
MINUTES
of the March 11, 2021
Regular Board of Directors Meeting &
Budget Adoption Public Hearing

Directors Present:	Dixon McNair, President; Jo Ann Friemel, Treasurer; Bobby Gilmore, Secretary; Chester Johnson, Director
Directors Absent:	Seth Gunn, Vice President
Others Present:	Lori Steffek, Office Manager; Craig Moreau, Fayette County OEM Chief; Nora Butler (& guest), District property owner

The meeting was called to order by Mr. Dixon McNair, President, at 4:01 p.m. on March 11, 2021, at the Fayette County WCID - Monument Hill District Office located at 100 Country Club Drive in La Grange, Texas. Mr. McNair welcomed Mr. Craig Moreau and Ms. Nora Butler and guest to the meeting.

Mr. McNair recessed the regular board of directors meeting and opened the public hearing on the proposed Operations/Maintenance and Capital Improvements Budget for fiscal year April 1, 2021 – March 31, 2022 at 4:02 p.m.

Ms. Butler requested, and received, a copy of the proposed FY 2021-2022 operations and capital expenditures budget. While Ms. Butler reviewed the budget, Mr. McNair affirmed that the “Budget Adoption” public notice had been published in the Fayette County Record, posted at the office, as well as published on the District’s website, satisfying the District’s legal requirements.

Ms. Butler inquired if there would be a rate increase for the upcoming fiscal year. Ms. Steffek explained that in order to meet the financing commitment for the current ground storage tank and pressure tank rehab at water plant #1, and to also save for the impending rehab of the ground storage tank and pressure tank at water plant #2, a rate increase would be needed.

Mr. McNair stated that the Board had unanimously approved the proposed FY 2021-2022 Operations/Maintenance and Capital Improvements Budget at a duly posted, open meeting on February 11, 2021.

Mr. Chester Johnson, made a motion, seconded by Mr. Bobby Gilmore, to adjourn the public hearing. The public hearing on the proposed FY 2021-2022 Operations/Maintenance and Capital Improvements Budget was adjourned at 4:09 p.m.

Mr. McNair reconvened the regular Board of Directors meeting at 4:02 p.m. Ms. Nora Butler and her guest departed the meeting at 4:02 p.m.

Agenda Item #1 Public Comments - No additional comments were received.

Agenda Item #2 Winter Storm 2021 Fayette County OEM Assistance - Craig Moreau, Fayette County Office of Emergency Management Chief commented on how great it was to see people coming together, neighbor helping neighbor, under the worst of circumstances. He stated that as the District looks for ways to become more resilient in

the face of crisis, to keep his office in the plan. He also mentioned that the County has applied for a \$23 million grant for water systems within the County to all be interconnected, from Flatonia to West Point, to under the 71 bridge to the East side of the county to Fayetteville and Ellinger. This would allow for systems to be able to help one another and hopefully avoid another long-term water outage as experienced during the recent winter storm.

The Board thanked Mr. Moreau for his incredible leadership and assistance to the District during an unimaginably difficult situation. Mr. Moreau left the meeting at 4:15 p.m.

Agenda Item #3 Approval of Minutes from the February 11, 2021 Regular Board of Directors meeting: The Minutes from the February 11, 2021 regular Board of Directors meeting were presented for approval.

Mrs. Jo Ann Friemel made a motion, seconded by Mr. Chester Johnson, to approve the Minutes of the February 11, 2021 regular Board of Directors meeting as presented. The motion passed unanimously with four Directors being present and voting.

Agenda Item #4 Treasurer's Reports and approval of bills: The February Operating Fund available beginning of the month balance was \$333,588.98. Property tax revenue for the month was \$9,134.05. Total cash receipts for the month were \$40,299.72. Total expenses for the month of February were \$43,955.07, leaving the District with a total combined end of the month operating fund bank balance of \$329,933.63.

Mrs. Friemel reviewed Operating Fund disbursements for February 12 – March 11, 2021, pending approval, for a total of \$38,697.44. Unusual expenses include payment to Deen's Construction (\$5,452.50) for February water repairs and one new water tap in The View; to Coburn's Supply for the replenishment of spare parts inventory (\$2,833.30); payment to FWSC for bulk water purchased (\$3,356.47); payment to FCAD for 2nd quarter tax collection services (\$860); payment to Accurate Meter & Supply for water repair materials (\$1,183.06); and payment to BEFCO Engineering for time spent on the GST/PT rehab project at WP1 (\$4,695).

