

MINUTES

ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in regular session at 9:00 a.m., Wednesday, July 21, 2021. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

July 21, 2021

Directors Present

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

Staff Present

R. English  
B. Ewart  
T. Riggio

Visitors

C. Hay, P.E.,  
Enprotec/Hibbs & Todd  
K. Kindle, P.E.,  
Enprotec/Hibbs & Todd  
J. Berryhill, P. E.,  
Enprotec/Hibbs & Todd  
M. McLiney, SAMCO  
Capital Markets, Inc.  
S. Dollins, Brazos Regional  
Public Utility Agency  
S. Riebe, Pinnacle  
S. Helterbrand, Pinnacle

Directors Absent

None

Call to Order

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

Invocation

By Don Cleveland.

A. After discussion, a motion was made to accept the minutes from the Regular Meeting June 16, 2021.

Motion: Featherston  
Second: Vernon  
Vote: All ayes

B. Public Comments. There were no public comments.

C. Richard English presented a memorandum dated July 16, 2021 regarding the procurement of easement acquisition services for the Legacy Ranch Development. As stated in the Water and Wastewater Development Agreement, AMUD will obtain the offsite sewer line easements as a component of cost participation. Attached for consideration is an Executive Summary provided by Pinnacle Consulting Management Group, Inc. (Pinnacle) describing the firm's qualifications and

experience in the acquisition process. Project Manager, Sarah Riebe and a local agent with Pinnacle, Shawna Helterbrand were present to discuss and answer questions regarding their professional services. S. Riebe gave a brief background of their qualifications and experience in acquiring easements. They have worked with TxDot and other Districts and are well versed on the Uniform Act and understand the process of getting information to a Board for approval. R. Lewis asked if their services are on a retainer basis or an hourly contract base. S. Riebe stated they would work this out depending on the scope of work and services. Most likely their services will be on an hourly contract basis with an amount not to exceed. R. English stated, if approved, the first step is to get the surveyors the right of access.

After discussion, a motion was made to retain Pinnacle Consulting Management Group, Inc. for professional services in the acquisition of offsite easements for the development of Legacy Ranch.

Motion: Featherston  
Second: Cleveland  
Vote: All ayes

- D. Richard English presented the agenda item “Consideration regarding the issuance of revenue bonds to fund the District’s contribution to the Brazos Regional Public Utility Agency (BRPUA) Capacity Restoration Project”. Mark McLiney of SAMCO Capital Markets was present to discuss and answer questions. As stated in the memorandum dated July 16, 2021 the engineer’s estimate of costs for our portion of the SWATS Capacity Restoration Project is \$5 million. There are two available options for funding; either allow the Brazos Regional Public Utility Agency (BRPUA) to issue the bonds or us issue them in house and make payments to the BRPUA. There is no advantage of going through BRPUA. M. McLiney therefore recommends the bonds be issued in house and turn the funds over as needed. The issuance of bonds is scheduled September 15th; and the funds should be available mid October, 2021. Staff recommends Board approval authorizing Staff and consultants to proceed with the issuance of revenue bonds to fund the District’s contribution to BRPUA for the SWATS Capacity Restoration Project.

After discussion, a motion was made to authorize Staff and Consultants to proceed with the issuance of \$5 million revenue bonds to fund the District’s contribution to the BRPUA for the SWATS Capacity Restoration Project.

Motion: Featherston  
Second: Vernon  
Vote: All ayes

- E. Richard English presented the annexation of 11.25 acres in the James W. Moore Survey, Abstract 0344, located in Hood County, Texas, known as Brazos River Authority Maintenance Building and Lake Ranger residence, first reading.

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

Motion: Featherston  
Second: Vernon  
Vote: All ayes

- F. Joshua Berryhill, P. E. of Enprotec/Hibbs & Todd (eHT) was present to discuss the request for Change Order No. 3 for the Wastewater Treatment Plant No. 1 Improvements Project. This Change Order will result in a credit going to the Owner's allowance at the end of the project. During a construction status meeting, a potential cost savings was identified with regard to power feed for the existing blowers and would allow elimination of the three extra variable frequency drives (VFD). The proposed credit amount for this change order is approximately \$48,510. eHT recommends to proceed forward with this change order.

After discussion, a motion was made to approve Change Order No. 3 for the Wastewater Treatment Plant No. 1 Improvements Project.

Motion: Featherston  
Second: Rose  
Vote: All ayes

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

- WWTP #1 Improvements – Structural framework, installation of reinforcing steel, and pouring of structural concrete continued in June for the new sequencing batch reactor (SBR), chlorine contact and screening structures and control building foundation is anticipated to continue into July and August. A Construction Status Meeting (CSM) #6 was held June 23<sup>rd</sup> with Staff and field coordination; the next CSM is anticipated for the last part of July.
- WWTP #2 Improvements – eHT continuing to work through final design and environmental clearance efforts. eHT continuing to work on completion of electrical and mechanical design components to prepare the 90% plan and specification set which should be ready for advertisement in August 2021. The final amended discharge permit was issued by TCEQ May 11, 2021. eHT has prepared Requests for Proposals (RFP) for major equipment packages to assist the District in trying to limit potential cost increases due to current material pricing volatility. The revised RFP packages are intended to be issued to vendors requesting final pricing next week. It is anticipated the project will be ready to advertise for construction as soon as TCEQ completes its plan review, anticipated to be complete in August, 2021.
- Tank 4 Disinfectant Residual Improvements – The fiberglass building submittal was approved by eHT on June 1, 2021 and the building was delivered to the tank site at the beginning of July. The Contractor has completed major site work and the remaining effort consists of electrical

installation and equipment startup, with completion targeted for the end of July.

