

October 16, 2024

The Board of Directors of Bell County Water Control and Improvement District No. 1 of Bell County, Texas met in Regular Session, open to the public, in the Conference Room, 201 South 38th Street, Killeen, Texas 76543, at 09:00 a.m., on the 16th day of October 2024, and the roll was called of the duly constituted officers and members of the Board.

Robert R Robinson	President	Richard Grandy	Director
Kenny Wells	Vice President	Brian Dosa	Fort Cavazos Representative
Sandra Blankenship	Secretary	Ricky Garrett	General Manager
Ricky Wilson	Director		
Dr. Joyce Bateman Jones	Director		

Public attendees were Dale Treadway, Copperas Cove City Council; Dr. Camron Cochran, citizen of Killeen; John Asbury, citizen of Temple; James McMillen, Mead and Hunt Inc.; Mark Perkins, Mead and Hunt Inc.; Dirk Aaron, Clearwater UWCD; Whitney Ingram, Clearwater UWCD; Scott Carlson, Met Water.

With all said members present except the following absentee(s): none, thus constituting a quorum.

President Robinson called the meeting to order at 09:00 am. Public comment from Mr. John Asbury addressing the board concerning use of Belton Lake pumping station, water source for ASR, unused water rights and excess water to recharge ASR.

The first item of business was the consent items, which included the minutes of the regular Board Meeting, held on September 25, 2024, approval of September Financial Statements and 3rd Quarter Investment Report. A motion was made by Secretary Blankenship to approve the minutes of the September 25, 2024 meeting and seconded by Director Grandy. All members present approved the motion unanimously.

The next consent item was to discuss and consider approval of financial statements for September 2024. LaFranshonna McAllister presented the financial statements for both water and wastewater. Water spent 35% of their total budget and wastewater spent 34%. However, a discrepancy was noted in the year-to-date total gallons compared to the previous year. Secretary Blankenship moved to table the approval of the September financial statements until the next board meeting, and Vice President Wells seconded the motion. All members present approved the motion unanimously.

The final consent item was to discuss and consider approval of the 3rd Quarter Investment Reports for 2024. Mr. Ricky Garrett, General Manager, stated that an error was identified concerning the TEXPOOL interest rate, which was inaccurately listed as 0%, it should be 5.16%. The interest earned figures are correct, and the Texas CLASS interest rate is 5.25%. Significant changes in the principal and interest (P&I) account stem from payments due each July. The 2024 water bonds showed considerable earnings due to the large amounts held, raising concerns about potential arbitrage payments on those funds. To mitigate risk, it was suggested to diversify investments, especially with a representative from Logic (Government Investment Pool) proposing their portfolio. Mr. Garrett recommended transferring the 2024 bond funds and all bond-related reserve and contingency accounts, totaling approximately \$117 million, to TEXPOOL; moving the Special O&M accounts, P&I accounts, Fort Cavazos MO&R, and Sewer Facility Funds to Texas CLASS, totaling around \$17 million; and opening a LOGIC account to house the Sewer Civilian O&M, Civilian MO&R, and ADA Funds, totaling about \$7.4 million. These adjustments aim to optimize our investment security while managing risk. A motion was made by Secretary Blankenship to approve the 3rd Quarter 2024 Investment Reports to include recommendations and seconded by Vice President Wells. All members present approved the motion unanimously.

New Business Items: The first new business item was to discuss and consider adopting a resolution of support for the Regional Water Authority Legislation and take the appropriate action. Mr. Garrett, General Manager, stated that since Lake Belton's impoundment in 1954, Central Texas has had a reliable water supply, but with current growth, new sources are urgently needed. Recognizing regional water shortages in Bell County and the high-growth potential south of Killeen, the District, led by Bell County Judge David Blackburn, has initiated efforts to create a regional water authority across multiple counties. To support this effort, State Senator Pete Flores and Representative Dr. Brad Buckley will sponsor the necessary legislation, with the Schlueter Group assisting in drafting and monitoring the bill's

progress. Staff recommended adopting a resolution to support this legislative effort, aiming to secure additional water supply and enhance funding opportunities for critical infrastructure in Central Texas, especially for the entities we serve. A motion was made by Secretary Blankenship to adopt a resolution of support for the Regional Water Authority Legislation and seconded by Director Jones. All members present approved the motion unanimously.

The next item of business was to discuss and consider support of consulting fees in support of Regional Water Legislation up to \$36,000 to Schlueter Group of Texas LLC and take the appropriate action. Mr. Garrett, General Manager, stated that Representative Buckley is eager to introduce this regional water authority bill, with Senator Pete Flores committed to supporting it in the Senate. The first filing is scheduled for November 11th, and key letters of support should be secured prior to submission. The other entities will contribute financially, ultimately reducing the District's share to 50%. Funds for this consulting support are available in the working capital account. A motion was made by Secretary Blankenship to authorize the General Manager to negotiate a contract with the Schluter Group of Texas for consulting services associated with the proposed Central Texas Water Alliance legislative efforts up to \$36,000 to Schlueter Group of Texas LLC and seconded by Vice President Wells. All members present approved the motion unanimously.