Mr. Chester Johnson made a motion, seconded by Mr. Bobby Gilmore, to approve the February 2021 Operating Fund Treasurer's Report, and to pay the Operating Fund disbursements as presented for a total of \$38,697.44. The motion passed unanimously with four Directors being present and voting.

Mrs. Friemel reviewed the February 2021 Construction Fund Report with the Board. The beginning of the month combined balance was \$486,139.44. Total interest earned was \$48.40 which reflects interest earned at NBT and two months of interest at Texpool. Expenses for the month of February totaled \$300.00. The Construction Fund end of the month combined balance was \$485,887.84.

Construction Fund disbursements pending approval, in the amount of \$300.00, for the period February 12 – March 11, 2021 includes payment to BEFCO (\$300) for time spent on the Tiemann easement / sanitary sewer project.

Mr. Chester Johnson made a motion, seconded by Mr. Bobby Gilmore, to approve the February 2021 Construction Fund Treasurer's Report and to pay the Construction Fund disbursements as presented, for the period February 12 – March 11, 2021, for a total of \$300.00. The motion passed unanimously with four Directors being present and voting.

Mrs. Friemel reviewed the February Debt Service Fund Report. The beginning of the month balance was \$147,396.84. The District received \$12,662.02 in property tax revenue (including penalties and interest) and \$15.21 in interest income from RTSB MM account. The RTSB Money Market Debt Service Fund end of the month balance was \$87,038.45. The RTSB Certificate of Deposit end of the month balance was \$73,035.62. The combined end of the month balance for the money market account and the certificate of deposit was \$160,074.07. Debt Service Fund disbursements, pending approval, for the period February 12 – March 11, 2021 include payment of the April 1st bond payment in the amount of \$53,493.75, which included a \$250 bond administration fee.

Mr. Chester Johnson made a motion, seconded by Mr. Bobby Gilmore, to approve the February 2021 Debt Service Fund Report and to approve the pending debt service disbursement in the amount of \$53,493.75. The motion passed unanimously with four Directors being present and voting.

Agenda Item #5 President's Report: No report was given.

Agenda Item #6 Operations Report: Mrs. Steffek reported the following during the Operations Report:

1. Water Plant 1 – To be discussed in greater detail under Agenda Item 9.
2. Water Plant 2:
 - a. WP2 GST has what appears to be a small leak at bottom. Tank has been drained to facilitate opening it up, inspecting, and determining what it will take to repair. Mrs. Steffek gave authorization to BEFCO for this to be done on March 5th.
 - b. WP2 PT will have its interior/exterior inspected while the system is down.
 - c. WP2 PT water inlet is rusting and in need of repair (\$1000). Mrs. Steffek gave authorization to BEFCO on March 4th.
 - d. WP2's GST inlet/outlet piping that appears to be putting the tank in a bind and could cause the tank to fail. David Deen has quoted one day's labor (\$115 X 8 = \$920) to make the repair. Mrs. Steffek gave authorization to Deen Construction on March 11th to proceed with the repair while the system is down.
3. TCEQ –
 - a. All work on the orthophosphate system has been stopped until the GST situation has been remedied, thus delaying TCEQ final certification of Well #4.
4. FWSC – See Winter Storm 2021 – Series of Events
5. 1-3 Oak Ct – There was another sewer backup at 3 Oak Ct (also impacting 1 Oak Ct) on Thursday, February 25th. Due to Deen Construction assisting FWSC with storm related repairs, Mike Surman of Mike's Plumb Perfect, was contacted to clear the stoppage. He contacted LG Utilities for assistance in jetting the line. LG Utilities was unable to clear the line on Friday, Feb. 26th, however, they were able to identify where the blockage was located. Mr. Surman returned on February 27th and excavated the area, revealing a sewer main that had been bored through from the top and all the way through the bottom when a previous tap had been made. Roots from nearby trees had completely blocked the main line. Mr. Surman returned with all needed parts on March 1st and completed the repair by replacing about 6 ft of sewer line.
6. Winter Storm 2021 – Series of Events:
 - a. February 15th - District lost pressure/water due to rolling black outs which caused FWSC's Swiss Alp water plant to freeze over.
 - b. February 16th - Boil Water Notice was issued with local radio station, website alert, Facebook announcement and individual phone calls/word of mouth. Notice was generated by Vanessa Chapa of Inframark and submitted to TCEQ on behalf of the District.
 - c. February 17th –
 - i. Craig Moreau made arrangements for Monument Hill Nursing & Rehab to have flushing water on site via Schulenburg Fire Truck.
 - ii. At our request, he also made arrangements with Burt Blaha, of Ozarka, to pick up and deliver 240 water jugs to the District office.
 - d. February 19th - Mr. McCullough (Tracy Head's father), Frank Menefee and Craig Moreau made arrangements for the LGVFD to drive through Monument Hill filling up any water storage containers, left at the curb, with non-potable "flushing" water.
 - e. February 19th - Mrs. Steffek made arrangements with Burt Blaha for a second order of water to be picked up and delivered by Mark Hermes (MHPOA President).
 - f. February 21st - Craig Moreau and Tommy Hudson provided the nursing home and local area with 1,000 gallon mobile water tank with non-potable water. This tank was refilled and returned multiple times over the course of a week.
 - g. February 22nd – FWSC said the Spur 92 I/C could be turned on in hopes of providing some water to the nursing home. It had minimal flow. No water was received by the nursing home.
 - h. February 24th –
 - i. It was determined the backflow device was preventing the nursing home from receiving water since pressure was around 18 psi. Backflow device requires minimum of 40 psi. The device was temporarily removed which allowed the nursing home to receive water.
 - ii. Valve to lower plane of system was opened (lower golf course area)

