



WEST-CENTRAL TEXAS MUNICIPAL WATER DISTRICT

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

392nd Meeting of the Board of Directors

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

REGULAR MEETING
November 7, 2017 · 9:30 AM
ABILENE, TEXAS

DIRECTORS PRESENT

ABILENE

Russell Berry Kelly Kinard
Norm Archibald K. O. Long
Ron Butler Joe Canon

ALBANY

Randall Palmore David Cleveland

ANSON

Rowland Foster

BRECKENRIDGE

Paul Prater

DIRECTORS ABSENT

ABILENE

ALBANY

ANSON

Jimmie Richmond

BRECKENRIDGE

Stan Carstens

STAFF AND OTHER GUESTS PRESENT

Chris Wingert, General Manager

Christy Ferguson, Admin. Services Manager
Ronnie Tilly, Operations Manager
Blake Woodall, Planning and Dev. Mgr.

David Buhmann, Attorney
Jeremy Walker/GIS Specialist
Debbie Strayer, Admin/Finance Specialist
Tim Ennis, Priority Power

Call to Order

President Palmore called the 392nd meeting of the West Central Texas Municipal Water District Board of Directors to order at 9:31 a.m. on Tuesday, November 7, 2017 in Room 284 of the Hunter Welcome Center, Abilene Christian University, 1600 Campus Court, Abilene, in accordance with the statutes of the State of Texas. A quorum was present.

Public Comment

President Palmore opened up the floor for public comments. No one from the public was present and no comments were made.

Electric Power Purchase

Mr. Wingert stated that the Board held a meeting by conference call on October 17, 2017 with Mr. Tim Ennis of Priority Power Management to consider pursuing a new long-term power contract. As a result of that meeting the Board authorized the General Manager to solicit requests for qualifications from potential retail electric providers for a 5-year term beginning January 1, 2023.

Mr. Wingert then discussed the variability of the District's power demand, which is largely a result of the changing water deliveries for the City of Abilene. Mr. Wingert then asked Mr. Ennis about current power rates and Mr. Ennis noted that he expects the prices to increase soon due to the retirement of several coal fired plants and the increased winter demand. Mr. Ennis recommended acting quickly to "lock in" the best prices.

Mr. Ennis made a presentation to the Board reviewing the submitted RFQ's, discussing potential contract criteria and making a recommendation for a Retail Electric Provider to supply the District's power needs after the current contract with MP2 Energy expires.

Mr. Kinard made a motion that the Board authorize the General Manager to execute a 5-year contract beginning January 1, 2023 for the electric power needed for all District accounts provided the energy cost does not exceed 3.3¢ per kWh. Mr. Canon offered a second and the motion carried unanimously.

Allocated Safe Yield of Hubbard Creek Reservoir

Mr. Wingert reviewed the terms of the Amendment No. 2 to the Member City's WATER SUPPLY CONTRACT (executed on July 30, 2003) with the Board. Mr. Wingert noted that Amendment No. 2 established an Allocated Safe Yield of 32,800 acre-feet per year for Hubbard Creek Reservoir (HCR). In Mr. Wingert's presentation to the Board, he highlighted the following items:

- The District hired Freese & Nichols (F&N) to do a revised yield study for HCR at the end of the last drought. The 1-year safe yield of 21,080 acre feet per year as determined by F&N is 64.27% of the 32,800 acre-feet listed in Amendment No. 2. The amendment "reserved" 4,900 acre-feet for the District's Industrial Mining, Agricultural and other uses, making the Allocated Safe Yield 27,900 acre-feet per year. Applying the same 64.27% adjustment to the District's reserve would reduce that number to 3,150 acre-feet, which would in turn reduce the Allocated Safe Yield to 17,930 acre-feet per year.

- Two options are available to prorate this reduction between the Cities with the first option being that the reduction be borne exclusively by Abilene. This option would maintain Anson, Albany and Breckenridge at their current Amendment No. 2 levels, while dropping Abilene's Stage 1 quantity to 10,430 acre-feet or 51.13% of its current amount.
- The second option would be to uniformly apply the 64.27% adjustment to the allowed rates for each city. City annual quantities so determined would satisfy the actual FY 2017 quantity used by the City of Abilene, but would be 5,964 acre-feet per year short of the maximum annual quantity actually taken during the past five years by that city. Under stage 1 conditions Anson, Albany and Breckenridge would still have a surplus of 591 to 844 acre-feet per year during their highest demand of the past five years.

Mr. Prater made a motion that the Board adopt a new Allocated Safe Yield of 17,900 acre-feet per year and applying the corresponding reduction uniformly between the District's member cities. Mr. Cleveland offered a second and the motion carried unanimously.

Mr. Cleveland made a motion that the Board adjust the 1-year Safe Yield to 21,080 acre-feet. Mr. Berry offered a second and the motion carried unanimously.

Amendment to the Interlocal Agreement with the BRA and Abilene

Mr. Wingert discussed how the District and Abilene executed an Interlocal Agreement with the Brazos River Authority (BRA) on March 10, 2005. The agreement granted Abilene and/or the District "a preferential right and option to purchase up to 20,000 acre-feet per year of BRA system water by contract". Mr. Wingert stated that the 2005 agreement was amended by a second Interlocal Agreement, which was executed by all parties on February 12, 2015. The key difference between the two involve the disposition of the 20,000 acre-foot per year option.

