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**MINUTES**  
of the April 12, 2018  
Regular Board of Directors Meeting &  
Budget Adoption Public Hearing

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<b>Directors Present:</b>	Dixon McNair, President; Seth Gunn, Vice President; Bobby Gilmore, Secretary; James Benes, Treasurer; Chester Johnson, Director
<b>Directors Absent:</b>	
<b>Others Present:</b>	Bradley Loehr Engineer; Lori Steffek, Office Manager; Jim Rebecsek, General Manager, Fayette Water Supply Corporation

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The meeting was called to order by Mr. Dixon McNair, President, at 5:00 p.m. on April 12, 2018, at the Fayette County WCID - Monument Hill District Office located at 100 Country Club Drive in La Grange, Texas.

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, 2018 – March 31, 2019 at 5:01 p.m.

Mr. McNair affirmed that the “Budget Adoption” public notice had been published in the Fayette County Record, posted with the Fayette County Clerk’s office, as well as, published on the District’s website, satisfying the District’s legal requirements.

Mr. McNair stated that the Board had unanimously approved the proposed FY 2018-2019 Operations/Maintenance and Capital Improvements Budget at a duly posted, open meeting on March 8, 2018.

No public comments were received.

Mr. Seth Gunn, made a motion, seconded by Mr. Chester Johnson, to adjourn the public hearing. The public hearing on the proposed FY 2018-2019 Operations/Maintenance and Capital Improvements Budget was adjourned at 5:02 p.m.

Mr. McNair reconvened the regular Board of Directors meeting at 5:03 p.m.

The Minutes from the March 9, 2018 regular Board of Directors meeting were presented for approval.

Mr. James Benes made a motion, seconded by Mr. Chester Johnson, to approve the Minutes of the March 8, 2018 regular Board of Directors meeting as presented. The motion passed unanimously with all Directors being present and voting.

Mr. Benes reviewed the March 2018 Operating Fund Treasurer’s Report with the Board. Available beginning of the month balance was \$153,823.55. Total cash receipts for the month were \$24,146.81. Total expenses for the month of March were \$30,537.36, leaving the District with a total combined end of the month operating fund bank balance of \$147,433.00. Unusual expenses for the month included payment to Inframark for the pumping out of the River Lift

Station after Hurricane Harvey in the amount of \$6,989.00. This expense was submitted to TML IRP on the District's flood claim still being processed.

Mr. Benes reviewed Operating Fund disbursements pending approval for a total of \$28,992.61. Extraordinary expenses for March include the fabrication and installation of a monorail in Water Plant #2's booster pump room, for the removing of the booster pumps, by LKC Welding & Construction, at a cost of \$3,975.00; payment to National Works for an emergency service call to conduct a color TV video to diagnose where an existing sewer line was blocked on Lookout Drive at the end of the cul-de-sac; and payment to Electric Motor Service for the replacement of the flush valve on pump #2 at the Johnson Lift Station, in the amount of \$1,246.02.

Mr. Chester Johnson made a motion, seconded by Mr. Bobby Gilmore, to approve the March 2018 Operating Fund Treasurer's Report, and to pay the Operating Fund disbursements as presented for a total of \$28,992.61. The motion passed unanimously with all Directors being present and voting.

Mr. Benes reviewed the March 2018 Construction Fund Report with the Board. The beginning of the month combined balance was \$765,047.49. Total interest earned was \$1,616.99, which reflects two months of interest. Total bond related capital improvements for the month amounted to \$54,440.84, which represents partial payment for the SSES performed by National Works, engineering performed by BEFCO, and monies spent on Water Well #4. The combined end of the month balance was \$712,223.64

Mr. Benes reviewed the pending Construction Fund disbursements for \$20,202.60. Disbursements include payment to Electric Motor Service for the drive panel for Well #4 in the amount of \$7,456.35; payment to BEFCO Engineering for work on various bond projects in the amount of \$6,750.00; payment to Water Equipment & Treatment Services for the painting of the aerator in the amount of \$2,275.00 and payment to National Works for the videoing of certain sewer lines in the amount of \$3,721.25.

Mr. Chester Johnson made a motion, seconded by Mr. Seth Gunn, to approve the March 2018 Construction Fund Treasurer's Report and to pay the Construction Fund disbursements as presented for a total of \$20,202.60. The motion passed unanimously with all Directors being present and voting.

Mr. Benes reviewed the March 2018 Debt Service Fund Report with the Board. The beginning of the month balance was \$100,178.81. The District received \$40.41 in interest income during the month. The debt service fund end of the month balance was \$100,219.22. No disbursements were made, or pending, from the debt service fund during the month of March.

