

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 17, 2024. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

January 17, 2024

Directors Present

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

Staff Present

R. English
C. Neal
R. Evart
T. Riggio

Visitors

C. Hay, P.E.,
Enprotec/Hibbs & Todd
R. Reeves, Texas EMS
K. Gallegos, Texas EMS
D. Hungerford, George,
Morgan & Sneed, P.C.
A. Head, Jackson Walker,
via conference call
L. Dougal, Jackson Walker,
via conference call
S. Leibe, Norton Rose
Fulbright, via conference
call

Directors Absent

None

Call to Order

Ray Lewis, Board President, called the meeting to order at 9:02 a.m.

Invocation

By Ray Lewis.

A. After discussion, a motion was made to accept the minutes from the Regular Meeting December 20, 2023.

Motion: Featherston
Second: Cleveland
Vote: All ayes

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

C. Executive Session – The Board entered into closed executive session at 9:28 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 9:55 a.m. and returned to open session at 9:57 a.m.

D. No action taken on executive session item.

E. Richard English presented a request from Texas Emergency Medical Services (Texas EMS) to amend the Ground Ambulance Service Agreement. Mr. Ricky Reeves, Executive Director of Texas EMS was present to discuss a proposed increase in membership fees and answer questions. The membership fee has been \$1.00 per month since 2011. Due to the amount of growth in the area and overall cost increases the past several years, Texas EMS must change their cost for service. The proposed change is to increase the fee from \$1.00 per month to \$2.00 per month this year and then increase the fee by another \$1.00 per month next year to \$3.00 per month.

V. Vernon made a motion to increase the fee by \$1.00 per month effective March 1, 2024 and the following year increase the fee by \$1.00 per month effective March 1, 2025. G. Rose stated he would second the motion but amend the effective date for the second increase to January 1, 2025.

After discussion, a motion was made to increase the fee by \$1.00 per month, effective March 1, 2024 and the following year increase the fee by \$1.00 per month, effective January 1, 2025.

Motion: Vernon
Second: Rose
Vote: All ayes

F. Daniel Hungerford, CPA of George, Morgan & Sneed, P.C. (GMS) presented the Audit Report for the year ended September 30, 2023. 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 a clean opinion. D. Hungerford reported the District's net position increased by \$7,932,175; he reported total revenues increased and water and sewer services increased; more gallons were sold in the current year and rates increased 5%. The District met all the compliance requirements. On the internal control letter to the Board, D. Hungerford reported no findings, no non-compliances, everything went smooth.

After discussion, a motion was made to accept the Audit Report from George, Morgan & Sneed, P.C. for fiscal year ended September 30, 2023.

Motion: Rose
Second: Cleveland
Vote: All ayes

G. Richard English presented the annexation of 15.391 acres situated in parts of the M. Harris Survey, Abstract No. A-238 and the S.M. Herron Survey, Abstract No. A-687,

located in Hood County Texas, known as Pirate Village, first reading. A portion of the property is located in the City of Granbury ETJ and will need the City's consent. R. English stated we have all the information for the first reading and recommends moving forward for the second reading.

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

Motion: Rose
Second: Vernon
Vote: All ayes

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

- WWTP #1 Improvements – The plant is fully operational, there is only one item remaining on the punch list related to SCADA (final SCADA programming adjustments, SCADA alarm troubleshooting). Retainage is still being held. The last Construction Status Meeting (CSM) #30 was held June 15th; the next CSM is to be determined pending contractor progress.
- WWTP #2 Improvements – Construction moving forward, Bar Constructors, Inc. (BAR) completed the leak repaired basins and all have passed the leak testing. Bar continued installing equipment in the SBR Building, Dewatering Building, and Chlorine Building in January and began work on the new influent lift station required to transfer influent wastewater to the new SBR system. Bar continuing work on site civil construction around the rest of the plant for retaining walls, dirt work, and other miscellaneous items. eHT and BAR held a startup preparation meeting on November 8th with the key equipment suppliers and SCADA integrator to verify tasks, timing, and critical milestones to prepare for startup of the new SBR system over the next several months, tentatively February 2024. CSM #12 was held December 19th, and the January CSM was held January 16th.
- 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.
- Pecan Plantation Elevated Storage Tank Improvements – The project was advertised for bids and a bid opening was held Thursday, December 14th. The project was awarded to Phoenix Fabricators & Erectors, LLC in the amount of \$3,340,440.00. In the process of executing contracts and anticipate issuing notice to proceed and holding a preconstruction conference sometime this month after contracts are executed.
- Greenleaves Low Pressure Sewer System Improvements – The project was awarded to Day Services, LLC at the May Board Meeting. The Contractor is proceeding with installation and continuing to make progress. They have a final section of line to install followed by cleanup and testing. Due to the weather forecast, it is expected the work will continue into February.
- Acton Loop Water Line Extension Improvements – Surveyors have completed most of the design survey in the right-of-way areas. The preliminary

alignment requires approximately 4 easements to be acquired. A right of entry agreement has been granted for all four parcels, eHT completed the field surveying for them and are in the process of finalizing the easement exhibits and proceeding forward with design. Once easement documents are executed and plans and specifications are completed, eHT can move forward with advertisement for bids.

