

MINUTES

ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in regular session at 9:00 a.m., Wednesday, January 19, 2022. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

January 19, 2022

Directors Present

R. Lewis
D. Cleveland
J. Featherston
G. Rose
V. Vernon

Staff Present

R. English
C. Neal
B. Ewart
T. Riggio

Visitors

K. Kindle, P.E.,
Enprotec/Hibbs & Todd
D. Hungerford,
George/Morgan/Sneed
A. Friedman, SAMCO
Capital Markets
A. Head, Jackson Walker
S. Dollins, Brazos Regional
Public Utility Agency
A. Mullins

Directors Absent

None

Call to Order

Ray Lewis, Board President, called the meeting to order at 9:00 a.m.

Invocation

By Gary Rose.

- A. After discussion, a motion was made to accept the minutes from the Regular Meeting December 15, 2021.

Motion: Cleveland
Second: Rose
Vote: All ayes

- B. Public Comments. There were no public comments.

- C. Daniel Hungerford, CPA of George, Morgan & Sneed, P.C. (GMS) presented the Audit Report for the year ended September 30, 2021. He discussed highlights of the audit and stated the audit went smoothly and had no difficulties dealing with management in performing and completing the audit. He reported the District received an unmodified (clean) opinion. D. Hungerford reported the balance sheet shows an increase of \$15 million from last year; this is primarily due to new bonds the District issued. He reported a single audit was required this year for compliance as described in the OMB Compliance Supplement (major federal programs). The District met all the compliance requirements. On the internal control letter to the

Board, D. Hungerford discussed the three findings reported under last year's audit have been corrected; however he did mention the 2020-003, Accounts Receivable and Customer Deposits, the General Ledger and Accounts Receivable are still not integrated. B. Ewart stated there were a number of issues on the new system with coding but is hopeful in the next few months this will be rectified.

After discussion, a motion was made to accept the Audit Report from George, Morgan & Sneed, P.C. for fiscal year ended September 30, 2021.

Motion: Cleveland
Second: Featherston
Vote: All ayes

D. Richard English presented the annexation of 1.903 acres in the James W. Moore Survey, Abstract 344, located in Hood County, Texas, known as 2840 Village Road, first reading. An Ace Hardware Store is planned to be at this location. The applicant is requesting the water and sewer tap be installed prior to the second reading

After discussion, a motion was made to carry over for a second reading and to allow installation of the taps prior to the second reading.

Motion: Rose
Second: Featherston
Vote: All ayes

E. The Engineer's Report was presented by Keith Kindle, P.E. of Enprotec/Hibbs & Todd (eHT). He reported on the following:

- WWTP #1 Improvements – Structural work for the new sequencing batch reactor (SBR) structure and the new control building foundation has been completed. Finishing out the Control Building and the SBR Support Building are anticipated to continue through January, including installation of equipment, piping, valves, electrical and instrumentation. Construction Status Meeting (CSM) #12 was held December 16th; the next CSM is anticipated for January 20th. The targeted Substantial Completion and Final Completion dates are December 14, 2022 and February 13, 2023, respectively.
- WWTP #2 Improvements – eHT has completed electrical and mechanical design components to finalize the plan and specification set for advertisement. eHT met with Staff January 13th to complete the final review of the design plans prior to advertisement. eHT anticipates advertisement of the plans and specifications the first week of February, with a bid opening the first week of March and awarding the project at the March Board meeting. The project is anticipated to be advertised as a Competitively Sealed proposal method; this method allows a scoring system for qualifications, how the contractor approaches the project, and the cost for evaluation of bid proposals.
- Tank 4 Disinfectant Residual Improvements – The Contractor has completed major site work and electrical. The residual control system manufacturer was

onsite for equipment installation checkout and initial startup the week of January 10th. Full system startup and training for the new residual control system is tentatively scheduled for the week of January 17th.

- Lift Station 11 Improvements – eHT continuing to move forward with 90% completion of preparing bid documents in preparation of advertising the project. Anticipate advertising the project for bid this spring.
- Hood County CDBG First Time Sewer Service Project in Port Ridglea East – Once plans are completed, easements are acquired, the project can be advertised for bids.
- Blackhawk Circle Water Line Improvements – Bid awarded to Day Services, LLC at the December Board Meeting. eHT is in coordination with the Contractor to set a pre-construction conference and anticipated start date for construction; anticipate construction starting the beginning of February, pending confirmation with the Contractor.

