



WEST CENTRAL TEXAS MUNICIPAL WATER DISTRICT

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416th Meeting of the Board of Directors

STATE OF TEXAS COUNTIES OF: JONES, SHACKELFORD, STEPHENS, TAYLOR, EASTLAND, AND PALO PINTO	REGULAR MEETING August 23, 2023 9:00 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 Joe Canon</p> <p style="text-align: center;"><u>ALBANY</u></p> <p>Randall Palmore David Cleveland</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>Dani Ramsay</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 Blake Woodall, Planning/Dev Manager	Mark Zachary, Attorney Debbie Strayer, Admin/Finance Specialist

Call to Order

President Norm Archibald called the 416th meeting of the West Central Texas Municipal Water District Board of Directors to order at 9:00 a.m. on Wednesday August 23, 2023, in accordance with the statutes of the State of Texas. A quorum was present.

Public Comment

President Archibald opened up the Public Comment period at 9:01 am and asked for any comments. Since there were no comments, he closed the Public Comment period at 9:01 am.

Minutes

President Archibald stated that the minutes from the prior meeting held May 10, 2023 (#413) were ready to be approved. Mr. Gilbert made a motion that the minutes be approved as presented. Mr. Palmore offered a second and the motion carried unanimously.

President Archibald stated that the minutes from the Special Called Meeting held May 24, 2023 (#414) were ready to be approved. Mr. Chase made a motion that the minutes be approved as presented. Mr. Berry offered a second and the motion carried unanimously.

President Archibald stated that the minutes from the Special Called Meeting held June 28, 2023 (#415) were ready to be approved. Mr. Foster requested a correction on page 2.14 in the second paragraph on that page. He asked for a correction to be made to change “used for fracking purposes” to “enhancing production” and the Board agreed. Mr. Canon made a motion that the minutes be approved with the noted correction. Mr. Gilbert offered a second and the motion carried unanimously.

Consent Agenda

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

- Financial Statements for January, February, March, April, and May 2023.
- District’s Contingency Fund Balance Sheet for the period ending June 30, 2023.
- Quarterly Investment Report for the nine-month period ending June 30, 2023.
- Expense Vouchers for April, May, June and July 2023.

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

Formal Action Regarding WCBWDS Water Rates

Discussion of 2024 WCBWDS Source Water Rates

Mr. Wingert stated that the BRA (Brazos River Authority) published notice of their 2024 Water rates and that their proposed rates are \$93.50 per acre-foot for Non-Municipal and Municipal customers and \$65.45 per acre-foot for Agriculture customers and that both rates are roughly 6% over the current year rates. Mr. Wingert told the Board that the District chose to add a variable surcharge of one-percent (1%) to the BRA Source water rates last year and that the Finance Committee recommended the same for 2024.

Mr. Wingert told the Board that the District's proposed 2024 rate for Firm Water is \$94.44 per acre-foot of contracted water for Non Municipal and Municipal customers and \$66.10 per acre-foot of contracted water for Agricultural customers. He stated that the rates for Firm Water for Long-Term Water Customers will be applicable between September 1, 2023 and August 31, 2024 and that the Firm Water rate for Interruptible Water Customers will apply between January 1, 2024 and December 31, 2024.

Mr. Wingert discussed how the Transportation rates are broken into two components and discussed the calculations of the Estimated WCBWDS Water Transportation Revenue with the Board. Mr. Wingert said that the 2024 proposed Fixed Transportation rates are \$210.81 per acre-foot of water delivered and proposed Variable Transportation Rates are \$105.72 per acre-foot of water delivered effective September 1, 2023 to August 31, 2024.

Board action will be considered after the public hearing on agenda items 4c and 4e.

Public hearing regarding WCBWDS Source Water Rates

President Archibald opened the Public hearing regarding WCBWDS Source Water Rates at 9:16 am and asked if there were any public comments. President Archibald noted that no public comments were made and closed the Public hearing at 9:16 am.