General Services Task

1. TWDB Reports

- a) 2023 Water Use Survey – eHT has begun coordination with Staff to prepare this report due to the TWDB by 3/1/2024.
- b) 2023 Water Loss Audit – eHT has begun coordination with Staff to prepare this report due to the TWDB by 5/1/2024.
- c) 2023 Water Conservation Plan Annual Report – eHT has begun coordination with Staff to prepare this report due to the TWDB by 5/1/2024.

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

Motion: Featherston
Second: Vernon
Vote: All ayes

- I. The Operational Report was presented by T J Riggio. He briefed the Board on several items; the permit renewal application for WWTP No. 1 was submitted to TCEQ prior to the December 29th deadline; the Greenleaves Sewer Project is progressing; pipebursting on Circo in DCBE is anticipated to be complete this month; at Lift Station No. 10 in DCBE, one pump has been replaced, waiting for repairs on the second pump.

Under wastewater, T. Riggio reported WWTP No. 1, the contractors have moved out, there are only a few punch list items remaining; WWTP No. 2, construction is well under way. T. Riggio reported WWTP No. 1 was at 83% of the average permitted flow for the month of December, under the future 930K permit this would be 53%. WWTP No. 2 is at 50% of the average permitted flow, under the future 820K permit this would be 30%. Both WWTP's met all discharge permit parameters for the month of December.

T. Riggio reported unaccounted water for the month of December is 23.29%. He reported the water production and sales for the month and year to date. He reported there were no positive bacteriological samples for the month of December. T. Riggio reported Well No. 14 has been turned off since June 22nd due to the tank coming apart at the seams, still waiting on materials, the contractor thinks the repairs should be complete by February; Well No. 23, the well pump had gone to ground and needed replacement, the well is operational but waiting to run the well until the new year due to State compliance sampling schedule reasons. The well should be in operation

sometime this month; Well No. 29, the booster pump is down, waiting on parts; Well No. 26 is off due to low demand.

T. Riggio informed the Board that the quarterly disinfectant report was sent to TCEQ, we are in compliance, however we are having trouble keeping the residuals up at Davis Road due to the low demand and issues with Booster Station No. 2, crews are flushing a lot on that end of the system to help. T. Riggio reported that currently we are fully staffed in the field.

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

Motion: Cleveland
Second: Featherston
Vote: All ayes

- J. Bob Evart presented a memorandum dated January 17, 2024 requesting a replacement vehicle due to Vehicle No. 42 being totaled in an accident October 27, 2023. As stated in the memo, insurance is providing us with approximately \$31,500 as an insurance settlement payment for the vehicle. Current replacement vehicles range from \$35,000 to \$45,000. Staff is requesting to replace the totaled vehicle with a ½ ton truck.

After discussion, a motion was made to purchase a ½ ton truck offset by the insurance settlement of \$31,500.

Motion: Rose
Second: Vernon
Vote: All ayes

- K. Bob Evart presented the Quarterly Investment Report, 1st quarter fiscal year, 4th quarter 2023 for Board consideration.

After discussion, a motion was made to approve the Quarterly Investment Report, 1st quarter fiscal year, 4th quarter calendar year 2023.

Motion: Vernon
Second: Rose
Vote: All ayes

- L. Bob Evart presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$875.45 for the month of December, 2023. Year to date write off rate of revenue is 0.09%.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$875.45 for the month of December, 2023.

Motion: Rose
Second: Vernon
Vote: All ayes

M. Bob Evart presented the Financial Report for December, 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. He reported all audit changes have been incorporated in the balance sheet.

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

Motion: Cleveland
Second: Rose
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 February is scheduled for 9:00 a.m., Wednesday, February 21, 2024. Committee meetings are scheduled for Thursday, February 15th.
2. Monthly Brazos Regional Public Utility Agency Meeting, Wednesday, January 24th at the AMUD Office.
3. Texas Water 2024 Conference – April 9 – 12 at the Fort Worth Convention Center.
4. Meter Change Outs – Currently we are fully staffed; Richard and T J have been in discussions about dedicating someone 2 to 3 days a week to change meters to aid in figuring the cost of hiring additional personnel to be dedicated to the meter change out program. In researching wages of other entities, it looks like our wages are trailing by approximately \$1.00 per hour.

Open Items:

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of December, 2023 and the beginning of January 2024. Chloride levels are holding steady.

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

Motion: Vernon
Second: Rose
Vote: All ayes

O. Items from Board Members:

Rose:

1. Questioned if we furnish the crew with insulated coveralls. Yes, we do.

Cleveland:

None

Featherston:

None

Vernon:

None

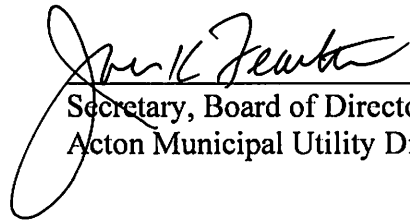
Lewis:

None

Adjournment

A motion was made to adjourn at 10:48 a.m.

Motion: Vernon
Second: Rose
Vote: All ayes



Secretary, Board of Directors
Acton Municipal Utility District