

MINUTES

ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in regular session at 9:00 a.m., Wednesday, September 20, 2023. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

September 20, 2023

Directors Present

R. Lewis
D. Cleveland
G. Rose

Staff Present

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

Visitors

C. Hay, P.E.,
Enprotec/Hibbs & Todd
A. Head, Jackson Walker,
via conference call
L. Dougal, Jackson Walker,
via conference call

Directors Absent

J. Featherston
V. Vernon

Call to Order

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

Invocation

By Ray Lewis.

A. After discussion, a motion was made to accept the minutes from the Regular Meeting August 16, 2023 and Special Budget Workshop Meeting August 23, 2023.

Motion: Cleveland

Second: Rose

Vote: All ayes

Absent: Featherston, Vernon

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

C. Executive Session – The Board entered into closed executive session at 9:02 a.m. pursuant to Gov. Code 551.071 (Consultation with Attorney) to discuss the following:
1. Cause No. DS-C202100480; Johnson County Special Utility District v. Acton Municipal Utility District, including pending proposals, mediation, settlement terms, and litigation.

Executive session adjourned at 10:15 a.m. and returned to open session at 10:20 a.m.

D. No action taken on executive session item.

E. Richard English presented the annexation of 1.383 acres situated in the Wherry Adams Survey, Abstract No. 1, located in Hood County Texas, and known as 2729

Mambrino Highway, second reading. All documentation has been received; Staff recommends approval.

After discussion, a motion was made to annex 1.383 acres in the Wherry Adams Survey, Abstract No. 1, located in Hood County, Texas, known as 2729 Mambrino Highway into the Acton Municipal Utility District. (RESOL 23-09-405)

Motion: Rose
Second: Cleveland
Vote: All ayes Absent: Featherston, Vernon

F. Chris Hay, P.E. of Enprotec/Hibbs & Todd (eHT) presented a request for Board consideration for Change Order No. 1 for the Greenleaves Low Pressure Sewer System Improvements Project. The original plan for this project involved backfill with seeding and erosion control. Given the large number of existing homes in the area, Staff feels patch back with actual sod would present a better appearance and finished product in the area. Staff recommends approval of Change Order No. 1 in the amount of \$33,159.50.

After discussion, a motion was made to approve Change Order No. 1 for the Greenleaves Low Pressure Sewer System Improvements Project with a net increase of \$33,159.50.

Motion: Cleveland
Second: Rose
Vote: All ayes Absent: Featherston, Vernon

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

- WWTP #1 Improvements – The plant is fully operational, Crossland is currently working on the remaining punch list items to prepare for Substantial Completion of the project. There are only a few remaining punch list items related to electrical and SCADA; these items should be completed in September. The last Construction Status Meeting (CSM) #30 was held June 15th; the next CSM is to be determined pending contractor progress.
- WWTP #2 Improvements – Bar Constructors continuing work on hydraulic leak testing of the SBR basins; the initial testing did not pass due to a significant number of minor leaks in the basins; Bar has been working on crack repairs via epoxy injection and preparing for re-testing of hydraulic leak testing, however due to high summer temperatures they were limited on when injections could take place; Bar anticipates completing the majority of remaining injections in September and October as temperatures cool. Completion of the transformer relocation at the plant by Oncor was completed in February which allowed Bar to begin working on the new Control Building and Dewatering Building which will continue into September and October. Bar completed the new chlorine room in July and the retaining wall for the

new Dewatering Building foundation in July and August with equipment installation to begin in September. Bar continuing work on site civil construction for retaining walls, dirt work, and other miscellaneous items. CSM #11 was held August 21st, the next CSM is anticipated for September 25th.

- Lift Station 11 Improvements – Bid opening was February 14th; no bids were submitted; eHT is standing by to re-advertise the project at a time to be determined later.
- Greenleaves Low Pressure Sewer System Improvements – The project was awarded to Day Services, LLC at the May Board Meeting. Contracts have been executed. A pre-construction meeting was held on July 11th; the Contractor is mobilizing to the site and starting preliminary work the week of September 11th. The anticipated construction duration is 90 days.
- Pecan Plantation Elevated Storage Tank Improvements – A design review meeting was held with Staff June 8th and plans are being modified to reflect comments. Plans and specifications were submitted to TCEQ in August. Plan review typically at least 60 days for review and approval. The project can be advertised for bids upon receipt of TCEQ approval.
- Acton Loop Water Line Extension Improvements – eHT held a design kickoff meeting with Staff July 12th; a preliminary route was determined. Surveyors have completed most of the design survey in the right-of-way areas. The preliminary alignment included requires approximately 4 easements to be acquired. Once access is allowed for the easements, eHT will perform surveys and create easement exhibits to move forward with design.

