

**MINUTES OF THE
SCHERTZ/SEGUIN LOCAL GOVERNMENT CORPORATION**

THE STATE OF TEXAS §
COUNTY OF GUADALUPE §

SCHERTZ/SEGUIN LOCAL §
GOVERNMENT CORPORATION §

On this the 16th day of February, 2023 the Schertz/Seguin Local Government Corporation (SSLGC) convened at 1:30 PM at SSLGC Administrative Building located at 108 W. Mountain Street, Seguin, Texas. The following board members being present:

Dudley Wait	President
Robin Dwyer	Vice-President
Richard Braud	Treasurer
Jack Hamlett	Secretary
Heath Anders	Director
David Scagliola	Ex-Officio
Donna Dodgen	Ex-Officio (virtual)

The following members were absent:

constituting a majority of the persons appointed to the Board and a quorum for the transaction of business, and notice of such meeting having been duly given in accordance with the provisions of Texas law. Also in attendance were:

Steve Parker	City Manager (City of Seguin) (Arrived at 2:30 PM)
Steve Williams	City Manager (City of Schertz) (Arrived at 1:40 PM)
Patrick Lindner	General Counsel (Davidson, Troilo, Ream & Garza)
Tim Howe	Water/Wastewater Director (City of Seguin)
Larry Bush	Public Works (City of Schertz)
Susan Caddell	Finance Director (City of Seguin)
Joe Jenkins	Consultant (Walker Partners)
William "Hunter" Garza	Consultant (Walker Partners)
Nathan Cobler	Kimley-Horn
Bill Klemt	Consultant
Ben Benzaquen	SAWS
Alan Cockerell	Consultant
Andrew McBride	General Manager (SSLGC)
Daniel G. Myers	Operations Manager (SSLGC)
Derrick Wesch	Superintendent (SSLGC)
Clarissa Barrientes	Office Administrator (SSLGC)

The first order of business was to Call the Meeting to Order

President Wait called the meeting to order at 1:33 PM

The second order of business was Public Comment

No Public Comment.

The third order of business was the Approval of Minutes for the meeting held January 19, 2023

Vice President Dwyer made a motion to approve minutes for the meeting held January 19, 2023 as presented. Secretary Hamlett seconded. Upon a vote being called, the motion carried by unanimous decision.

The fourth order of business was Presentation of the General Manager's Report – Andrew McBride, General Manager & Daniel G. Myers P.E., Operations Manager

Mr. McBride updated the Board on the following:

- **GCUWCD**
The monthly meeting was held February 14, 2023; Mr. McBride attended. A copy of the agenda was included in the board packet. The next monthly meeting is scheduled for March 14, 2023.
- **GCGCD**
The monthly meeting was held February 9, 2023; Mr. McBride attended. A copy of the agenda was included in the board packet. The next monthly meeting is scheduled for February 9, 2023.
- **Region L**
The Region L meeting was held February 2, 2023. The next Region L meeting is scheduled for May 4, 2023.
- **GMA 13**
The next GMA 13 meeting is scheduled for February 17, 2023.
- **Operations Update**
Mr. Myers went over the operations report that was included in the board packet.
- **Water Production**
Seasonal pumping and monthly water sales charts were included in the board packets. Water production for the month of January was 57.4% of the Gonzales County Underground Water Conservation District's monthly allowable.

The fifth order of business was Update Regarding Construction Projects

A. Parallel Pipeline & Guadalupe Project – Joseph Jenkins, Walker Partners

Mr. Jenkins provided an update regarding the project.

The sixth order of business was Consideration/Approval of Change Order No. 3 – Guadalupe Water Treatment Plant (Contract 4) – Joseph Jenkins, Walker Partners & Andrew McBride, General Manager

Joe Jenkins presented the change order that was included in the board packet.

President Wait made a motion to approve change order no. 3. Director Anders seconded. Upon a vote being called, the motion carried by unanimous decision.

The seventh order of business was Consideration/Approval of Annual Contract Renewal Letter for Chlorine from Brenntag Southwest – Andrew McBride, General Manager & Daniel G. Myers, P.E., Operations Manager

➤ **Resolution # SSLGC R23-02**

Mr. McBride presented the renewal contract from Brenntag. The new contract term is February 1, 2023 through January 31, 2024 with a price increase from \$2,200 per ton/container to \$2,600 per ton/container.

Vice President Dwyer made a motion to approve the Resolution # SSLGC R23-02. Secretary Hamlett seconded. Upon a vote being called, the motion carried by unanimous decision.

The eighth order of business was Presentation of Treasurer's Report – Susan Caddell, Seguin Finance Director & Andrew McBride, General Manager

a. Financial Statement for the quarter ending December 31, 2022

Included in the board packet you will find the financial reports for the year ended December 31, 2022. The first two pages were the balance sheets for all the SSLGC funds. The next three pages following the balance sheet were the income statements for all the SSLGC funds, along with a budgetary comparison of the operating fund. Finally, following those statements were the balance sheet and income statement for the SAWS I&S Fund. Behind those, you were the comparative statement for the SSLGC Operating Fund as well as the working capital chart.

Mrs. Caddell first reviewed the balance sheet for the SSGLC funds. The first column is for the Operating Fund. This fund consists of cash and investments of \$4,317,618.09. The second column was for the balance of the SWIRFT funds. The cash and investment balance in this fund is \$12,700,895.62. About halfway down the first page, are the amounts still held in escrow for the SWIRFT Funds which is now \$11,090,680.12. The third column was for the Interest and Sinking Fund. The cash and investment balance in this fund is \$2,366,447.40. The fourth column was for the Repair and Replacement Fund. The cash and investment balance is now \$7,643,798.91. The fifth column was for the Future Development Fund. The cash and investment balance is \$2,768,730.02. The sixth column was for the Impact Fund. The cash and investment balance is \$5,856,062.17. The seventh column was for the Reserve Fund. The required amount to maintain in the Reserve Fund according to bond covenants is \$1,275,621.10. The cash and investment balance in this fund is \$1,387,908.26. The eighth column was the new bond issue, the 2022 Bond Fund. We received bond proceeds on September 21 in the amount of \$4,500,000. The ninth column was for the Rate Stabilization Fund. The cash and investment balance in this fund is \$1,862,220.78.

