



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

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

408<sup>th</sup> Meeting of the Board of Directors

STATE OF TEXAS COUNTIES OF: JONES, SHACKELFORD, STEPHENS, TAYLOR, EASTLAND, AND PALO PINTO	REGULAR MEETING February 9, 2022 9:30 AM ABILENE, TEXAS
<p style="text-align: center;"><u>DIRECTORS PRESENT</u></p> <p style="text-align: center;"><u>ABILENE</u></p> <p>Norm Archibald      Russell Berry Sam Chase              Bob Benham Dani Ramsay</p> <p style="text-align: center;"><u>ALBANY</u></p> <p>David Cleveland      Randall Palmore</p> <p style="text-align: center;"><u>ANSON</u></p> <p>Keith Gilbert          Rowland Foster</p> <p style="text-align: center;"><u>BRECKENRIDGE</u></p> <p>Will Thompson        Scott Harris</p>	<p style="text-align: center;"><u>DIRECTORS ABSENT</u></p> <p style="text-align: center;"><u>ABILENE</u></p> <p>Joe Canon</p> <p style="text-align: center;"><u>ALBANY</u></p> <p style="text-align: center;"><u>ANSON</u></p> <p style="text-align: center;"><u>BRECKENRIDGE</u></p>
<u>STAFF AND OTHER GUESTS PRESENT</u>	
Chris Wingert, General Manager Christy Ferguson, Admin. Services Manager Ronnie Tilly, Assistant GM/Operations Mgr. Blake Woodall, Planning and Dev. Mgr.	Mark Zachary, Attorney Debbie Strayer, Admin/Finance Specialist Jeromy Stephens, C.P.A. (Eide Bailly) Becky Roberts, C.P.A. – District Financial Consultant

## Call to Order

President Rowland Foster called the 408<sup>th</sup> meeting of the West Central Texas Municipal Water District Board of Directors to order at 9:30 a.m. on Wednesday February 9, 2022, in accordance with the statutes of the State of Texas. A quorum was present.

## **Public Comment**

President Foster opened up the Public Comment period at 9:31 am and asked for any comments. Since there were no comments, he closed the Public Comment period at 9:32 am.

## **Minutes**

President Foster stated that the minutes from the prior meeting held August 25, 2021 (#407) needed one correction and asked for approval of the minutes with the correction (to change one she reference to he). Mr. Archibald made a motion to approve the prior meeting minutes with the mentioned correction. Mr. Gilbert offered a second and the motion carried unanimously.

## **Consent Agenda**

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

- Financial Statements for June, July, August & September 2021.
- District's Contingency Fund Balance Sheet for the periods ending September 30, 2021 and December 31, 2021.
- Quarterly Investment Reports for the twelve-month period ending September 30, 2021 (FY2021) and for the three-month period ending December 31, 2021 (FY2022).
- Expense Vouchers for August, September, October, November and December 2021.

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

President Foster asked the Board to consider moving two agenda items up in the meeting to accommodate guests present.

- Agenda item 5a – Independent Audit Report for FY 2021
- Agenda item 5b – District Financial Consultant Report

The Board agreed.

### **Agenda Item 5a: Independent Audit Report for FY 2021**

Jeromy Stephens C.P.A. (Eide Bailly) gave the Board a summary of the Audit Report for FY 2021. He stated the audit went well and no adjustments were recommended. Mr. Stephens asked the Board if they had any questions regarding the audit and there were none.

Mr. Harris made a motion to approve the FY 2021 Financial Audit Report as prepared and presented by Eide Bailly, LLP. Mr. Chase offered a second and the motion carried unanimously.

**Agenda Item 5b: District Financial Consultant Report**

Becky Roberts C.P.A. addressed the Board and gave them her report on projects that she assisted Staff with the past year. Mr. Wingert commended Christy Ferguson and her staff on a job well done with the District's financials.

Mr. Palmore made a motion that the Board approve the Financial Consultant Report as prepared and presented by Becky Roberts C.P.A. Mrs. Ramsay 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. 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.

***Close Out Completed CIP/MIP Board Resolutions***

Mr. Wingert stated that Staff has completed work on the three CIP/MIP projects listed below:

- 2019-03      District Property Upgrades
- 2021-08      Office Window Replacement Phase 1 & 2
- 2022-05      Resiliency Compliance Study

Mr. Gilbert stated the Operations Committee recommends that the Board close the three CIP/MIP projects listed above. A second is not needed since the motion comes from the Operations Committee. Motion carried unanimously.