Mr. Chester Johnson made a motion, seconded by Mr. Bobby Gilmore, to approve the March 2018 Debt Service Fund Report as presented with no disbursements made or pending. The motion passed unanimously with all Directors being present and voting.

Mr. Dixon McNair, in his President's Report reviewed the following:

1. April 5<sup>th</sup> received notification on a horrible sewer smell on Lookout Drive at the end of the cul-de-sac:
  - a. An overflowing manhole was identified and National Works, who was in the area videoing sewer line on Rolling Hill Drive was asked to clear the blockage and/or conduct a color TV video. National Works videoed the clogged line, which runs along the side of the Corker's residence, and a collapsed sewer cleanout was found to be blocking the line.
  - b. Emergency locates were performed and David Deen was notified. It was determined that approximately 12-14 ft of sewer line would need to be replaced.
  - c. After the line was replaced on April 6<sup>th</sup>, it was determined that another blockage was upstream and needed to be cleared.
  - d. Inframark was dispatched on Saturday, April 7<sup>th</sup>, to clear the blockage.
2. New double gates are up at WP1 and new fence should be completed soon.

3. Monument Hill Nursing Home paid for the sewer blockage removal on April 10<sup>th</sup>.
4. The phone strength survey for the proposed alarm system was completed.
5. Met with Gene Kruppa concerning Valley View Drive:
  - a. He highly recommends the replacement of the 2" portion of line with a 6" line. David Deen was asked for a cost estimate on Valley View Drive and are awaiting a response.
  - b. He also recommended the installation of an automatic flush valve on Valley View Dr. This will be tried before spending funds to replace the long section of 2" line.
6. Met with David Deen and Bradley Loehr concerning the Tiemann line that needs to be replaced . Mr. Deen is wanting to pothole the area to determine how far down he can set the pipe, to hold up the new line, before he hits rock. Once he's able to determine this, he will get back with us on a price.
7. There are additional sewer lines that could benefit from being videoed. Additional information will be covered under Agenda Item #14.

Mrs. Steffek reported the following during the Operations Report:

1. On March 12<sup>th</sup> met with Robert Wyly and Tracy Irwin, with Secure Vision of America, concerning the purchase of a trial package of Kampstrup water meters:
  - a. Trial Package cost is \$6,100 for 20 meters, software, etc., as well as an additional 5 meters at a cost of \$189 each.
  - b. Met with personnel from City of Gonzales Utilities to see how the software interface works and to do a ride-along on meter reading. System appears to work seamlessly. In the three years since the meters were installed, City of Gonzales reported that they have had ZERO failed meters in the field.
  - c. Recommend serious consideration of doing a complete meter swap out within the district in order to avoid the continued ITRON software support at approximately \$2,800 annually. The funds coming back to the district from the Hurricane Harvey insurance claim would go a long way towards the cost for the meters and installation (\$40/meter).
  - d. 25 failed meter readings for the month of March. Five meters appear to be completely non-functional.
2. On March 23<sup>rd</sup> met with Gene Kruppa regarding Valley View Drive and whether or not the water line may be looped.
3. On March 23<sup>rd</sup> met with Bradley Loehr and Dixon McNair to view a webinar on the functionality of the ANTX Aquavox Scout alarm system for the District. This system has the capability to report daily chlorine residuals and report its findings. At some point in the future, the District will need to move up to daily residual taking and this component would allow the District to fulfill TCEQ requirements, possibly, without the necessity of Wayne Kocian being on site.
4. TCEQ:
  - a. On March 20<sup>th</sup> the District had its Customer Compliance Inspection (CCI) with Claudia Chaffin (TCEQ), Scott Manuel, Vanessa Chapa and Wayne Kocian (Inframark). The inspection went well and no violations were identified.
    - i. Of notable interest was the vent fan in the chlorine room that needs to be installed.
    - ii. There was serious discussion about the district's need to implement 7 day residual taking since we have 253 active connections, however, since our census was so low at 554 people, we were later told by Claudia that we could remain on weekly residual taking.
  - b. On March 27<sup>th</sup> the Certificate of delivery was submitted to TCEQ for lab data delivered to FWSC prior to the deadline of April 1, 2018.
  - c. On March 27<sup>th</sup> we received 1Q2018 TTHM lab results for Valley View Drive indicating we failed at 93 mg/L and I anticipate a violation notice as well as a public notice requirement.
  - d. On April 3<sup>rd</sup> we received notification from TCEQ of a Chlorine Monitoring Violation for not submitting the 4Q2017 Disinfectant Level Quarterly Operating Report (DLQOR).
    - i. I contacted Scott Manuel at Inframark concerning the violation and he verified that the reports were sent to TCEQ, however, after contacting TCEQ personnel, they informed us

the violation would stand because Inframark didn't have proof of delivery for the report. Scott submitted both the 4Q2017 and 1Q2018 DLQORs to the state which put us back in compliance.