General Services Tasks

1. Legacy Ranch Off-Site Easement Coordination – eHT surveyors have continued to work on field surveying to find property corners along the easement alignment. RPLS is working up the boundary to prepare the easement exhibits to be presented for coordination with landowners.
2. Development Review – eHT is working on various utility capacity verification requests that have been submitted to the District:
 - a. Legacy Ranch – The Developer’s Engineer submitted a revised development plan showing a total of 588 connections, a significant increase from the previous plan. eHT is reviewing water and wastewater system impacts based on the revised development plan.
3. System Mapping – eHT is continuing to work on the transition to host the District’s GIS mapping. The website has been setup and Staff should be able to access the site; T. Riggio informed K. Kindle that Staff is still not able to access the mapping system. eHT will continue troubleshooting issues.
4. TWDB Reports
 - a. 2021 Water Use Survey – eHT has begun working with Staff to prepare this report due to the TWDB by 3/1/2022.
 - b. 2021 Water Loss Audit – eHT has begun working with Staff to prepare this report due to the TWDB by 5/1/2022.
 - c. 2021 Water Conservation Plan Annual Report – eHT has begun working with Staff to prepare this report due to the TWDB by 5/1/2022.

After discussion, a motion was made to accept the Engineers Report.

Motion: Rose
Second: Vernon
Vote: All ayes

F. The Operational Report was presented by T J Riggio. He reported unaccounted water for the month of December is 4.67%; 12 month rolling average is 10.23%. He reported we pumped a total of 53.9 million gallons of water in the month of December; 50.8 million gallons was pumped from our water wells; 3.1 million gallons was taken from SWATS.

T. Riggio reported UTGCD rate calculation for the month of December is \$0.0223 per 1,000 gallons. No usage was reported this month from Pecan Plantation, Indian Harbor or DCBE/Acton Fire Departments. T. Riggio reported we are at a 5 year high on monthly production and gallons sold. T. Riggio reported during the month of December, Well No.'s 15T, 15P and 20 were down; Well No. 30 is inactive. Well No. 15T had a problem with the meter; the meter has been reworked and is now registering usage; Well No. 20, the well is back up and running however there is an issue with programming; Trac-N-Trol has been contacted.

Under the Wastewater Report, T. Riggio reported WWTP No. 1 is at 56% average permitted flow. WWTP No. 2 is at 74% average permitted flow. T. Riggio reported there were 18 wastewater problem calls for the month of December; 5 gravity problem calls and 9 grinder pump problem calls; 7 were E-1 grinder pumps, 2 were Keen pumps. The other call outs were the customer problem, not a problem with the grinder pump. Repairs on grinder pumps were slow in the month of December; we are running low on parts to repair E-1 grinder pumps, parts have been ordered but they are slow at coming in and our technician that repairs grinder pumps was out 2 weeks recovering from surgery.

Items highlighted on the major project's lists are as follows:

- Meters – Remote Reads – 10 meters were changed out, 46 meters fiscal year to date.
- Sewer Line Replacements/Improvements/I & I Abatement – Smoke testing report received.

After discussion, a motion was made to accept the Operational Report for December, 2021.

Motion: Cleveland
Second: Vernon
Vote: All ayes

G. Bob Evart presented the Quarterly Investment Report, 1st quarter fiscal year, 4th quarter 2021 for Board consideration.

After discussion, a motion was made to approve the Quarterly Investment Report, 1st quarter fiscal year, 4th quarter calendar year 2021.

Motion: Vernon
Second: Cleveland
Vote: All ayes

- H. Bob Evert presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$469.98 for the month of December, 2021.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$469.98 for the month of December, 2021.

Motion: Featherston
Second: Cleveland
Vote: All ayes

- I. Bob Evert presented the Financial Report. He reported Water Revenue for December is down from last month and up from the same period last year. Sewer revenue is down slightly from last month and up from the same period last year. Two new grinder pumps were sold during the month of December in the Acton Area. Impact Fee revenue is \$42,000 consisting of \$21,000 from water and \$21,000 from sewer. Wholesale water revenue is \$47,606. Irrigation revenue is \$731 for the month.

B. Evert reported Personnel Services increased in Water, Sewer and Administrative due to five pay periods in the current month and longevity checks. Under Water Expense, Equipment Repairs decreased due to less equipment and vehicle repairs; and Materials & Operations decreased due to less contracted services and leak detection during the month. Under Sewer Expense, Equipment Repairs increased due to equipment repairs on the vac rig; and Materials & Operations decreased due to less chemical and inventory purchases. Under Administrative Expense, Office Expenses decreased due to less postage, printing of utility bills and office supplies; and Legal & Professional increased due to legal services and partial payment on FY 2021 audit.