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

Motion: Rose

Second: Cleveland

Vote: All ayes

Absent: Featherston, Vernon

H. The Operational Report was presented by T J Riggio. He briefed the Board on several items; issues with the landfill have been resolved for both plants, still trying to get clarification on how to handle next year; the power outage at WWTP No. 1, the generator did not come on for unknown reasons, fluid did breach the SBR walls but still considered contained and did not enter any water ways, once power was restored, the non-potable pumps air locked and one burned up before the operators could catch it; Lift Station 10 in PP lost both pumps caused either by a faulty float or control issue, the pumps ran dry and burned up, pumps have been sent for repairs; Lift Station 3 in DCBE experienced cavitation issues following a force main break, replaced suction flaps and working to fit an air relief into the station site; reported the low reading on August 14th for WWTP No. 1 was due to the power outage. T. Riggio also informed the Board that the lot next to Lift Station 4 is listed for sale, realtors have been questioning the use of the property next to Lift Station.

Under wastewater, T. Riggio reported WWTP No. 1 construction is nearing completion, WWTP No. 2 construction is well under way; these projects were discussed under the Engineer's Report. T. Riggio reported WWTP No. 1 was at 64% of the average permitted flow for the month of August, under the future 930K permit this would be 41%. WWTP No. 2 is at 36% of the average permitted flow, under the future 820K permit this would be 21%. WWTP No. 2 met all discharge permit parameters for the month of August. WWTP No. 1 exceeded Ammonia and possibly TSS the week of August 15th due to the power outage and generator failure.

T. Riggio reported unaccounted water for the month of August is 7.37%. He reported the water production and sales for the month and year to date, and reported there were no positive bacteriological samples for the month of August. T. Riggio updated the status regarding the green water/manganese issue; a resident reported it to TCEQ; therefore we are going through a mini-audit with TCEQ. We submitted all requested records to TCEQ August 4th, currently no feedback from TCEQ has been received. T. Riggio reported the PP High Service pump at Booster 9 is still out of operation, waiting for repairs and at Booster 4 we are still waiting on parts. T. Riggio reported on wells; at Well No. 25, the well ran in August for emergency use, we lost approximately 750,000 gallons over the month due to tank leakage, the well is now offline, repairs to the well have been complete; Well No. 14 has been turned off since June 22nd due to the tank coming apart at the seams, it will hold water but it is exposed to the atmosphere and possible contamination, the well will remain off until the tank is repaired, the contractor is waiting on materials; Well No. 16 has been repaired and is back in operation; Well No. 20 ran under emergency conditions, TCEQ has been notified and we will be required to sample this well. We did receive a number complaints in the area due to yellow water, the well is now turned off; Well No. 15P was turned on for emergency use and has now been turned back off.

T. Riggio informed the Board that we are currently one employee short in the field. He reported we are working on SCADA to be able to see tank levels on the 3 million gallon tank at BRPUA.

After discussion, a motion was made to accept the Operational Report for August, 2023.

Motion: Cleveland

Second: Rose

Vote: All ayes

Absent: Featherston, Vernon

- I. Richard English presented a memorandum dated August 23, 2023 from the Impact Fee Advisory Committee regarding the semi-annual review of water and wastewater impact fees for Board consideration. No discrepancies were found.

After discussion, a motion was made to accept the Impact Fee Advisory Committee memorandum dated August 23, 2023.

Motion: Rose
Second: Cleveland
Vote: All ayes Absent: Featherston, Vernon

- J. Richard English presented a resolution for Board consideration certifying compliance of the Impact Fee Program under Chapter 395 of the Local Government Code and authorizing the Board President to sign a certification letter to the Texas Attorney General as required by statutes.

After discussion, a motion was made to authorize the Board President sign the certification letter to the Texas Attorney General and adopt the resolution stating that the AMUD Impact Fee Program is in compliance with Chapter 395 of the Local Government Code. (RESOL 23-09-406)

Motion: Cleveland
Second: Rose
Vote: All ayes Absent: Featherston, Vernon

- K. Richard English presented the rate models for fiscal years 2024 and 2025. The models are based on 240 new connections (2.8% anticipated growth) for each year. To meet our targets, we will need an additional \$1.3 million in revenue. Staff recommends a 5% increase across the board for this fiscal year to the minimum water charge and commodity charges for all In-District and Commercial customers and plan to take a look at rates again next fiscal year.