***Ruby Partners Grazing Easement***

Mr. Wingert told the Board that Ruby Partners, Ltd would like to renew their current grazing easement for another ten years since it expires in 2022. Mr. Wingert stated that renewal of the grazing easement would make the revised expiration date May 30, 2032. He discussed prior fencing issues that may no longer pertain to the easement.

Mr. Thompson stated the Operations Committee recommends the Board approve a Grazing Easement with Ruby Partners, Ltd. as shown on pages 4.11-4.16 and authorize the General Manager to execute the same. No second is needed since the motion comes from the Committee. Motion carried unanimously.

### *Hatchett Development Update*

Mr. Wingert brought the Board up to date the progress of the Hatchett Development. Mr. Wingert said that the District received a copy of an October 19, 2021 letter from Mr. Warren Samuelson of the TCEQ Dam Safety Section stating “the final construction plans and specifications for the referenced project are hereby approved on behalf of the Executive Director”. Mr. Wingert told the Board that this letter is contingent on several construction and maintenance issues which Mrs. Hatchett must meet in the future. Mr. Wingert stated the District received revised construction plans on October 20, 2021 and that the District has no further concerns regarding construction plans. Mr. Wingert told the Board that the Easement Agreement for Access has been fully executed and a recorded copy was sent to the District January 6, 2022.

No Board Action is required.

### *Proposed Modification to the Rules and Regulations for Agricultural and Livestock Irrigation Permits*

Mr. Wingert commented that the existing Irrigation Rules were written prior to meters being installed at each diversion point. Mr. Wingert said that Irrigation customers have complained about the take or pay charges now that the water can be metered accurately. Mr. Wingert proposed charging for water quarterly based on actual monthly use instead of having the customers pay an upfront fee for estimated water usage.

Mr. Benham made a motion that the Board approve the Revised Irrigation Rules and Regulations as shown on pages 4.37-4.46. Mr. Harris offered a second and the motion carried unanimously.

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

### *TCEQ Management Auditor Request for Proposals (RFP)*

Mr. Wingert stated the District had its last TCEQ Independent Management Audit in 2017 and that the audits are required by law to be performed every five years. He commented that the District will need to contract for an Independent Management Audit this year since the District does not have an Internal Auditor. Mr. Wingert told the Board that the pool of potential firms available for the District’s audit has been reduced significantly from what was available five years ago. Mr. Wingert went on to discuss the draft RFP and the timeline for implementation. President Foster questioned what would happen if the District doesn’t find anyone. Mr. Wingert stated unfortunately the District won’t be alone with this problem.

Mr. Berry stated the Finance Committee recommends the Board consider authorizing the Executive Committee to solicit qualifications and authorize the General Manager to contract with a firm to conduct and Independent Management Audit in 2022. No second needed. Motion carried unanimously.

### ***Investment Policy Annual Review***

Mr. Wingert discussed the Investment Policy and told the Board no changes are being recommended to the current policy.

Ms. Ramsay stated the Finance Committee recommends the Board approve the District's 2022 Investment Policy as shown on Pages 5.08-5.15. A second is not needed and the motion carried unanimously.

### ***First National Bank Albany/Breckenridge Depository Agreement***

Mr. Wingert told the Board that First National Bank Albany/Breckenridge (FNB) has offered relatively high interest rates on their Certificates of Deposit and the District would like the option to invest with FNB to potentially receive a greater return on District Investments.

Mr. Archibald stated the Finance Committee recommends the Board authorize District investments with the First National Bank of Albany/Breckenridge with the General Manager drafting and executing any agreements. No second was needed and Mr. Palmore abstained from voting. Motion carried.

### ***First Financial Bank Depository Agreement Extension***

Mr. Wingert said the current Depository Agreement was effective October 1, 2019 with a three-year term making the expiration October 1, 2022. He told the Board that a mutually agreed extension of two years is allowed by law and such extension would make the final expiration date of the Agreements October 1, 2024 for a total of five years, which is consistent with the maximum term of previous Depository Agreements.

Mr. Harris stated the Finance Committee recommends the Board authorize the General Manager to draft and execute a two-year extension to the current Bank Depository Agreement with First Financial Bank. No second was needed and the motion carried unanimously.

