

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 18, 2023. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

January 18, 2023

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
J. Berryhill, P.E.,
Enprotec/Hibbs & Todd
D. Hungerford,
George/Morgan/Sneed
A. Head, Jackson Walker,
via conference call
T. Massengale
W. Thompson

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 December 21, 2022.

Motion: Cleveland

Second: Vernon

Vote: All ayes

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

C. Daniel Hungerford, CPA of George, Morgan & Sneed, P.C. (GMS) presented the Audit Report for the year ended September 30, 2022. 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 District's net position increased by \$3,439,003; he reported total revenues increased and water and sewer services increased; 203 million more gallons were sold in the current year and rates were increased 5%. He reported a single audit is required 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 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, 2022.

Motion: Vernon
Second: Rose
Vote: All ayes

- D. Executive Session – The Board entered into closed executive session at 9:15 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.
 2. Any other matters.

Executive session adjourned at 9:53 a.m. and returned to open session at 9:57 a.m.

E. No action taken on executive session items.

- F. Richard English presented the annexation of 207.063 acres situated in the W. Smith Survey, Abstract No. 522, J. Tandy Survey, Abstract No. 846, and J. Brooks Survey, Abstract No. 848, located in Hood County Texas, known as Stewart Ranch Subdivision, first reading. Staff has met with the Developers several times and recommends passing to the second reading.

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

Motion: Rose
Second: Vernon
Vote: All ayes

- G. Richard English presented the annexation of 10.451 acres in the James W. Moore Survey, Abstract No. 344, located in Hood County Texas, known as 4548 Mambrino Highway and 4510 Mambrino Highway, first reading.

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

Motion: Cleveland
Second: Rose
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** – As of December, all plant flow has been transferred to the new SBR units. During the arctic freeze in late December, the existing screw press unit was damaged and has been offline for over 3 weeks. As a result, staff has stored the excess sludge in the old racetrack basin and in the old circular treatment basin, delaying Crossland to complete demolition of the racetrack and conversion of the circular treatment unit into a flow equalization basin. Crossland and eHT are working with AMUD to locate a rental dewatering unit to allow Crossland to continue final construction tasks. Anticipating several delivery delays of components for the new plant SCADA (officially delayed to April 2023); in late December, TraC-n-trol installed temporary wiring at the plant to bring the full plant SCADA system online to allow for continuing to complete the remaining plant components of the project, with the final communications modules to be installed in April. Construction Status Meeting (CSM) #25 was held December 14th; the next CSM is anticipated January 19th.
- **WWTP #2 Improvements** – Bar began mobilizing at the WWTP site mid-June and are continuing earthwork, rock excavation, concrete structure formwork and concrete slab pours for the new SBR structure and submittal/RFI development through January. Bar is currently working on the last remaining SBR walls. Completion of the transformer relocation at the plant by Oncor is anticipated to be completed in January; this should only take one day. The CSM #5 was held December 20th; the next CSM occurred on January 17th.
- **Lift Station 11 Improvements** – The project is being advertised for bids with the proposed bid opening on Tuesday, February 14th at 10:00 a.m. It is anticipated that the project will be considered for award at the February regular meeting.
- **Hood County CDBG First Time Sewer Service Project in Port Ridglea East** – No progress since the last Board meeting. The grant consultant has indicated that they are having difficulty with the County to complete the steps necessary to file the extension request and process project payments. Suggest setting up a meeting with the County to see what we need to do to get the process moving forward. The extension request is needed to proceed with the project.
- **Greenleaves Low Pressure Sewer System Improvements** – Anticipate advertising the project for bid in February and award the bid at the March meeting.
- **Pecan Plantation Elevated Storage Tank Improvements** – eHT met onsite with Staff and Ben Anthony November 8th to discuss the elevated storage tank location. The agreed upon site will be approximately 250' x 150' that incorporates the existing Well 26 site off Monticello Drive. eHT will begin preparation of plans for submittal to TCEQ for review. G. Rose questioned if the District is purchasing the land. R. English stated the land for the tank site is being donated.

General Services Task

1. 2022 Water Use Survey – eHT has begun working with Staff to prepare this report due to the TWDB by 3/1/2023.
2. 2022 Water Loss Audit – eHT has begun working with Staff to prepare this report due to the TWDB by 5/1/2023.
3. 2022 Water Conservation Plan Annual Report – eHT has begun working with Staff to prepare this report due to the TWDB by 5/1/2023.