- ii. we will be required to fulfill the public notice requirement.
- 5. Luke Carden with LKC Welding installed the monorail at WP2 on April 6<sup>th</sup>.
- 6. Purchased Well #3 driveway culvert pipe in the amount of \$525. The County Commissioner will install the culvert pipe free of charge. The double gates at that location will need to be lifted and altered so that they swing inward instead of outward.
- 7. The District pumped 1.339 million gallons during March, and sold 1.429 million gallons, which indicates a -90,000 gallon, or -6.72%, water loss for the month.

In his Engineer's Report, Mr. Bradley Loehr discussed the following items:

- 1. Sanitary Sewer Evaluation & Study:
  - a. there is a longitudinal crack in the sewer line at 308 Rolling Hill Drive (near the front of Linda Morrison's home). A sleeve liner can be placed in the line and are currently waiting on a cost estimate from National Works.
  - b. The 8" sewer line from 308 Rolling Hill (L. Morrison) to 225 Rolling Hill (B. Gilmore) looks okay except for a few minor cracks which can be sleeved.
  - c. There is a root ball in the 6" sewer service line between 303 Rolling Hill (B. Zapotek) and 305 Rolling Hill (J. McHenry) that needs to be removed and a new 6" PVC service line installed.
  - d. On River Drive, one service and one root ball were identified as needing point repair. Mr. Loehr was asked to contact David Deen for an estimate on the repair.
  - e. There is a manhole on Lookout Drive that cannot be located. It's indicated on the District's maps as being near the front right corner of the Corker's property.
  - f. There is also a manhole near 210 Rolling Hill that hasn't been located

Jumping ahead to Agenda Item #14, Consider and take appropriate action on matters related to the Series 2017 Bond projects and all other associated projects", Mr. Loehr reported that he solicited estimates for additional videoing of 1855 ft of sewer line:

- i. National Works estimate is \$4.72 per linear foot, or \$8,755.60 total, if all the videoing can be done in one day, otherwise an additional \$750 mobilization charge would be assessed for day two.
- ii. Fuquay estimate is \$5.10 per linear foot, or \$9,460.50 total.

Mr. Loehr asked the Board if they wanted to have any of the 1855 feet of sewer line videoed, and, if so, which sections.

Mr. Chester Johnson made a motion, seconded by Mr. James Benes, to have National Works video from Lookout Drive near the cul-de-sac to up the hill between 210 Rolling Hill and 123 Rolling Hill Court, from 210 Rolling Hill to Park Drive, and from 210 Rolling Hill to Summit Drive. The motion passed unanimously, with all directors being present and voting.

Mr. Loehr reviewed with the Board the information on the SCOUT (peer to peer) alarming system that he, Mr. McNair and Mrs. Steffek had attended a live webinar on. The SCOUT is basically a poor man's SCADA system that has monitoring, alarming and controlling functions at the reduced cost of \$21,345. The SCOUT also comes in a version without graphics and control capabilities at a cost of \$19,120. Both systems have the ability to monitor chlorine with the addition of a chlorine analyzer. Mr. Loehr and Mr. McNair conducted a mobile network survey of all the District's facilities and the results indicated that Verizon offered the best cellular strength, District wide.

Mr. Seth Gunn made a motion, seconded by Mr. James Benes, to purchase five SCOUT peer to peer alarming systems at a total cost of \$21,345 plus installation and electrical expenses.

Agenda Item #9 “Consider and take appropriate action on purchase of line of sight radio system” was not needed since this item was approved at the December 14, 2017 regular board meeting and no changes were needed. The line of sight system will work in conjunction with the SCOUT alarming system.

Mr. McNair presented the FY 2018-2019 Operations/Maintenance and Capital Improvements Budget for consideration.

Mr. Seth Gunn made a motion, seconded by Mr. Chester Johnson, to adopt the FY 2018-2019 Operations/Maintenance and Capital Improvements Budget as presented. The motion passed unanimously with all 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.