### ***Mid-Year Salary Adjustment Request***

Mr. Wingert stated the economy is experiencing the highest inflation rates since the early 1980's. Mr. Wingert said that inflation rates averaged 6% per month during the last half of the year and said that the District must maintain competitive salaries in order to attract and retain qualified staff. He stated that the amount of requested salary increase discussed during the Finance Committee meeting was \$26,000. Mr. Wingert told the Board that a two percent increase is slightly more at \$27,500. Mr. Wingert recommended proceeding with this mid-year increase but is also likely to suggest a significantly larger increase be given under the FY 2023 budget. He stated that a salary survey of various entities will be conducted and presented to the Board in the future.

Mr. Chase stated the Finance Committee recommends the Board authorize a total increase of \$27,500 (two percent of annual salary total) be distributed between all categories of employees

for a Cost of Living raise, effective with the first pay period in March 2022. No second was needed. Motion carried unanimously.

***Addition of Two District Holidays to District Benefits***

Mr. Wingert commented that the District currently has eight paid holidays plus two paid personal days. He is recommending the District add President's Day and Good Friday to the current District paid holidays. Mr. Wingert held a discussion with the Board regarding what other entities are offering (Abilene 12 days, CRMWD 12 days, BRA 11 days, as well as other entities).

Mr. Archibald stated the Finance Committee recommends the Board authorize the addition of President's Day and Good Friday as Paid District Holidays effective this current fiscal year (FY 2022) and to authorize the Staff to modify the District's Personnel Policy accordingly. No second was needed and motion carried unanimously.

**Executive Session**

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

***Deliberation Regarding Real Property and Personnel Matters***

President Foster stated that the Board of Directors of the West Central Texas Municipal Water District will now convene in a closed, Executive Session beginning at 10:28 am in accordance with the Texas Open Meetings Act Section 551.074 Personnel Matters and 551.072 Deliberation Regarding Real Property.

The Board reconvened in an Open Session at 10:55 am.

Mr. Gilbert made a motion that the Board authorize the General Manager to negotiate and purchase an 845-foot easement with the Veale Family Partnership, LP for a pipeline to bypass the BASA Ward C location. Mr. Harris offered a second and the motion carried unanimously.

**President & Officer's Report**

***Assign Nominating Committee to seek Board Officers for 2022-23***

President Foster assigned Mr. Palmore (Chair), Mrs. Ramsay and Mr. Thompson to serve as the Nominating Committee to seek Officers to serve from June 1, 2022 to May 31, 2023.

No Board Action needed.

## **Manager's/Staff Report**

### ***Water Supplies & Projections***

Mr. Wingert addressed the Board and told them as of February 1, 2022 Hubbard Creek Reservoir was at an elevation of 1180.42. He said currently the Lake is in good shape but it is starting to trend down.

No Board Action needed.

### ***WCBWDS Issues***

Mr. Wingert updated the Board on ongoing issues and work that is being done on the WCBWDS side. He did mention that Staff is currently working on a Hydraulic Model of the WCBWDS System.

No Board Action needed.

### ***Maintenance Activities***

Mr. Wingert told the Board that the District suffered another failure of a Plug Valve at the Abilene Vault. He is proposing to purchase a replacement 24-inch plug using the General Funds "Emergency Budget". He stated the District will take quotes and purchase this in the near future.

No Board action is needed for this item.

### ***Travel & 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 that some training is still being done virtually but a lot is starting to open back up for travel. Mr. Wingert asked the Board if the Travel and Training report is something they would like continue to review and several members commented that they do like receiving the information.

### ***Staff Vacancies***

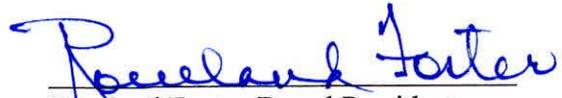
Mr. Wingert told the Board that currently the District has one opening for a Pipeline Maintenance person and it is being advertised at this time.

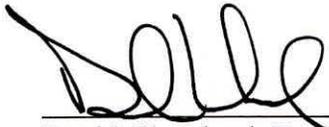
### ***Other Significant Issues***

Mr. Wingert discussed other issues with the Board including what it would cost to terminate the TCDRS plan which would not be feasible at this time.

There being no further business before the Board, the 408<sup>th</sup> meeting adjourned at 11:06 am.

Approved this 11<sup>th</sup> day of May, 2022.

  
Rowland Foster-Board President

  
David Cleveland, Board Secretary