Adoption of Proposed WCBWDS Source Water Rates

Mr. Gilbert made a motion that the Board set a FIRM (RAW) WATER RATE of \$94.44 per acre-foot for Non-Municipal and Municipal Customers and a FIRM (RAW) WATER RATE of \$66.10 per acre-foot for Agriculture Customers for September 1, 2023 through August 31, 2024. Mr. Gilbert also recommended the Board set an INTERRUPTIBLE WATER RATE of \$94.44 per acre-foot for Non-Municipal and Municipal Customers and an INTERRUPTIBLE WATER RATE of \$66.10 per acre-foot for Agriculture Customers for January 1, 2024 through December 31, 2024. Mr. Harris offered a second and the motion carried unanimously.

Public hearing regarding WCBWDS Transportation Rates

President Archibald opened the Public hearing regarding WCBWDS Transportation Rates at 9:18 am and asked if there were any public comments. President Archibald noted that no public comments were made and closed the Public hearing at 9:18 am.

No Board action was needed.

Adoption of Proposed WCBWDS Water Transportation Rates

President Archibald asked if there were any questions or concerns. Since there were none he asked for a motion to be made.

Mr. Berry made a motion that the Board set a FIXED TRANSPORTATION RATE of \$210.81 per acre-foot and a VARIABLE TRANSPORTATION RATE of \$105.72 per acre-foot for

WCBWDS customers during the period of September 1, 2023 through August 31, 2024. Mr. Harris offered a second and the motion carried unanimously.

Executive Personnel Search Committee Report

Authorization to Execute a Contract with an Executive Search Firm

President Archibald told the Board that the Board Appointed Executive Personnel Search Committee needs Board approval in order to execute a contract with a search firm. He noted that this Committee plans to meet after Labor Day to review and discuss proposals.

Mr. Wingert explained that Requests for Qualifications (RFQs) for an Executive Personnel Search Firm to assist with the General Manager search were mailed out and four responses were received. Mr. Wingert told the Board that Staff is asking the Board to authorize the Board President to execute a contract with the Executive Search Firm selected by the Executive Personnel Search Committee to assist in the selection of a future General Manager. President Archibald gave insight into the process and how the full Board will be able to meet the final candidates and interview them after the Committee is ready to make a recommendation on candidates.

Mr. Thompson made the motion to authorize the Board President to execute a contract with the Executive Search Firm selected by the Executive Personnel Search Committee to assist in the selection of a future General Manager., Mr. Canon offered a second and the motion was carried unanimously.

Mr. Berry asked who is serving on the Committee and President Archibald stated that former Board chairs as well as Mr. Harris as incoming Chair will serve on the Committee. He stated that Committee members are Mr. Foster, Mr. Canon, Mr. Palmore, Mr. Berry, Mr. Harris and himself.

Development, Operations & Water Policy Committee Report

Quarterly Update of Outstanding CIP/MIP Projects

Mr. Wingert gave a report on the current outstanding CIP/MIP (Capital) 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 eight CIP/MIP projects listed below:

- 2020-05 District Property Upgrades
- 2020-11 Booster 2 MCC Replacement
- 2022-08 Air Valve Replacement Program
- 2023-03 District IT Requests
- 2023-05 WCBWDS SCADA Improvements Phase II
- 2023-06 Server Computer
- 2023-08 Road Repairs: HCR Dam
- 2023-16 Ward C Bypass Line

Mr. Chase made a motion that the Board close the eight (8) CIP/MIP Board Resolutions listed above. Mr. Palmore offered a second and the motion carried unanimously.

Proposed FY 2024 CIP/ MIP Budget

Mr. Wingert told the Board that he reviewed a potential list of projects for the FY 2024 CIP/MIP program in detail with the Operations Committee during their August meeting. Mr. Wingert noted that the list was similar to the list reviewed by the Board during the May meeting and discussed three significant changes to the May draft:

- Spillway Gate Repairs. A recent inspection of the Hubbard Creek Reservoir noted light to moderate rust on the gate faces and that the “J-Bulb” seals are stiff and the retainer bolts need to be replaced. Staff researched a “turn-key” option for repairs and found this would cost around \$1.37 million.

