



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

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

STATE OF TEXAS COUNTIES OF: JONES, SHACKELFORD, STEPHENS, TAYLOR, EASTLAND, AND PALO PINTO	REGULAR MEETING May 16, 2018· 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>Russell Berry            K.O. Long Ron Butler                Kelly Kinard Joe Canon                 Norm Archibald</p> <p style="text-align: center;"><u>ALBANY</u></p> <p>David Cleveland</p> <p style="text-align: center;"><u>ANSON</u></p> <p>Rowland Foster           Keith Gilbert</p> <p style="text-align: center;"><u>BRECKENRIDGE</u></p> <p>Paul Prater                Stan Carstens</p>	<p style="text-align: center;"><u>DIRECTORS ABSENT</u></p> <p style="text-align: center;"><u>ABILENE</u></p> <p style="text-align: center;"><u>ALBANY</u></p> <p>Randall Palmore</p> <p style="text-align: center;"><u>ANSON</u></p> <p style="text-align: center;"><u>BRECKENRIDGE</u></p>
<p><u>STAFF AND OTHER GUESTS PRESENT</u></p>	

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

David Buhrmann, Attorney  
Sam Chase-Incoming Abilene Director  
Sonny Campbell-Anson City Manager

## Call to Order

Russell Berry, Vice President, called the 394<sup>th</sup> meeting of the West Central Texas Municipal Water District Board of Directors to order at 9:30 a.m. on Wednesday May 16, 2018, in accordance with the statutes of the State of Texas. A quorum was present.

## **Public Comment**

Vice President Berry opened up the floor for public comments. No comments were made.

## **Minutes**

Vice President Berry stated that the minutes from the prior meeting (393) need to be considered for approval at this time.

Mr. Foster made a motion to approve the minutes. Mr. Prater offered a second and the motion carried unanimously.

## **Consent Agenda**

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

- Financial Statements for November and December 2017 and January 2018
- Quarterly Investment Report for six months ended March 31, 2018
- Expense Vouchers for January, February, and March 2018

No comments or concerns were addressed.

Mr. Carstens made a motion to approve the consent agenda as a whole; Mr. Prater 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 action was taken.

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

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

- 2014-18      HCR Pump Back Construction
- 2016-06      Replace 16" Cone Valve (B1-P5)
- 2017-14      Tools for Pickups
- 2018-11      HighPoint Tank Cleaning

The Operations Committee recommends that the above projects be closed out. Mr. Foster made a motion that the Board close the four CIP/MIP projects. Mr. Long offered a second and the motion carried.

### *2019 CIP/MIP Project Discussion*

Mr. Wingert gave the Board a summary of the items Staff is proposing for the FY 2019 CIP/MIP Budget. He reminded the Board that in 2018, the Board chose to begin a four phase project on replacing the switchgear which could run about half a million for each phase. Mr. Wingert said that this project is moving slowly in 2018 and that Staff suggested to the Operations Committee to delay the second phase of budgeting to the FY 2020 Budget. This delay would leave money in the FY 2019 Budget to purchase other needed items.

Staff proposed to the Operations Committee Option 2 in the Board book which includes the cyclical purchase of trucks and District property upgrades as well as replacing the haul truck, purchasing commercial trench boxes, renting shredding equipment to clear out the WCBWDS pipeline areas, purchase a new scanner, and other various items. Mr. Cleveland commented that the Committee thought that Option 2 was the best choice.

No Board action was needed.

### *Declare Surplus Property*

Mr. Wingert referred the Board to page 4.05 in the book which referenced the items the Operations Committee is recommending to declare as surplus property. Items on the list include trucks, a paddle boat, a television, and computer items. Mr. Kinard made a motion to declare the items on page 4.05 as surplus, Mr. Archibald offered a second and the motion carried unanimously.

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

### *Financial Auditor Request for Proposals Recommendation*

Mr. Foster asked Mr. Wingert to please give the results of the financial auditor proposals since he was absent at the Finance Committee meeting. Mr. Wingert stated that Staff received proposals from Eide Bailly, LLP of Abilene, Condley and Company of Abilene, and Weaver out of Midland to perform the financial audit for fiscal years 2018, 2019, and 2020. Mr. Wingert noted that Weaver estimated more hours than the Abilene firms. He then stated that both Eide Bailly and Condley and Company have performed the District's audits in the past several years. Mr. Wingert stated that since Staff has a good working relationship with Eide Bailly, Staff recommended to the Finance Committee that they approve of their proposal.

The Finance Committee recommends that the Board approve Eide Bailly, LLP to serve as the Financial Auditors for auditing services for fiscal years 2018, 2019, and 2020. Mr. Canon made a motion to accept the proposal from Eide Bailly, LLP, Mr. Carstens offered a second and the motion carried unanimously.

*FY2019 General Fund Budget Discussion*

Mr. Wingert reviewed the salaries in the “Manager” and “Leader” categories with the Board. He noted that Staff conducted a survey of salaries of similar entities throughout the region and found that the District’s salaries in these two categories were much lower than that offered by similar entities. He reminded the Board that they have granted two 10% increases for the “Skilled” and “Specialist” positions in the past but have not made a similar adjustment for the “Manager” and “Leader” categories. He stated that Staff is recommending a 7% aggregate salary adjustment for these two categories with the exception of the General Manager. This increase would be independent of the 3% merit based increases for all categories.