- Booster Pump Station #9 Improvements – The contractor has made good progress on the project. The contractor is working on piping and pump installation inside the building; the contractor has coordinated a shutdown with the power company on July 20<sup>th</sup> to perform some interior electrical work and is anticipated to be down for 1 day. Project is progressing on schedule and specifies that substantial completion is required by August 24<sup>th</sup> and final completion is required by September 3, 2021.
- Lift Station 11 Improvements – eHT continuing with preparation of plans and specifications for the selected alternative including coordination with pump manufacturers regarding the design and selection of submersible pumps.
- Standpipe 2 Drainage Improvements – Project awarded to Fort Worth Civil Constructors, LLC at the June 16<sup>th</sup> Board Meeting; the contracts have been executed and anticipate a pre-construction conference during the week of July 19<sup>th</sup>.
- Standpipe 1 Rehabilitation – NG Painting, L.P. began work the week of July 5<sup>th</sup>. The interior is near completion. It is anticipated the tank may be ready to be refilled during the week of July 19<sup>th</sup>.
- Hood County CDBG First Time Sewer Service Project in Port Ridglea East – eHT has begun design surveys and will be continuing as contact is made with property owners for survey access.
- Blackhawk Circle Water Line Improvements – eHT completed the design survey and is currently working on design and preparing plans and specifications; anticipate having the plans to Staff for review by August.

#### General Services Tasks

1. Risk and Resiliency Assessment and Emergency Response Plan – The draft Risk and Resiliency Assessment (RRA) has been sent to EPA, ahead of the June 30<sup>th</sup> deadline. eHT beginning to work on the Emergency Response Plan which is due six months after the submittal of the RRA certification.

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

Motion: Featherston  
Second: Cleveland  
Vote: All ayes

- H. The Operational Report was presented by T J Riggio. He reported unaccounted water for the month of June is 45.27%; 12 month rolling average is 10.86%. The usage at the end of the month from DCBE/Acton, and Pecan Plantation which is billed earlier in the month was far greater than the beginning of the month. He reported we pumped a total of 77.4 million gallons of water in the month of June; 42.7 million gallons was pumped from our water wells; 34.6 million gallons was taken from SWATS.

T. Riggio reported UTGCD rate calculation for the month of June is \$0.228 per 1,000 gallons. DCBE/Acton reported -0- usage for the month; Pecan Plantation and Indian Harbor Fire Departments did not report usage for the month. T. Riggio reported during the month of June, Well No's 11, 15P, 20 and 26 were down; Well No. 30 is inactive. We should have Well No. 11 back up and running this next month, issues with the meter; Well No. 20 we are slowly beginning to get going, we are waiting on parts to be built from the manufacturer, once everything is here the contractor will move to get the well up and running; Well No. 26 there are currently some water quality issues, should have up and running next month.

Under the wastewater report, T. Riggio reported both wastewater plants exceeded the permitted flows for the second month in a row. WWTP No. 1 is at 95% average permitted flow and WWTP No. 2 is at 111% average permitted flow. T. Riggio reported there were 21 wastewater problem calls for the month of June; 1 gravity problem call and 9 grinder pump problem calls; 6 were E-1 grinder pumps, 3 were Keen pumps.

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

- Meters – Remote Reads – 112 meters changed out fiscal year to date.
- Tank 4 Disinfectant Residual Improvements – Discussed under Engineer's Report.
- Booster Station #9 Improvements – Discussed under Engineer's Report.
- Stand Pipe 1 Tank Rehab – Discussed under Engineer's Report.
- WWTP No. 1 Expansion/Rehab – Construction – Status discussed under Engineer's Report.

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

Motion: Cleveland  
Second: Featherston  
Vote: All ayes

1. Bob Evert presented an engagement letter from George, Morgan & Sneed, P.C. (GMS) to conduct the year ending September 30, 2021 audit. The gross fee, including expenses, will not exceed \$19,500. This year we will be required to do a single audit which is an additional fee of approximately \$4,000. GMS has conducted the audit for the District the last three years.

After discussion, a motion was made to approve the audit engagement letter and retain GMS to perform the audit for the year ending September 30, 2021.

Motion: Cleveland  
Second: Rose  
Vote: All ayes

- J. Bob Evart presented the Quarterly Investment Report, 3<sup>rd</sup> quarter fiscal year, 2<sup>nd</sup> quarter 2021.

