choosing to pay the elected rate over the past few years has increased the District's fund ratio to a very healthy 93.2% of actuarial accrued liability. Mr. Yates noted that the elected contribution amount is included in the proposed budget for next year.

Mr. Berry made a motion to keep the TCDRS Elected Rate at 9.56%. Mrs. Ramsay offered and second and the motion carried unanimously.

Presentation of Draft FY 2026 Budget

Mr. Yates reviewed with the Board the current draft for the FY2026 Budget and noted that it is for discussion and guidance only. Mr. Yates explained that the draft budget represents a significant reorganization of the Chart of Accounts by reducing the total number of accounts significantly. He also said that the new format reallocates many dispersed functions into consolidated budget lines and moves recurring items from the CIP/MIP (Capital Projects) program to line items within the General Fund budget to create a fund-based structure for the Infrastructure (formerly CIP/MIP or Capital) and Contingency funds for monitoring and projecting balances. Mr. Yates told the Board an Interest and Sinking Fund is envisioned in the event the District issues or assumes any debt service. He said that overall expenses and revenues in the proposed budget increased by \$146,384 for a 2.94% increase over the FY 2025 budget.

No Board action is needed as the final budget draft will be reviewed and considered for approval at the next Board meeting.

Discussion on Required Contingency Fund Balance

Mr. Yates asked the Board for guidance on how much cash and investment funds should be reserved in the Contingency Fund each year to provide for smooth operations of the District. He said that his recommendation is to have the Contingency Fund keep a balance to cover one year of the General Fund Operating and General/Administrative Expenses combined. The Board held a discussion regarding the need for the funds, the recommended balance, and that excess funds over the recommended balance in the Contingency Fund could be transferred to the Infrastructure Fund. After the Board's discussion of this topic, they recommended that Staff keep a balance in the Contingency Fund to cover one year of the combined Budgeted General/Administrative and Operating costs for the District and transfer the excess to the Infrastructure Fund.

No Board action is needed.

Disposition of FY 2025 Surplus Funds

Mr. Yates stated that considering the new approach to maintaining the balance in the Contingency Fund he recommends any surplus from FY2025 be transferred to the Infrastructure Fund. He stated that the exact amount of the surplus will be briefed in conjunction with the audit report after it is completed.

Mr. Archibald motioned to move any FY 2025 surplus into the Infrastructure Fund. Mr. Berry offered a second and the motion carried unanimously.

Executive Session

President Harris announced the Board will enter Executive Session at 12:30 pm.

The Board opened in General Session at 12:40 pm.

No Board action was taken.

There being no further business before the Board, the 426th meeting adjourned at 12:40 pm.

Approved this 3rd day of September, 2025.


Rowland Foster, Board Secretary


Scott Harris, Board President