- iii. the Creamer Creek I/C was turned on. All residents were reminded of boil water notice and water was to only be used for flushing and short showers.
- iv. Upper plane lost any water/pressure they had achieved since Feb. 22nd due to opening up the lower plane.
- i. February 25 – 26th – pressure continued to build within the system with few incidents.
- j. March 1st –
 - i. The District had strong pressure and a chlorine residual below 4.0 mg/L at all sampling locations.
 - ii. FWSC instructed us to lift the ban on washing machines/dishwashers in an effort to pull as much water through the system as possible.
 - iii. Arrangements were made by Inframark for chlorine and BacT samples to be taken on March 2nd.
- k. March 2nd – Chlorine and (3) Bac-T samples were taken at three locations representative of the District's system (upper, lower and mid-plane)
- l. March 3rd – received notification from Vanessa Chapa, at 5 p.m., that the samples were all negative and the boil water notice was rescinded via radio announcement, website alert, Facebook announcement and phone calls.
- m. March 9th – an ad was placed in the Fayette County Record thanking all those who worked so hard toward the goal of restoring water service to the District, and those who went out of their way to help the District and its customers.

Mrs. Steffek personally thanked the Board of Directors, and most specifically Mrs. Mary Lou McNair, for all the help she received during the winter storm chaos. She expressed her deepest gratitude for their time and assistance in facilitating her, so that she was able to assist the District's customers, and most importantly, for their trust in her to handle the situation appropriately.

Agenda Item #7 Engineer's Report: No report was given due to Mr. Bradley Loehr's absence. An update on the current project at Water Plant #1 was addressed in Agenda Item #9.

Agenda Item #8 Consider and take appropriate action on adopting proposed FY 2021-2022 Operations / Maintenance & Capital Improvements Budget: Mr. McNair presented the FY 2021-2021 Operations/Maintenance and Capital Improvements Budget for consideration. In the proposed budget, the District anticipates revenues of \$487,945 and expenses of \$392,945, thus enabling \$95,000 to be allocated toward non-bond related capital improvement projects which will include payment of the Government Capital loan payment and saving for the ground storage tank and pressure tank repairs also needed at Water Plant #2. Bond related capital improvement projects, for the sanitary sewer system and a generator for the lift stations, total \$485,000.

Mrs. Jo Ann Friemel made a motion, seconded by Mr. Chester Johnson, to adopt the FY 2021-2022 Operations/Maintenance and Capital Improvements Budget as presented. The motion passed unanimously with four Directors being present and voting. A copy of the signed budget is to be attached to the Minutes of the meeting as a permanent record.

Agenda Item #9 consider and take appropriate action on matters related to the construction and financing for the rehab of the WPI Ground Storage Tank and Pressure Tank: Mrs. Steffek updated the Board on the status of the ground storage tank and pressure tank rehab project at Water Plant #1:

1. Work began on March 5th.
2. The floor of the ground storage tank was sandblasted and cleaned. After visually inspecting it, it was determined on March 7th, the best long-term solution was to replace the entire floor at the previously approved cost of \$35,000.
3. April 23rd is the anticipated project completion date.
4. The new pressure tank manway was added on March 4th.
5. At Electric Motor Service's request, a new 1" tap on the side of WPI's pressure tank was installed to help minimize debris, solids from getting in the tap. The existing tap is directly on the bottom and have had some debris issues in the past. This new tap is estimated to cost \$1,000. Mrs. Steffek approved this expense on March 4th. It's unsure if the existing water tap location will need to be patched or if it's in good enough condition to be kept for flushing debris.