Mr. James Benes presented to the Board the proposed Amended FY 2017-2018 Operating & Capital Improvements Budget. He reported revenues were being amended downward from a total of \$395,078.00 to \$388,570.00. The proposed budget amendments for normal operation disbursements were being changed from a total of \$335,540.00 to \$381,114.00, the Capital Improvements budget was being amended from a total of \$36,500 to \$8,500 and the Bond Capital Improvements budget was being amended from a total of \$1,390,000 to \$300,000. Mr. Benes recited all the budget amendments which included decreased revenues, expenditures for normal operations, as well as funds spent on capital and bond improvements related to the new water well and other system improvements.

Mr. Seth Gunn made a motion, seconded by Mr. James Benes, to adopt the proposed Amended FY 2017-2018 Operating & Capital Improvements Budget as presented. The original, signed AMENDED FY 2017-2018 Operating & Capital Improvements Budget is to be attached to the Minutes as part of the District’s permanent records. The motion passed unanimously with all Directors being present and voting.

Mr. Jim Rebeck, General Manager for Fayette Water Supply Corporation (FWSC), presented the Board with the proposed FY 2018-2019 Interconnect Agreement between FWSC and the District. For the past several years, the rate for purchasing water between the entities has remained at \$2.15 per 1,000 gallons. FWSC’s current Board of Directors requested that their staff conduct an analysis of what it costs them to produce water and that figure was \$3.00 per 1,000 gallons. FWSC’s Board set the new purchase rate for water at \$3.20 per 1,000 gallons.

Mr. James Benes made a motion, seconded by Mr. Chester Johnson, to approve the FY 2018-2019 Interconnect Agreement between Fayette Water Supply Corporation and the District at a rate of \$3.20 per 1,000 gallons purchased or sold between the two entities. The motion passed unanimously with all Directors being present and voting.

Agenda Item #11 “Consider and take appropriate action on discontinuing quarterly newsletter” was tabled to the next regular board of directors meeting on May 10, 2018 due to time constraints.

Mrs. Steffek requested authorization for Mr. James Benes to attend the TRWA Technical & Training Conference in Galveston on July 11-12, 2018 since they will be offering the mandatory Public Funds Investment Act (PFIA) Renewal Course that Mr. Benes must attend every 2 years. The cost of the conference is \$345 plus an additional \$130 for the PFIA renewal course.

Mr. Seth Gun made a motion, seconded by Mr. Chester Johnson, to have Mr. James Benes attend TRWA’s Technical & Training Conference in Galveston on July 11-12, 2018 at a cost of \$345 plus an additional \$130 for the PFIA renewal course. The motion passed unanimously with all Directors being present and voting.

Under Agenda Item #13, Consider and take appropriate action on matters related to the planning, designing and/or construction of Water Well No. 4”, Mr. Loehr presented the Board with Change Order #1 from Holly Water Wells for the drilling of Water Well #4. Overall, the price of the original contract had increased by \$18,945, as detailed below:

1. Original contract was \$275,877.35 for 18 x 12 Carbon Well (0.375” surface casing) for the Base Bid on December 8, 2016. On January 5, 2017, Holly Water Wells sent an email to BEFCO stating an increase

- of \$18,877.35 to go from the originally bid 0.375" casing, liner and screen up to 0.500" wall thickness, resulting in a new contract price of \$275,877.35.
2. A mathematical error on the Initial Contract (Original Contract was supposed to be \$276,377.35 and was only \$275,877.35 in Contract – add \$500)
  3. Charge for running an Electric Log (add \$1,000)
  4. Plug and Abandon Existing water well #1 (add \$9,500)
  5. Reuse existing Master Meter (deduct \$4,000)
  6. Add extra piping between Well #4 and Aerator (add \$12,760)
  7. Adjust to final Installed Quantities for Well Structure (deduct \$815)

Mr. Seth Gunn made a motion, seconded by Mr. Chester Johnson, to approve the increase in the original contract price with Holly Water Wells, for the drilling of Water Well #4, by \$18,945, making the new contract price \$294,822.35. The motion passed unanimously with all directors being present and voting.

Items were identified and placed on the agenda for the next regular Board of Directors meeting scheduled to be held on May 10, 2018 at 5 p.m. at the Fayette County WCID - Monument Hill District office located at 100 Country Club Drive, La Grange, Texas.

There being no further business to come before the Board, Mr. Seth Gunn made a motion, seconded by Mr. Chester Johnson, to adjourn the meeting. The motion passed unanimously with all directors being present and voting.

The meeting was adjourned at 6:35 p.m.

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Mr. Bobby Gilmore  
Secretary

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Mr. Dixon McNair  
President