After discussion, a motion was made to accept the Quarterly Investment Report, 3<sup>rd</sup> quarter fiscal year, 2<sup>nd</sup> quarter 2021.

Motion: Rose  
Second: Cleveland  
Vote: All ayes

- K. Bob Evart presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$1,459.63 for the month of June, 2021. Year to date write off accounts are \$18,184.07.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$1,459.63 for the month of June, 2021.

Motion: Rose  
Second: Vernon  
Vote: All ayes

- L. The Financial Report was presented by Bob Evart. He reported Water Revenue for June is up 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. One new grinder pump was sold in DCBE, Phase One during the month of June. Impact Fee revenue is \$136,500 consisting of \$80,500 from water and \$56,000 from sewer. Wholesale water revenue is \$62,152 for the month; it was not billed during the previous month; therefore, the revenue is reflected in this month's Financial Report. Irrigation revenue is \$451 for the month.

B. Evart reported under Water Expense, Utility Expenses decreased due to less electrical usage during the month; Equipment Repairs increased due to fuel and Vehicle #66 requiring 100K maintenance and Materials & Operations increased due to contracted repairs and maintenance. Under Sewer Expense, Utility Expenses increased due to more electrical usage; Equipment Repairs increased due to equipment repairs to the vac rig and Materials & Operations increased due to chemicals and sludge hauling. Under Administrative Expense, Office Expenses decreased due to less printing, postage and office expenses.

Regarding Capital Items, B. Evart reported on the following: Under Meters – Remote Read we paid \$77,188 for 250 Badger E-Series Meters; under Pump Replacement we paid \$16,704 at Well No. 26 for pump and motor; under Well Rehab we paid \$18,569 for the Chlorinator System at Well No. 20; under Tank Rehab we paid \$6,734 for engineering at Standpipe No. 1 and 2; under Booster Station #9 Improvements we paid \$206,944 for construction; under WWTP – DCBE Expansion we paid \$19,030 for engineering and \$504,775 for construction; under WWTP – Pecan Expansion we

paid \$32,950 for engineering; under I&I Abatement/Upgrade we paid \$6,568 for smoke testing; under Pump Replacement we paid \$7,589 to replace the pump for the belt press and blower for Lift Station No. 1; under Wall / Fence we paid \$9,293 for fence replacement/repairs at Lift Station No. 13 on Carla Court, PRE and under Engineering Fees/Consulting we paid \$290 for engineering to Chris Hay. B. Evert reported cash funds used for Capital Items current month is \$349,878; year to date is \$1,089,402; Bond funds used for Capital Items current month is \$556,755; year to date is \$2,034,056.

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

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

Motion: Vernon  
Second: Rose  
Vote: All ayes

- M. The General Manager's Report was presented by Richard English. He reported on the following items:
1. The Regular Meeting for August is scheduled for 9:00 a.m., Wednesday, August 18, 2021. Committee meetings are scheduled Thursday, August 12<sup>th</sup>.
  2. Monthly meeting of the Brazos Regional Public Utility Agency – Wednesday, July 28<sup>th</sup> at 2:00 p.m. at the AMUD Office. The meeting will be in person.
  3. Budget Workshop is scheduled for Tuesday, August 24<sup>th</sup> at 10:00 a.m.
  4. Semi-Annual Impact Fee Advisory Committee Meeting to be scheduled in August.
  5. Articles – “California’s historic drought is causing drinking water to taste like dirt. Just ‘add lemon,’ officials say” from [www.cnn.com](http://www.cnn.com).

Open Items –

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of June, 2021 and the beginning of July, 2021. Chloride levels are still holding good.
- b) Application to the Texas Department of Agriculture (TDA) for TX CDBG Funding – Discussed under Engineers report.

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

Motion: Featherston  
Second: Cleveland  
Vote: All ayes

N. Items from Board Members:

Rose:

1. Thanked R. English for contacting Pecan Plantation and DCBE to get automatic stickers for AMUD vehicles.
2. Noticed the fence on Thunderbird Drive in DCBE needs repairs; one of the sections is pulling away from the post and a few slats missing.

Cleveland:

None

Featherston:

None

Vernon:

None

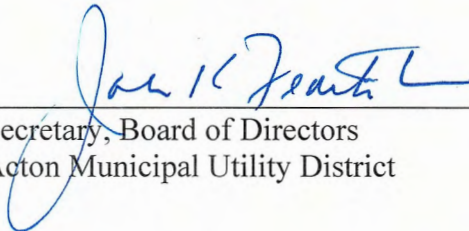
Lewis:

1. Informed the Board of his concerns with the BRPUA SWATS Expansion Committee he was assigned to and wants the AMUD Board to be aware. His concern is other items, not a part of the scope of work for which this committee was formed, is attempting to expand discussions dealing with the financial and contractual portions of when BRPUA was formed.

Adjournment

A motion was made to adjourn at 10:20 a.m.

Motion:       Rose  
Second:       Featherston  
Vote:           All ayes

  
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Secretary, Board of Directors  
Acton Municipal Utility District