2017 Second Amendment

Mr. Wingert told the Board that the BRA reviewed the anticipated total volume of basin-wide water they expected to be available under the System Operations Permit and determined they could only honor 12,800 of the 20,000 acre-feet per year stated in the Interlocal Agreement. He then stated that the BRA is also offering to sell Abilene 7,200 acre-feet of water made available from a recently terminated Water Supply Agreement with Luminant. Mr. Wingert stated that the BRA has developed a draft "Second Amendment to Interlocal Agreement" which changes the quantity available to Abilene and/or the District to 12,800 acre-feet per year and that Abilene passed the Second Amendment at their City Council Meeting on November 2nd. Mr. Wingert advised the Board that should the City execute and finalize the BRA purchase of the old Luminant water and fully exercise the second amendment option, then the City would have available a total of 24,481 acre-feet per year. Mr. Wingert noted that the WCBWDS is currently equipped to pump 12.75 MGD and could be expanded to pump 16.75 MGD in the future and that the City could have water rights for in excess of what the system could transport.

Mr. Kinard made a motion to authorize the President to execute the proposed Second Amendment to Interlocal Agreement as shown in the handout. Mr. Archibald offered a second and the motion carried unanimously.

Review of District Water Supply Contracts

Hubbard Creek Reservoir System

Mr. Wingert went over the highlights and discussed the obligations the District has under our Member City Contracts, Non-Municipal Contracts, and other smaller contracts where water is either taken or delivered from Hubbard Creek Reservoir.

No Board action was needed.

West Central Brazos Water Distribution System (WCBWDS)

Mr. Wingert discussed highlights and obligations of the District under Water Supply Contracts with the BRA, WCBWDS customers, and Transportation Contracts with WCBWDS customers. Mr. Wingert stated that all of these contracts relate to water taken and delivered from Possum Kingdom Reservoir.

No Board action was needed.

Lunch Break

The meeting adjourned for 30 minutes at noon for lunch. (Mr. Archibald and Mr. Buhrmann left for the day at noon). A quorum was still present. The meeting reconvened at 12:30 p.m.

District Infrastructure

Reservoirs & Water Sources

Mr. Woodall gave a presentation to the Board about the history of Hubbard Creek Reservoir and aspects of how the District was formed and how it reached the status it is today.

No Board action was needed.

Water Transmission System

Mr. Woodall's presentation also included the operations of the District in that the District operates seven active pump stations and approximately 200 miles of pipeline to deliver water from Hubbard Creek Reservoir and contract water from Possum Kingdom Reservoir. Mr. Woodall reviewed the 2016 WCBWDS purchase from the BRA (Brazos River Authority) and noted that this section includes two pump stations and 78 miles of pipeline.

Mr. Woodall went over the construction history and maintenance issues associated with both the HCR Transmission System and the WCBWDS.

No Board action was needed.

Water Demands Versus Supplies

Water Demand Expectations

The final part of Mr. Woodall's presentation included water demand expectations for Texas in the future years. Mr. Woodall stated that the State of Texas is projected to grow by 73% over the next 50 years but that the District's area is expected to grow at a much slower rate. Mr. Woodall discussed Statewide, Region-G RWPG and local area projections of population and water demands. He also contrasted HCR system delivery rates and the contracted supplies from Possum Kingdom versus the anticipated demands to estimate the need and timing of future water sources.

No Board action was needed.

(Mr. Butler left the meeting at 1:28 p.m.) A Quorum was still present.

Long Range Planning

Mr. Tilly made a presentation on how the District budgets for CIP/MIP (Cyclical Improvements/Major Improvements) projects each year. He stated that the CIP/MIP Program was implemented to extend the longevity of existing structures, upgrade obsolete equipment, replace and improve aging equipment and to improve District safety. Mr. Tilly discussed the highlights of the District's previous CIP/MIP programs and upcoming CIP/MIP projects as well as several multi-year CIP/MIP programs that are either planned or on-going. He reviewed a ten-year CIP/MIP plan based on what has been done and still needs to be done on SCADA, Information Technology and in the field.

No Board action was needed.

Water Supplies and Projections

Mr. Wingert discussed projected Hubbard Creek Reservoir lake levels and future drought stage possibilities.

No Board action was needed.

Maintenance Activities

Mr. Wingert brought the Board up to date on maintenance activities. The District has recently installed 4-inch and 6-inch bypasses at the Abilene Vault and are currently working on several leaks and motor repairs.

No Board action was needed.

Travel and Training Report

Mr. Wingert referenced the report in the book showing that District staff has attended training at the Wolfepak Conference, HR Southwest Conference and Texas Payroll Conference.

No Board action was needed.

Staff Vacancies

Mr. Wingert referenced the organization chart in the Board book showing we have no vacancies at this time.

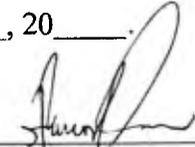
No Board action was needed.

There being no further business before the Board, the 392nd meeting adjourned at 2:22 p.m.

Approved this _____ day of _____, 20_____.



Stan Carstens, Secretary



J. Randall Palmore, President