Staff is now proposing a “hybrid” project whereby District Staff would pull the gates and haul them to a local third-party for blasting and recoating. Staff would then install new J-Bulb seals and bolts before reinstalling them into the Spillway structure. The gates would have to be repaired one at a time in this manner so that the Emergency Gate could be employed in the event the reservoir water level rises.

He told that Board that the estimated cost for this “hybrid” project is \$245,000, including 40% contingency.

- WCBWDS Small-Tap Meters. The Board approved for Staff to begin installing small-tap meters along the Ranger Line using funds out of the current year General Fund budget. Since funds are being used from the current year, the estimate for the remaining Meter Replacements has been reduced from \$75,000 down to \$40,000.
- Lake Pump Stations P-3 Replacement. Pump 3 has pumped less than expected water volume for many years. This year, Staff pulled the pump, had it disassembled and inspected, and discovered the bottom impeller was severely damaged. Originally Staff

proposed just to replace the 4-bowl pump assembly and reuse the column pipe, shafting and pump head. Vendors expressed concern about issuing a warranty in this case, due to the uncertainty of shaft straightness and other issues.

Mr. Wingert also highlighted that transfers out of the General Fund are reduced due to the lower capital project program for FY2024 and for the reduced loan repayment for the purchase of the WCBWDS system since the last payment will be January 2024.

Mr. Wingert noted that the final recommended FY 2024 CIP/MIP Budget list includes thirteen projects with a total budgeted cost of \$539,000 and that the Operations Committee did recommend that this budget be approved, however, action on funding the Proposed FY 2024 CIP/MIP Budget will be considered as part of Agenda Item 8b after the public hearing.

USGS Joint Funding Agreement

President Archibald stated the District typically executes an agreement with USGS to operate and maintain three stream flow gauges, one lake level gauge, and to conduct routine water quality monitoring and he told the Board that the last cost increase was \$200.00 last year but there is not an increase to the funding amount for FY 2024.

Mr. Benham made a motion that the Board authorize the General Manager to execute the USGS Streamflow, Water Quality Monitoring and Species Sampling Agreement for FY 2024 including an expenditure not to exceed \$64,000. Mr. Gilbert offered a second and the motion carried unanimously.

Hatchett Landowner Development Update

Mr. Wingert brought the Board up to date on Brooke Hatchett's developments with the Peninsula RV Resort at Hubbard Creek Reservoir. He said that a public meeting will likely be held in October regarding the TCEQ permit she has requested. Mr. Wingert stated that Ms. Hatchett has moved a few small cabins onto the property and he expects she may apply for an aerobic septic permit which the District will monitor.

No Board action is needed.

Finance, Personnel & Customer Service Committee Report

District Health Insurance

President Archibald asked Mr. Wingert to give the Board a summary of health insurance quotes for FY 2024. Mr. Wingert provided the Board with information on health insurance options as discussed with the Finance Committee at their August meeting. He highlighted items such as coverage on the current plan and alternate plans, deductibles, out of pocket costs, and other information. Mr. Wingert stated that the Finance Committee recommended that the Board approve Blue Cross/Blue Shield (BCBS) Plan G9L1CHC for FY2024 and that the prior year percentages remain the same for the District supplementing premiums for employees, employee/spouse, employee/child and employee/family.

Mr. Harris made a motion that the Board adopt BC/BS PPO Plan G9L1CHC for FY 2024. Furthermore, the recommendation includes the District paying a total of 100% of the Employee Only coverage, 73.45% Employee and Spouse coverage, 73.05% Employee and Child coverage and 68.93% Employee and Family coverage. Mr. Chase offered a second and the motion carried unanimously.

Authorization of the TCDRS Plan Provisions for the 2024 Plan Year

Mr. Wingert discussed with the Board the 2024 TCDRS Rate Assessment and Rate History. He noted that the District has the option of paying the current elected rate of 9.56% for FY 2024 instead of the Required Rate of 9.30% in order to build reserves and offset any possible future rate increases. Mr. Wingert explained that the total rate would be 9.80% for FY 2024 with the Board's approval and these rates are based on the current elected rate plus the Group Term Life benefit. He said that any rate that the District pays that is higher than the required 9.30% will generate a small credit which will be applied to future TCDRS rates to reduce future required rates.

