

MINUTES

ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in regular session at 9:00 a.m., Wednesday, April 20, 2022. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

April 20, 2022

Directors Present

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

Staff Present

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

Visitors

C. Hay, P.E.,
Enprotec/Hibbs & Todd
J. Berryhill, P.E.,
Enprotec/Hibbs & Todd
A. Head, Jackson Walker
S. Dollins, Brazos Regional
Public Utility Agency
A. Mullins
C. Durant, Realtor
K. Zavitz, Developer
J. Pulido, Badger Meter

Directors Absent

None

Call to Order

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

Invocation

By Van Vernon.

- A. After discussion, a motion was made to accept the minutes from the Regular Meeting March 16, 2022.

Motion: Cleveland
Second: Rose
Vote: All ayes

- B. Open Forum. No one signed in for open forum.

- C. Richard English presented the annexation of 2.67 acres in the A. W. Gates Survey, Abstract 205, located in Hood County, Texas, known as 5985 Fall Creek Highway, first reading. Keith Zavitz, Developer and Christi Durant, Realtor were present for the first reading. Mr. Zavitz stated the intended use for the property is a RV/Boat Storage Facility.

R. English included a memorandum dated April 14, 2022 regarding 5985 Fall Creek Highway and 6610 Indian Wells Road (Agenda Item "D") annexation request. Both

properties were purchased by Hawkins – Zavitz Partners, L.L.C. in November 2021. As stated in the memo, there is an existing well on the Fall Creek Highway property that will need to be plugged in conjunction with the annexation. This well also provides water to the Indian Wells property. Staff's concern is that the well could be serving other properties. Staff distributed door knockers in the area requesting feedback as to whether they are receiving water from this well; no feedback was received. In follow-up discussion with C. Durant, she stated the well only serves the two properties requesting annexation.

After discussion, a motion was made to carry over for a second reading.

Motion: Featherston
Second: Rose
Vote: All ayes

- D. Richard English presented the annexation of 0.82 acres in the A. W. Gates Survey, Abstract 205, located in Hood County, Texas, known as 6610 Indian Wells Road, first reading. The intended use for this property is a home/maintenance area for the RV/Boat Storage Facility.

After discussion, a motion was made to carry over for a second reading.

Motion: Featherston
Second: Rose
Vote: All ayes

- E. Executive Session – The Board entered into closed executive session at 9:12 a.m. to discuss the following:

1. Gov. Code 551.071: Consultation with Attorney regarding pending or contemplated litigation.

Return to open session at 11:13 a.m.

- F. No action on pending or contemplated litigation at this time; the Board will reconvene back into Executive Session Thursday, April 21, 2022 at 1:00 p.m.
- G. Jose Pulido of Badger Meter was present to discuss and answer questions regarding the Badger Meter 5G Orion Cellular Endpoint Replacements. R. English included a memorandum dated April 14th with regard to the Badger Meter 5G Orion Cellular Endpoint replacements; R. English informed the Board that some of our first installations are not 5G compatible and will no longer function. We have 734 endpoints in our system that are no longer under warranty and 780 units that are still under a partial warranty.

J. Pulido presented a power-point presentation on their "Customer Loyalty Upgrade Program" and discussed 2 upgrade options. One is a replacement for the 780 endpoints at \$0.00 cost in which the warranty would be based on the balance of the original warranty. The other option is \$30.00 per unit that would include a full 20-year warranty.

After discussion, a motion was made to purchase 734 replacement units at \$60.00 each and 780 end point replacement at \$0.00 cost.

Motion: Featherston
Second: Rose
Vote: All ayes

H. Chris Hay, P.E. of Enprotec/Hibbs & Todd (eHT) presented Work Order No. 005 under General Services Agreement Construction Phase Services for CWSRF WWTP No. 2 Project. This is needed to proceed into the construction phase; the work is authorized under the terms and conditions of the General Services Agreement dated July 17, 2019. The lump sum total is \$633,000 and is included in the budget.

After discussion, a motion was made to approve Work Order No. 005 under General Services Agreement Construction Phase Services for CWSRD WWTP No. 2 Project.