Mr. Wingert told the Board that the City of Abilene increased their estimated water use for 2019 by 6.5%, Anson increased by 1.2%, and that Albany and Breckenridge both lowered their estimates by 5.6% and 18% respectively.

The District’s electrical contract with MP2 includes an energy charge of 3.702 cents per kwh which is much lower than what the District had under the TCAP contract that expired last year.

Mr. Wingert stated that benefits are changing as well. TCDRS lowered their Required Rate this year to 8.28% since they are almost finished recovering from the 2008 losses. Health insurance will remain an unknown factor until July. BCBS did state they anticipate offering similar plans with changes to the prescription drug benefits and that pricing should remain fairly stable.

Mr. Wingert then summarized Staff’s recommended FY 2019 Budget items:

- 7% aggregate increase to “Manager and “Leader” categories and a 3% merit based increase to all positions
- HCR estimated water use is up by 3.9%
- TCDRS rate dropped 3.2%
- Health insurance premiums were estimated to increase 5%
- CIP/MIP budget is reduced to \$540K for FY 2019

He stated that Staff will continue to rework the budget and bring a revised draft to the Committees in August. No Board action was taken,

*President’s Report: Appointment of Board Members, Bonds, and Oaths of Office*

Vice President Berry asked the Board if they would like to move to Agenda Item 7a before beginning Agenda Item 6 (Executive Session) and have Mr. Buhrmann administer the Oath of Office to Directors who have been appointed to the Board as new Directors (Sam Chase-Abilene, Keith Gilbert-Anson) and to Directors who have been reappointed to the Board. The Board agreed. Mr. Buhrmann administered the Oath of Office to the following Directors:

Joe Canon-Abilene  
Kelly Kinard-Abilene  
Rowland Foster-Anson

Stan Carstens-Breckenridge  
Keith Gilbert-Anson  
Sam Chase-Abilene

Mr. Buhrmann then clarified that since Mrs. Richmond submitted her resignation from the Board effective May 14, 2018, that Keith Gilbert's term begins today May 16, 2018 and that Sam Chase is replacing K.O. Long for Abilene and his term will begin June 1, 2018.

### **Executive Session under Section 551.074 of the Texas Open Meetings Act**

Vice President Berry stated that the Board of Directors of the West Central Texas Municipal Water District will now convene in a closed, Executive Session beginning at 10:14 am in accordance with the Texas Open Meetings Act section 551.074 Personnel Matters. Mr. Wingert and Mr. Buhrmann were asked to stay for Executive Session.

The Board reconvened in an Open Session at 10:34 am and Vice President Berry stated that no action was taken in Executive Session.

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

#### *Nominating Committee Report and Election of Officers*

Vice President Berry asked Mr. Carstens to please report on the Nominating Committee's recommendation for officers for 2018-2019. Mr. Carstens stated that the following Directors have agreed to serve as officers and the slate being presented is as follows:

Joe Canon-President  
Rowland Foster-Vice President  
David Cleveland-Treasurer  
Norm Archibald- Asst. Treasurer  
Paul Prater-Secretary  
Russell Berry-Asst. Secretary

Mr. Berry made a motion to approve the above slate of officers to serve from June 1, 2018 to May 31, 2019; Mr. Long offered a second, and the motion carried.

#### *Approve Check Signatories*

Vice President Berry stated that the Board needs to approve of check signatories. Mr. Archibald made a motion to approve the Resolution on page 7.08 of the board book listing the following Directors and Staff as approved check signatories: Joe Canon, Rowland Foster, David Cleveland, Norm Archibald, Paul Prater, Russell Berry, Chris Wingert, Seabron Tilly, and Christy Ferguson. Mr. Carstens offered a second and the motion carried.

## Manager's/Staff Report

### *Water Supplies and Projections*

Mr. Wingert went over current water supplies and projections.

No Board action needed.

### *WCBWDS Issues*

Executive Session under Section 551.071 of the Texas Open Meetings Act

Vice President Berry stated that the Board of Directors of the West Central Texas Municipal Water District will now convene in a closed, Executive Session beginning at 10:48 am in accordance with the Texas Open Meetings Act section 551.071 Consultation with Attorney.

The Board reconvened in an open session at 11:25 am and Vice President Berry stated that no action was taken in Executive Session.

### *Fort Griffin Special Utility District Connection*

Mr. Wingert gave the Board an update on discussions with the Fort Griffin Special Utility District (FGSUD) regarding their tie in to the District's pipeline. No action was needed.

### *Maintenance Activities*

Mr. Wingert reviewed current maintenance activities such as the HVAC and parking lot improvements at the Abilene office, Booster 2 road improvements, and finishing up the lake shop improvements. He then mentioned that the small motor at Booster 2 leaked oil from the top bearing and the motor caught fire and will need to be replaced. Staff will research options on replacing the motor.

No Board action was needed.

### *Travel and Training Report*

Mr. Wingert referenced the report in the book showing that Staff has attended several training opportunities and conferences.

No Board action was needed.

### *Staff Vacancies*

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

No Board action was needed.

*Other Significant Issues*

Mr. Wingert told the Board that the US Army Corps of Engineers will hold a public meeting today at 4:00 pm regarding the Cedar Ridge project at the Abilene Convention Center.

There being no further business before the Board, the 393rd meeting adjourned at 11:39 a.m.

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Approved this 27<sup>th</sup> day of August, 2013.

  
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Paul Prater, Secretary

  
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Joe Canon, President