Mr. Gilbert made a motion that the Board approve the following TCDRS provisions for FY 2024:

- A TCDRS total elected rate of 9.80% (elected rate of 9.56% plus the group term life rate of .24%) be adopted for Plan Year 2024
- Continuing to use a 7% Employee Deposit Rate and a 150% Employer Matching Rate
- No Cost of Living Adjustment (COLA) being applied to retirees
- No lump sum addition made to required rate
- Continuing with adding the Life Insurance option at a rate of 0.24%

It was further recommended that the Board authorize the General Manager to execute any documents necessary to provide for the continuation of the TCDRS retirement plan for FY 2024 under the conditions listed above. Mr. Harris offered a second and the motion carried unanimously.

Proposed FY 2024 General Fund Budget Discussion

Mr. Wingert gave the Board a report on the Cities estimated pumping for FY2024 and said that all four cities expect to increase their pumping next year. He said that this estimate leads to increased electric costs and various other costs that are passed along to the cities for fixed charges. He noted that one positive thing that is helping with electric costs is that the District is contracted for 3.07 cents per kWh with Reliant (NRG Energy) through 2027.

Mr. Wingert told the Board that salaries have increased quite a bit due to an expected salary overlap for the incoming General Manager for approximately six months. He said that other items increasing the salary budget include merit and step raises for staff.

Mr. Wingert discussed the FY 2024 Draft General Fund Budget and stated that the draft includes the following highlights:

- WCBWDS Source Water Rates of \$94.44 and \$66.10 per acre-foot of contracted water
- WCBWDS Transportation Rates of \$210.81 (Fixed) and \$105.72 (Variable) per acre-foot of water delivered to WCBWDS customers
- Base salary level of \$1,633,661 including step and merit increases and estimating a six-month overlap for the hiring of a new General Manager.
- \$539,000 CIP/MIP Program which is a decrease of \$63,500 from FY2023
- \$57,143 for repayment for the WCBWDS “loan” from the District’s Contingency Fund (payoff in January 2024)
- Increased Member City Water use. *Abilene increased their estimated use by 4.9%*
- Health Insurance cost based on the current BC/BS plan G9L1CHC
- TCDRS (Retirement) Plan Elected Rate of 9.56%
- Operating Expenses up \$36,500 (5.47%) largely due to the General Manager Consultant Fee and moving expenses for the new General Manager.

Mr. Wingert said this draft presents a 9.67% increase over the current budget, primarily due to the increase in salaries. He said that Member Cities would only see a moderate increase in the Budget expenses due to the reduction in the CIP/MIP budget and WCBWDS transfer.

President Archibald asked the Board if there were any questions on the FY 2024 budget. The Board held a discussion regarding the budget.

Mr. Wingert stated that the Finance Committee recommended adoption of the FY2024 General Fund Budget as presented, but he reminded the Board that action on the budget will be considered under Agenda Item 8c after the public hearing.

President Archibald called for a short break at 10:23 am. He then called the meeting back to order at 10:32 am.

WCBWDS Purchase Transfer

Mr. Wingert told the Board the recommended FY 2024 General Fund Budget includes \$57,143 remaining WCBWDS loan payments which require Board authorization.

Mr. Berry made a motion that the Board authorize a transfer of \$57,143 from the General Fund to the Contingency Fund for repayment of the WCBWDS purchase. Mr. Palmore offered a second and the motion carried unanimously.

Formal Action Regarding the District's FY 2024 Budgets

Public hearing regarding the District's General Fund and CIP/MIP Budgets beginning October 1, 2023

President Archibald announced the opening of the public hearing regarding the District's Budgets at 10:33 am. He asked if there were any public comments and no public comments were made. President Archibald closed the hearing at 10:33 am.