After discussion, a motion was made to approve a resolution authorizing a 5% increase in the water base rates and commodity rates for all In-District residential, commercial and fire hydrant accounts, excluding Out-of-District and Wholesale customers effective on the November 2023 billing. (RESOL 23-09-407)

Motion: Rose
Second: Cleveland
Vote: All ayes Absent: Featherston, Vernon

- L. Richard English presented the sewer rate models for fiscal years 2024 and 2025. Staff recommends a 5% increase across the board for the minimum sewer charge and commodity charges for all sewer customers.

After discussion, a motion was made to approve a resolution authorizing a 5% increase in the sewer base rate and commodity rates for all sewer customers effective on the November 2023 billing. (RESOL 23-09-408)

Motion: Rose
Second: Cleveland
Vote: All ayes Absent: Featherston, Vernon

M. Richard English presented the wholesale water rates. Staff recommends no changes to the wholesale water rates. No action needed.

N. Richard English presented the budget amendments for fiscal year 2022 – 2023 for Board consideration. This is required by our auditors prior to the end of the fiscal year. There are no overall changes to the total budget and the amendments and reallocations allow all categories to fall within the budgeted category amounts.

After discussion, a motion was made to adopt the resolution approving budget amendments for fiscal year 2022-2023, as presented. (RESOL 23-09-409)

Motion: Rose
Second: Cleveland
Vote: All ayes Absent: Featherston, Vernon

O. Richard English presented the proposed budget for fiscal year 2023 – 2024. He stated the proposed budget basically mirrors the budget workshop with the exception of a change in the Capital Budget to include the Change Order for the Greenleaves LPSS Project and a change in the O&M for a new transmission on Vehicle No. 39 identified after the budget workshop.

After discussion, a motion was made to adopt the resolution approving the budget for fiscal year 2023 – 2024, as presented. (RESOL 23-09-410)

Motion: Cleveland
Second: Rose
Vote: All ayes Absent: Featherston, Vernon

P. Bob Evart presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$714.67 for the month of August, 2023. The year to date write off rate of revenue is 0.17%.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$714.67 for the month of August, 2023.

Motion: Rose
Second: Cleveland
Vote: All ayes Absent: Featherston, Vernon

Q. Bob Evart presented the Financial Report for August, 2023. He reviewed the revenues and changes for overall water and sewer, water revenues from customers, wholesale water, sewer revenues from customers, other sewer revenues and impact fees. He reported expenditure totals for all departments for the month and reported the totals for revenues and expenditures are all within budget.

After discussion, a motion was made to accept the Financial Report for August, 2023.

Motion: Cleveland
Second: Rose
Vote: All ayes Absent: Featherston, Vernon

R. Executive Session – The Board entered into closed executive session at 11:47 a.m. to discuss the following:

1. Gov. Code 551.074: Personnel

Executive session adjourned at 11:58 a.m. and returned to open session at 12:00 p.m.

S. After review and discussion and based upon the recommendation from the General Manager Review Committee, in recognition of all the work last year and this year, a motion was made to increase the General Manager’s salary 7%, and in addition to be given a one-time merit pay of \$5,000, effective October 1, 2023. This change is to be reflected in the adopted budget for fiscal year 2023 – 2024.

Motion: Cleveland
Second: Rose
Vote: All ayes Absent: Featherston, Vernon

T. The General Manager’s Report was presented by Richard English. He reported on the following items:

1. The Regular Meeting for October is scheduled for 9:00 a.m., Wednesday, October 18, 2023. Committee meetings are scheduled for Thursday, October 12th.
2. Monthly Brazos Regional Public Utility Agency meeting – Thursday, September 28th at 2:00 p.m. at the JCSUD Office.
3. Articles – “Water + Weather for August 2023” posted from Texas Water Development Board; 2023-24 Winter Outlook from the Farmers’ Almanac; “Health-Insurance Costs Are Taking Biggest Jumps in Years” from www.wsj.com/health/healthcare.

Open Items –

- a) SWATs Plant Update – Presented water quality reports; source, raw and finished water for the month of August, 2023 and the beginning of September 2023. Chloride levels are holding steady.

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

Motion: Rose
Second: Cleveland
Vote: All ayes
Absent: Featherston, Vernon

U. Items from Board Members:

Rose:
None

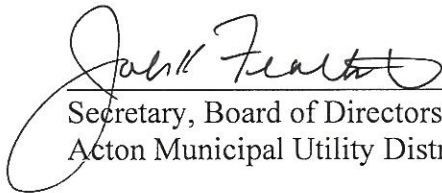
Cleveland:
1. Stated he will be out of town November 2 – 19.

Lewis:
None

Adjournment

A motion was made to adjourn at 12:08 p.m.

Motion: Rose
Second: Cleveland
Vote: All ayes
Absent: Featherston, Vernon


Secretary, Board of Directors
Acton Municipal Utility District