Motion: Cleveland
Second: Featherston
Vote: All ayes

I. The Engineer's Report was presented by Chris Hay, P.E. of eHT. He reported on the following:

- WWTP #1 Improvements – Finishing out the Control Building and the SBR Support Building are anticipated to continue through April, including installation of equipment, piping, valves, electrical and instrumentation. Construction Status Meeting (CSM) #15 was held March 17th; the next CSM is anticipated for April 21st. The project is continuing on schedule.
- WWTP #2 Improvements – The Board awarded the bid to Bar Constructors, LLC at the March 2022 meeting. eHT has been working with Bar and AMUD to execute the project contracts, a pre-construction conference is anticipated for the week of April 25th and a Notice to Proceed will be issued following the conference. Anticipate Bar to begin mobilizing to the WWTP No. 2 site in late May or early June.
- Tank 4 Disinfectant Residual Improvements – Training of AMUD Staff on the new residual control system was completed on March 15th. SC&M is still working through final closeout tasks, therefore eHT does not recommend issuing final payment at this time.
- Lift Station 11 Improvements – eHT continuing to move forward with 90% completion of preparing bid documents in preparation of a final review

meeting with Staff. eHT is re-analyzing the service area demand based on the current proposed connections for capacity.

- Hood County CDBG First Time Sewer Service Project in Port Ridglea East – Once plans are completed and easements are acquired, the project can be advertised for bid.
- Blackhawk Circle Water Line Improvements – The Contractor, Day Services, LLC began work March 22nd and has installed the water line and working on testing and disinfection. Upon completion of testing and disinfection, the new line will be tied into the existing 2-inch water line and services will be installed and tied over to the new line. The contract time allows 90 days for completion of the project. The Contractor is currently on schedule for completion.
- Greenleaves Low Pressure Sewer System Improvements – eHT is nearing completion with the design survey for the project and is beginning the design phase. Working with the grinder pump manufacturer for sizing and layout of the system for use with E-One grinder pumps, which are utilized in this portion of the system.

General Services Tasks

1. Legacy Ranch Off-Site Easement Coordination – eHT has provided easement exhibits to Staff and met with Staff and the landman to discuss easement acquisition moving forward.
2. TWDB Reports
 - a. 2021 Water Use Survey – eHT submitted the Water Use Survey to TWDB before the March 1, 2022 deadline.
 - b. 2021 Water Loss Audit – eHT submitted the Water Loss Audit to the TWDB on April 8, 2022, prior to the May 1, 2022 deadline.
 - c. 2021 Water Conservation Plan Annual Report – eHT submitted the Water Conservation Plan Annual Report to TWDB on April 8, 2022, prior to the May 1, 2022 deadline.

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

Motion: Cleveland
Second: Vernon
Vote: All ayes

- J. The Operational Report was presented by T J Riggio. He reported unaccounted water for the month of March is 31.44%; 12 month rolling average is 9.47%. The increase in the unaccounted water this month is due to increased usage after billing; there is a lag time with reading dates, DCBE and PP meters are read mid-month versus monthly reports which reports water produced from the beginning of the month to the end of the month. T. Riggio reported we pumped a total of 65.6 million gallons of water in the month of March; 48.1 million gallons was pumped from our water wells; 17.4 million gallons was taken from SWATS. He reported we are at a 5 year high on gallons sold.

T. Riggio reported UTGCD rate calculation for the month of March is \$0.024 per 1,000 gallons. No usage was reported this month from Pecan Plantation, Indian Harbor or DCBE/Acton Fire Departments. T. Riggio reported during the month of March, Well No. 20 was down but should be up and running next month; Well No. 30 is inactive.

Under the Wastewater Report, T. Riggio reported WWTP No. 1 is at 55% average permitted flow. WWTP No. 2 is at 62% average permitted flow. T. Riggio reported there were 20 wastewater problem calls for the month of March; 2 gravity problem calls and 10 grinder pump problem calls; 8 were E-1 grinder pumps, 2 were Keen pumps. The other call outs were the customer problem, not a problem with the grinder pump.

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

- Meters – Remote Reads – 20 meters were changed out, 96 meters fiscal year to date.
- Tank 4 Disinfectant Residual Improvements – Still holding the final payment until all punch list items are complete and close out documents have been received.

After discussion, a motion was made to accept the Operational Report for March, 2022.

Motion: Rose
Second: Cleveland
Vote: All ayes

K. Richard English presented the Quarterly Investment Report, 2nd quarter fiscal year, 1st quarter 2022.

After discussion, a motion was made to accept the Quarterly Investment Report, 2nd quarter fiscal year, 1st quarter 2022.