Adoption of Proposed FY 2024 CIP/MIP Budget

Mr. Benham stated that he is recusing himself from voting on the CIP/MIP Budget due to a conflict of interest with his employment at eHT (Enprotec).

Mr. Harris made a motion that the Board approve an expenditure of \$539,000 for the District's 13 item FY 2024 CIP/MIP program as shown on page 6.04. Mr. Chase offered a second and the motion was unanimously approved without Mr. Benham's vote.

Adoption of Proposed FY 2024 General Fund Budget

Mr. Gilbert made a motion that the Board adopt the FY 2024 General Fund Budget as presented on Pages 7.08-7.14. Mr. Chase offered a second and the motion was unanimously approved.

President & Officer's Report

Calendar for Fiscal Year 2024 Meeting Dates

Mr. Wingert presented the proposed calendar showing the meeting dates from October 2023-September 2024 and asked the Board to please take note of meeting dates and let Staff know of any potential conflicts. President Archibald told the Board that his term as President ends May 31, 2024 and anticipates that the Board will approve Mr. Harris as the new Board President and he would preside over the August 2024 meeting if he is voted in as President.

No Board action is needed.

Manager's/Staff Report

Water Supplies & Projections

Mr. Wingert addressed the Board and told them as of August 1, 2023 Hubbard Creek Reservoir was at an elevation of 1174.20 as well as reviewing drought projections. The Board held a miscellaneous discussion regarding water levels and city contract quantities.

WCBWDS Issues

Mr. Wingert updated the Board on recent water requests from WCBWDS customers for Interruptible Water for Calendar 2024. He reminded the Board that the Brazos River Authority did not allow Interruptible Water for Calendar 2023 and will vote on whether or not to offer it for 2024 at their November meeting.

Mr. Wingert told the Board that an Agreement has been drafted for a 10-acre Surface Lease on the Ranger Line. He also said that small meters are being installed for water users along the Ranger Line as well.

Maintenance Activities

Mr. Wingert gave the Board an update on the recent pump loss issue at the Lake Pump Station. He said that Oncor did some work at the pump station and it caused damage to a 100hp pump and that staff is working with District Counsel on filing a claim with Oncor in order to seek reimbursement for repairs for the pump. Mr. Wingert also said that there have been issues with controller cards for the pumps at the Lake Pump Station and that damaged cards have been replaced.

Mr. Wingert closed with telling the Board that a leak at the Abilene Vault occurred this morning and that is why Ronnie Tilly is out today.

Travel & Training Report

Mr. Wingert referenced the report in the book showing training opportunities and conferences that Staff has taken part in during the past quarter. He said Staff has attended conferences and user group meetings with Tyler Technologies, TWCA meetings, HTML trainings, and OSSF training. Mr. Canon asked about the Tyler User Group meeting and Christy Ferguson told him that it was very beneficial and she was able to get a lot of questions answered.

Staff Vacancies

Mr. Wingert told the Board that currently the District has a full organization chart, however, Coby Roberts (HR Administrator) is retiring next month and Dawn Blankley has promoted to that position and that now leaves an opening in the Payroll/Benefits Coordinator position.

Other Significant Issues

Mr. Wingert said that there are no other issues to discuss at this time. Mr. Berry did ask about ownership and maintenance of the Product Water Pump Station in Breckenridge. Mr. Wingert told the Board how Abilene owns the incoming line into the facility and the District maintains the line and the City owns and is responsible for the Membrane Plant. He said that the District owns and operates the pump station and the line that goes from the pump station and ties back into the 36" line.

President Archibald told the Board that the Executive Personnel Search Committee will keep the Board posted on progress on the General Manager search. Mr. Berry asked if the Board has received an official retirement notice from Mr. Wingert and Mr. Wingert stated that he plans to retire as of the last pay period of FY2024. Mr. Wingert then highlighted a timeline on possibly having a new General Manager hired mid-year and how he could work with the new person as well as a future project list.

There being no further business before the Board, the 416th meeting adjourned at 11:00 am.

Approved this 8th day of November, 2023.



Norm Archibald, Board President



Sam Chase, Board Secretary