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

Motion: Featherston
Second: Cleveland
Vote: All ayes

- I. The Operational Report was presented by T J Riggio. He reported under sewer, both wastewater plants are under the 75% permitted flow limits. As of the first of December, all flow is going through the SBR plant at WWTP No. 1; we are having issues with the screw press; G. Rose questioned if we need to purchase a back-up, T. Riggio stated they are available to rent if needed. He reported we exceeded the chlorine limit 2 days in December; all other parameters are below the permitted limits.

Under water, T. Riggio reported the Level 1 Assessment is complete, we two had positive bacteriological samples in December and one in January; he is making personnel changes to see if this will make a difference; no response received regarding the positive samples from TCEQ at this time. He reported Well No's. 1, 2, 11, 25 and 26 are down. The transducer has been shipped for Wells 1 and 2; waiting on a pump for Well 11; working on contracted tank repairs at Well 25; Well 26 requires flushing, therefore we are leaving the Well off during the low demand season. T. Riggio informed the Board that the CDMA endpoint replacements we ordered early spring were not received till mid-December. The endpoints on our smart meters went offline January 1st; crews are in process of replacing the endpoints.

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

Motion: Cleveland
Second: Featherston
Vote: All ayes

- J. Richard English presented the Order of Election for the May 6, 2023 Board of Directors Election. The filing period is January 18, 2023 through February 17, 2023.

After discussion, a motion was made to adopt the Order of Election for the May 6, 2023 Board of Directors election.

Motion: Cleveland
Second: Vernon
Vote: All ayes

- K. Bob Evart presented the Quarterly Investment Report, 1st quarter fiscal year, 4th quarter 2022 for Board consideration. He stated we are receiving more in interest payments due to inflation.

After discussion, a motion was made to approve the Quarterly Investment Report, 1st quarter fiscal year, 4th quarter calendar year 2022.

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 \$3,370.88 for the month of December, 2022.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$3,370.88 for the month of December, 2022.

Motion: Rose
Second: Vernon
Vote: All ayes

- M. Bob Evart presented the Financial Report for December 2022. 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. Reported expenditure totals for all departments for the month and the totals for revenues and expenditures were also reviewed and discussed. B. Evart stated now that the audit is complete, adjustments can be made. He informed the Board we purchased two trucks, one is here, the other truck we are hoping to have at the end of the month. He reported we received notice from Texas Water Development Board that they have released some of the funds for design/engineering from escrow for the WWTP No. 2 Project.

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

Motion: Vernon
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 February is scheduled for 9:00 a.m., Wednesday, February 15, 2023. Committee meetings are scheduled Thursday, February 9th.
 2. Monthly Brazos Regional Public Utility Agency meeting – Wednesday, January 25th at the JCSUD Office.
 3. Texas Water 2023 Conference – April 11th – 14th in Houston, Texas.
 4. Copy of letter to Builders/Realtors regarding increase in Impact Fees.
 5. Articles – Dr. Mark Wentzel – Hydrologist, Texas Water Development Board expects we might be in El Niño conditions bringing a wetter and cooler spring and summer to Texas.

Open Items –

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of December, 2022 and the beginning of January 2023. Chloride levels are staying reasonably low.
- b) Port Ridglea East – CDBG First Time Sewer Service Project. Discussed under Engineer's Report.

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

Motion: Featherston
Second: Cleveland
Vote: All ayes

O. Items from Board Members:

Vernon:

1. Kudos on a successful audit.

Featherston:

None

Cleveland:

None

Rose:

None

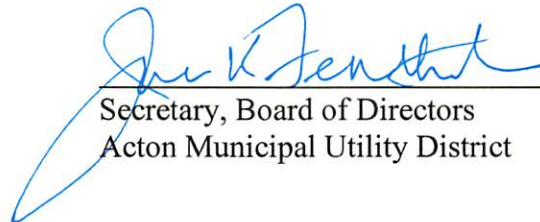
Lewis:

1. Questioned the status of the wastewater treatment plant in the City of Granbury.
2. Question regarding the vacancy on the Upper Trinity Groundwater Conservation District.

Adjournment

A motion was made to adjourn at 11:00 a.m.

Motion: Cleveland
Second: Rose
Vote: All ayes


Secretary, Board of Directors
Acton Municipal Utility District