Mrs. Caddell reviewed the income statement for the SSGLC funds. The first column was the Operating Fund. The net income before transfers is \$406,405.40. After the budgeted transfers to the Repair and Replacement Fund the net income was \$256,405.40. The second column was the income statement for the SWIRFT funds. Mrs. Caddell noted the expenditures are for the construction for the parallel pipeline project and the Guadalupe project. The third column was I&S Fund. No bond payments have yet to be made. The first bond payments are made in February. The fourth column was for the Repair and Replacement Fund. The expenditures which have occurred in this fund are for repairs to pumps and wells, pressure filter rehabilitation project, the 123 bridge pipeline crossing project, and routine maintenance for the cathodic protection project. The fifth column was the Future Development Fund. The expenditures in this fund are the owner's representations services and for the Senate Bill 3 Emergency Preparedness Plan. The sixth column was the Impact Fund. The expenditures in this fund are for additional funding for the Guadalupe project. Finally, the eighth column is interest earnings in the Rate Stabilization Fund. The final column is the SSLGC Bond Fund. The total column indicates net loss of \$1,005,636.46. Of this amount, \$2,871,320.39 applies to the SWIRFT funds. With this taken out, the next income was \$1,865,683.93.

Next, was the report for the budgetary comparison of the operating fund. Mrs. Caddell noted that all categories are under budget with the exception of Insurance and Capital Outlay. Staff will be reviewing the operating budget to see what other categories the overage can be taken out of.

As indicated earlier, the reports following the SSLGC Fund reports are those for the SAWS I&S Fund.

Also included in the board packet were the Comparative Income Statement for the Operating Fund towards the back of the report. Revenue has increased by \$365,285.79, with the largest increase being

sales to Selma. Expenditures have increase by \$491,031.31, with the largest increase to Utilities Services of \$162,593.34. Electric has increased by \$162,044.82. Our net income before transfers decreased from last year by \$125,745.52.

Finally, the working capital trend chart was enclosed. Working capital has decreased since September 30, 2022 by \$1,052,627. This was largely due to spending down the SWIRFT funds. Please note that the escrow funds for the SWIRFT funding is not included in this calculation.

Secretary Hamlett made a motion to approve SSLGC's financial statements for quarter ending December 31, 2022. Vice President Dwyer seconded. Upon a vote being called, the motion carried by unanimous decision.

b. Investment Report for the quarter ending December 31, 2022

Mrs. Caddell presented the Investment Report for October 1, 2022 through December 31, 2022. Interest earnings for the quarter ended December 31, 2022 were \$477,849.

Vice President Dwyer made a motion to approve SSLGC's investment report for quarter ending December 31, 2022. Treasurer Braud seconded. Upon a vote being called, the motion carried by unanimous decision.

The ninth order of business Consideration/Approval of Budget Amendment FY2022-2023 – Susan Caddell, Seguin Finance Director & Andrew McBride, General Manager

➤ **Resolution # SSLGC R23-03**

Ms. Caddell presented the budget amendment that was included in the board packet.

President Wait made a motion to approve the Resolution # SSLGC R23-03. Secretary Hamlett seconded. Upon a vote being called, the motion carried by unanimous decision.

The tenth order of business was Water Level Measurements – Bill Klemt, Consultant/Hydrologist & Andrew McBride, General Manager

Mr. Klemt presented his water level measurements.

The eleventh order of business was Discussion of Memorial for Ken Greenwald

President Wait suggested to name the original built Gonzales Water Treatment Plant after Ken.

Vice President Dwyer made a motion to name Original Gonzales Water Treatment Plant after Ken Greenwald. President Wait seconded. Upon a vote being called, the motion carried by unanimous decision.

The twelfth order of business was the Election of Officers – Dudley Wait, President

President Wait made an announcement that he is stepping down at the adjournment of this meeting and he is no longer able to serve on the board.

President Wait made a motion to appoint Secretary Hamlett to President. Vice President Dwyer seconded. Upon a vote being called, the motion carried by unanimous decision.

Vice President Dwyer made a motion to appoint Director Anders to Secretary. President Wait seconded. Upon a vote being called, the motion carried by unanimous decision.

The thirteenth order of business was Legislative Update – Billy Phenix, Legislative Consultant & Andrew McBride, General Manager

No update given.

The fourteenth order of business was Wholesale Water Contract(s) & Well Permits(s) – Andrew McBride, General Manager

No update given.

The fifteenth order of business was Gonzales County & Guadalupe County Carrizo and Wilcox Water Leases and Property Transactions – Andrew McBride, General Manager

No update given.

The sixteenth order of business was Executive Session called under Chapter 551 Government Code, Section 551.071, to seek the advice of its attorney on legal matters, and Section 551.072, for Deliberations Regarding Real Estate

The seventeenth order of business was Consider and Take Action as Result of Agenda Item Number Sixteenth

The eighteenth order of business was Consideration and/or Action on Questions and Possible Items to be placed on the Next Agenda

- Next SSLGC Board Meeting is scheduled for Thursday, March 16, 2023.

The nineteenth order of business was Adjournment

President Wait declared the meeting adjourned at 2:36 PM.

MINUTES APPROVED THIS 16th DAY OF March 2023.



Heath Anders, Secretary

_____, Assistant Secretary