Motion: Rose
Second: Vernon
Vote: All ayes

L. Richard English presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$653.12 for the month of March, 2022.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$653.12 for the month of March, 2022.

Motion: Rose
Second: Vernon
Vote: All ayes

M. Richard English presented the Financial Report. He reported Water Revenue for March is up slightly from last month and down from the same period last year. Sewer revenue is up from last month and up from the same period last year. Four new grinder pumps were sold during the month of March; one was sold in Port Ridglea East. Impact Fee revenue is \$59,500 consisting of \$35,000 from water and \$24,500 from sewer. Wholesale water revenue is \$32,059. Irrigation revenue is \$470 for the month.

R. English reported under Water Expense, Personnel Services increased due to more hours charged to water and overtime; Equipment Repairs decreased due to fuel for March being paid in April (approximately \$9,000); and Materials & Operations increased due to SWATS principal amounts added, contracted repairs and inventory purchases. Under Sewer Expense, Materials & Operations increased due to contracted repairs, cost of grinder sales, state inspections/permits and sludge hauling. Under Administrative Expense, Office Expenses increased due to postage for billing. Regarding Capital Items, R. English reported on the following: Under Water Line Replacements we paid \$900 for engineering for Blackhawk Circle; under Oversize Participation w/ Developer we paid \$132,500 participation for Plantation Orchard; under Equipment we cut a check for \$295,612 for Tank 4 construction (the check is on hold as discussed under the engineers report); under SWATS Capital we paid \$62,755 for SWATS Capital monthly payment; under WWTP – DCBE we paid \$1,559 for rotor parts; under WWTP – DCBE Expansion we paid \$18,456 for engineering; under WWTP – Pecan Expansion we paid \$9,720 for engineering; under I & I Abatement/Upgrade we paid \$79,427 for sewer pipe bursting on Landsdown in Pecan Plantation; under Port Ridglea East Sewer we paid \$312 for the PRE project; and under Engineering Fees/Consulting we paid \$2,980 for Capital Engineering. R. English reported cash funds used for Capital Items current month is \$576,064; year to date is \$1,067,024; Bond funds used for Capital Items current month is \$28,176; year to date is \$2,179,699.

R. English presented a 13-month cash flow analysis as of March 2022. He presented the Analysis of Undesignated Funds and Designated Funds as of March 2022.

After discussion, a motion was made to accept the Financial Report for March, 2022.

Motion: Rose
Second: Cleveland
Vote: All ayes

- N. The General Manager’s Report was presented by Richard English. He reported on the following items:
1. The Regular Meeting for May is scheduled for 9:00 a.m., Wednesday, May 18, 2022. Committee meetings are scheduled Thursday, May 12th.
 2. Monthly meeting of the Brazos Regional Public Utility Agency – Expect to have a BRPUA meeting Wednesday, April 27. Location to be determined.

3. Articles – “A newly identified aquifer could provide water supply for Texas” and “Water + Weather for March 2022” from www.TexasWaterNewsroom.org and “Wholesale Inflation Surges 11.2%, Breaking Another Record” from www.dailywire.com.

Open Items –

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of March, 2022 and the beginning of April, 2022. Chloride levels are continuing to be low.
- b) Port Ridglea East – CDBG First Time Sewer Service Project. Offer letters for easements will be sent out this week. The deadline for closeout on this project is January, 2023.

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

Motion: Featherston
Second: Vernon
Vote: All ayes

O. Items from Board Members:

Rose:
None

Cleveland:
None

Vernon:
None

Featherston:
None

Lewis:
None

Recess

A motion was made to recess the meeting at 12:28 p.m. until tomorrow, April 21, 2022 at 1:00 p.m.

Motion: Rose
Second: Featherston
Vote: All ayes

The meeting reconvened into closed executive session Thursday, April 21, 2022 at 1:00 p.m.

Return to open session at 2:29 p.m.

F. After discussion, a motion was made to authorize General Counsel to forward as discussed today the basis for the wholesale contract to the representing Counsel for Johnson County Special Utility District (JCSUD).

Motion: Cleveland
Second: Vernon
Vote: All ayes

Adjournment

A motion was made to adjourn at 2:31 p.m.

Motion: Rose
Second: Cleveland
Vote: All ayes



Secretary, Board of Directors
Acton Municipal Utility District