The next item of business was to discuss and consider authorizing the General Manager to negotiate and execute a Memorandum of Understanding with Met Water Brazos Basin, L.P. to pursue a long-term water agreement and take the appropriate action. Mr. Garrett, General Manager, stated that the District has been working for three years to secure long-term water supplies for WCID 1 entities, which are projected to face shortages within five years, excluding Killeen and Fort Cavazos. Recently, discussions with Scott Carlson of Met Water Brazos Basin, Dirk Aaron, and local leaders have centered on a long-term procurement strategy, with Carlson offering extensive resources and experience, including his work on the Vista Ridge Project. A draft MOU has been prepared as a first step toward an agreement, with provisions for adaptability pending regional water authority legislation. A motion was made by Secretary Blankenship authorizing the General Manager to negotiate and execute a Memorandum of Understanding with Met Water Brazos Basin, L.P. to pursue a long-term water agreement and seconded by Director Wilson. All members present approved the motion unanimously.

The next item of business was to discuss and consider the proposed Water Budget Amendment and take the appropriate action. Mr. Garrett, General Manager, stated the proposed budget amendment addresses several areas expected to run close to or slightly over budget due to increased activity and storm-related expenses. Key drivers include higher freight and postage costs, rising lab supply prices, equipment rental for ongoing SCADA antenna repairs, and maintenance expenses tied to storm damage and natural gas pipelines. While FEMA reimbursements are anticipated to offset some costs, \$149,000 from capital funds is needed to balance accounts, with \$239,000 reserved for potential year-end flexibility or further capital investments. A motion was made by Secretary Blankenship to approve the Water Budget Amendment and seconded by Director Jones. All members present approved the motion unanimously.

The next item of business was to discuss and consider proposal from Core & Main, Belton, Texas in the amount of \$41,456.48 for small, remote read meters and take the appropriate action. Mr. Garrett, General Manager, stated the District is considering upgrading approximately 80 aging residential meters, most of which date back to the original easement agreements when other water suppliers were unavailable. After researching two meter options, Core & Main's product is preferred due to cost-effectiveness, domestic sourcing, and a strong warranty. Upgrading to modern remote-read meters would improve safety, reliability, and efficiency while reducing manual labor and transcription errors, aligning with long-term operational benefits for the district. A motion was made by Secretary Blankenship to award the bid from Core & Main, Belton, Texas in the amount of \$41,456.48 for small, remote read meters and seconded by Vice President Wells. All members present approved the motion unanimously.

The final item of business was to discuss and consider purchase of camera and surveillance package from Progressive Protection, Belton, Texas in the amount of \$38,997.08 for Wastewater Plant 1 surveillance and camera system and take the appropriate action. Mr. Garrett, General Manager, stated the district is implementing a standardized security camera package similar to the one used at the Belton water plant, providing better coverage for critical areas like ingress, egress, and common spaces between buildings. While the current setup covers less than half of the available camera spots, the system allows for future expansion, including additional motion sensors and audio capabilities, enhancing security and operational oversight. A motion was made by Secretary Blankenship to award the bid from Progressive Protection, Belton, Texas in the amount of \$38,997.08 for Wastewater Plant 1 surveillance and camera system and seconded by Director Wilson. All members present approved the motion unanimously.

Staff Reports: Keith Baker, Operations Manager, gave an update on the Backup Generator Project. The backup generator project is nearing completion, pending Oncor's resolution of reclosure settings and the replacement of the alternator on generator number nine, which is expected to be addressed by December.

The transmission line replacement project is progressing, with the trenching and backfilling completed, while the contractor awaits confirmation on the pipe delivery to proceed further.

On the 3MG Surge Tank Project, the contractor is installing the vapor mat and gravel on the tank pad while laying out the inlet and outlet pipes. Once the slab is in place, progress is expected to accelerate, with alignment work already completed for the piping areas.

The Belton plant communication tower project remains delayed, with no scheduled installation date yet provided, but progress is anticipated soon.

For the Belton gas line project, the contractor has connected to the main gas header and tested lines up to the buildings. The next step is testing the lines and heaters inside the buildings, though a start date for this phase has not yet been confirmed.

Ricky Garrett, General Manager, provided an update on the upcoming filter piping recoating at the Belton Water Plant. The project is part of the bond work, which includes addressing lead abatement with a cost-saving cream substance. Keith Baker, serving as the main construction spec, has been heavily involved in these projects, traveling extensively to oversee progress.

Special Called Meeting will be held October 23, 2024. The City of Killeen will tour the 38th Street Wastewater Plant on November 5th.

Mr. Garrett introduced James McMillan with Mead & Hunt to discuss the 38th Street Wastewater Plant Rehabilitation Project. Mr. McMillan stated that the plant improvement project includes installing an influent flow meter to enhance operational control and adding a concrete junction box at the aeration basin for better solids balancing and structural upgrades. Key upgrades involve converting aerobic digesters to efficient submerged membrane diffusers with new blowers, replacing outdated electrical gear, and converting two sand filters to cloth media filters for improved effluent quality. Additional modifications include upgrading the effluent pump station, replacing corroded or inoperable gates and structures, and addressing aging secondary clarifier components for better maintenance and regulatory compliance.

Items from the Board: none.

Meeting was adjourned at 10:12 a.m. by President Robinson.



Sandra Blankenship, Secretary
Board of Directors