6. Per BEFCO, the existing water tap on the side of WP2's pressure tank looked corroded (when observed during the winter storm). To remove the existing tap and install a new one in the same location will cost approximately \$1,000, however, since at this time there is no intent to blast/coat WP2 pressure tank, the area around the new tap will need to be painted, thus incurring additional costs. Mrs. Steffek approved this expense on March 4th.

At the request of Mr. Loehr, Mrs. Steffek discussed the following with the Board:

1. The GST/PT contractor, CFG Industries, had informed him that if the District wished to do a full sandblast, 3 coating system of WP1's aerator metal framing under the aerator and handrails, it would cost \$19,000 instead of the originally quoted cost of \$32,000. Prior to the meeting, Mr. Loehr had stated to Mrs. Steffek, that while there is some rusting on the bottom of the aerator kick plate, he didn't feel this was a critical or time sensitive issue. He felt time and resources would need to be allocated to whatever repairs would be needed to the ground storage tank at WP2 and, potentially, the pressure tank there, as well.
2. Since other unanticipated improvements were made to WP1's pressure tank, costing an additional \$2,500, the Board could consider disregarding the previously approved removal of the ground storage tank ladder cage and installation of the Saf-T climb rail in order to save \$5,200.

Mrs. Steffek reported that the District received loan approval from Government Capital on March 5th. Currently, their Bond Counsel is working on the loan contract and have asked when the District's next meeting is or if the Board would prefer to call a special meeting for the formal Resolution and signing of the documents. Mrs. Steffek has advised Government Capital that Mr. McNair, Board President, will be out of town during the next regular meeting scheduled for April 8th. The board agreed to call a special meeting, hopefully, toward the end of March, for the official Resolution and document signing. Mrs. Steffek has also requested to receive the documents in advance of the calling of a special meeting to allow time for the District's legal and financial counsel time to review the documents prior to signing.

Mr. Chester Johnson made a motion, seconded by Mr. Bobby Gilmore, to not have any work done on WP1's aerator frame work or safety rails; to amend the previously approved scope of work by adding one 1" threaded water tap to each of the pressure tanks (at WP1 and at WP2) at an estimated combined cost of \$2,500, and to remove from the scope of work, the removal of the ground storage tank ladder cage and installation of the Saf-T climb rail enhancement at a savings of \$5,200; to call a special meeting for the signing of the loan documents with Government Capital, hopefully towards the end of March. The motion passed unanimously, with four directors being present and voting.

Agenda Item #10 Recess open session and enter executive session pursuant to Chapter 551 of the Texas Government Code (Open Meetings Act) for the following purpose: At 4:50 p.m. the Board of Directors recessed the regular meeting and convened into Executive Session, under Section 551.074 of the Open Meetings Act, to discuss personnel matters concerning the evaluation and salary of the District's Office Manager and/or compensation package.

Agenda Item #11 Adjourn executive session and return to open session: At 4:57 p.m. the Board adjourned the Executive Session and reconvened the regular Board of Directors meeting.

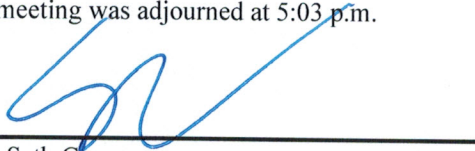
Agenda Item #12 Consider and take appropriate action on Office Manager's salary and/or compensation package:

Mrs. Jo Ann Friemel made a motion, seconded by Mr. Chester Johnson, to increase the Office Manager's current annual salary to from \$45,475 to \$47,745, which represents a 5% increase; changes will go into effect with the first pay period of April 2021; Mrs. Steffek will receive a \$120 per month phone allowance for the use of her personal cell phone on District business; the unused AT&T District flip phone (979-208-9173) account is to be closed immediately. The motion passed unanimously with four Directors being present and voting.

Agenda Item #13 Consider and take appropriate action on matters related to the Series 2017 Bond projects and all other associated projects: No business to be discussed at this time.

Agenda Item #14 Consider and take appropriate action on items to be placed on the next agenda: Items were identified and placed on the agenda for the next regular Board of Directors on Thursday, April 8, 2021 at 4 p.m. at the District office, located at 100 Country Club Drive, La Grange, Texas.

There being no further business to come before the Board, Mr. Chester Johnson made a motion, seconded by Mr. Bobby Gilmore, to adjourn the meeting. The motion passed unanimously with four Directors being present and voting. The meeting was adjourned at 5:03 p.m.



Mr. Seth Gunn
Vice President



Mr. Dixon McNair
President