Regarding Capital Items, B. Evert reported on the following: Under Water Line Replacements we paid \$428 for advertisement for bids for the Blackhawk Circle Waterline Project; under Meters – Remote Read we paid \$31,625 for remote read meters (tops, the meters come in 2 pieces); under Water Meters we purchased a 2” Badger meter for Well No. 15; under SWATTS Capital we paid \$62,755 for SWATTS Capital monthly payment; under Land, Easements, ROW we made a payment to Pinnacle for services on the Legacy Ranch easement; under WWTP – DCBE Expansion we paid \$341,348 for construction and engineering; under WWTP – Pecan Expansion we paid \$58,624 for engineering; under Pump Replacement we paid \$5,845 for a Keen 15HP/460V pump; under Lift Stations Rehab we paid \$1,377 for engineering at Lift Station No. 11; and under Engineering Fees/Consulting we paid \$1,170 for Capital Engineering to eHT. B. Evert reported cash funds used for Capital

Items current month is \$107,945; year to date is 294,584; Bond funds used for Capital Items current month is \$399,972; year to date is \$1,450,506.

B. Evart presented a 13-month cash flow analysis as of December 2021. He presented the Analysis of Undesignated Funds and Designated Funds as of December 2021.

After discussion, a motion was made to accept the Financial Report for December, 2021.

Motion: Rose
Second: Vernon
Vote: All ayes

- J. Ray Lewis presented an Order by the Board of Directors of the Acton Municipal Utility District authorizing the issuance of "Acton Municipal Utility District Utility System Revenue Refunding Bonds, New Series 2022", providing for the payment of the principal of and interest on the bonds, together with certain currently outstanding obligations, by a first and prior lien on and pledge of the net revenues of the District's combined utility system; authorizing the execution of any necessary engagement agreement with the District Financial Advisors; and providing for an effective date.

Andrew Friedman of SAMCO Capital Markets was present to receive the bids. Five bids were received. The best bid received at a rate of 1.706560% is from Robert W. Baird & Co., Inc. The net savings is \$503,618.52.

After discussion, a motion was made to authorize the issuance of "Acton Municipal Utility District Utility System Revenue Refunding Bonds, New Series 2022", providing for the payment of the principal of and interest on the bonds, together with certain currently outstanding obligations, by a first and prior lien on and pledge of the net revenues of the District's combined utility system; authorizing the execution of any necessary engagement agreement with the District Financial Advisors; and providing for an effective date. (RESOL 22-01-356)

Motion: Rose
Second: Vernon
Vote: All ayes

The Board Recessed for lunch at 11:00 a.m.
The Board Reconvened at 11:37 a.m.

- K. Executive Session – The Board entered into closed executive session at 11:38 a.m. to discuss the following:
1. Gov. Code 551.071: Consultation with Attorney regarding pending or contemplated litigation.

Return to open session at 1:38 p.m.

- L. No action taken on pending or contemplated litigation.
- M. The General Manager's Report was presented by Richard English. He reported on the following items:
 1. The Regular Meeting for February is scheduled for 9:00 a.m., Wednesday, February 16, 2022. Committee meetings are scheduled Thursday, February 10th.
 2. Monthly meeting of the Brazos Regional Public Utility Agency – Wednesday, January 26th at 2:00 p.m. at the AMUD Office.
 3. Texas Water 2022 – April 4 – 7 in San Antonio. Ray Lewis will not be able to attend. John Featherston plans to attend.
 4. Articles – “Keep it Legal” and “Ask Larry” columns in Quench Magazine.

Open Items –

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of December, 2021 and the beginning of January, 2022. Chloride levels are good.
- b) Application to the Texas Department of Agriculture (TDA) for TX CDBG Funding – We are waiting on confirmation prior to sending letters out about obtaining easements. Apparently, something in the law changed the first of January regarding the appropriate language we need to use. Hoping to get letters out to qualified homeowners next week.

After discussion, a motion was made to accept the Managers Report.

Motion: Vernon
Second: Featherston
Vote: All ayes

N. Items from Board Members:

Rose:
None

Cleveland:
None

Vernon:
None

Featherston:
None

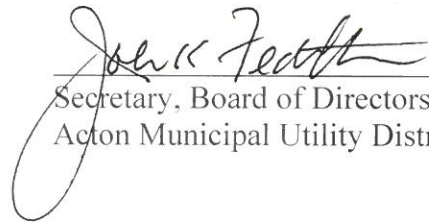
Lewis:

None

Adjournment

A motion was made to adjourn at 1:40 p.m.

Motion: Vernon
Second: Rose
Vote: All ayes



Secretary, Board of Directors
Acton Municipal Utility District