

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 21, 2022. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

September 21, 2022

Directors Present

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

Staff Present

R. English
C. Neal
T. Riggio

Visitors

A. Head, Jackson Walker
C. Hay, P.E.,
Enprotec/Hibbs & Todd
K. Kindle, P.E.,
Enprotec/Hibbs & Todd
S. Dollins, Brazos Regional
Public Utility Agency

Directors Absent

None

Call to Order

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

Invocation

By Gary Rose.

- A. After discussion, a motion was made to accept the minutes from the Regular Meeting August 17, 2022 and Budget Workshop Meeting August 23, 2022.

Motion: Rose
Second: Cleveland
Vote: All ayes

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

- C. Ray Lewis, President opened the Public Hearing at 9:03 a.m. The purpose for this hearing is to seek comments from the public related to the Acton Municipal Utility District Defined Area proposed tax rate for calendar year 2022. The tax rate proposed is \$0.0200 per \$100.00 valuation. The current tax rate is \$0.0525 per \$100.00 valuation. R. English stated the decrease is adequate to cover the taxes; the tax retires this year. No one from the public was present, therefore the Public Hearing closed at 9:05 a.m.

After discussion, a motion was made to close the public hearing.

Motion: Cleveland
Second: Featherston
Vote: All ayes

- D. After discussion, a motion was made to adopt the resolution setting the tax rate at \$0.0200 per \$100.00 valuation for the Defined Area, DeCordova Bend Estates, Phase 1 for calendar year 2022. (RESOL 22-09-362)

Motion: Rose
Second: Vernon
Vote: All ayes

- E. Executive Session – The Board entered into closed executive session at 9:06 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 10:40 a.m. and returned to open session.

- F. No action taken on executive session items.

- G. Richard English presented a memorandum dated September 15, 2022 regarding resignation of position on the Upper Trinity Groundwater Conservation District (UTGCD) Board of Directors. As stated in the memo, R. English has served on the UTGCD since 2013. At that time, he had to resign serving as Ex-Officio Director on the Brazos Regional Public Utility Agency (BRPUA) Board due to Section 36.051 of the Texas Water Code which prohibits a member of the governing body of another political subdivision from serving on a GCD Board. R. English feels at this time however, AMUD's interests are now best served for him to be seated on the BRPUA Board as Ex-Officio Director to reinforce his standing in the governance of the BRPUA. Therefore, R. English is requesting Board approval to submit his resignation to the Hood County Commissioner's Court and the UTGCD effective Thursday, October 20th.

After discussion, a motion was made to allow General Manager, Richard English to resign on the UTGCD Board of Directors effective October 20, 2022.

Motion: Rose
Second: Cleveland
Vote: All ayes

H. After discussion, a motion was made to appoint Richard English Ex-Officio Director on the BRPUA Board, effective October 20, 2022.

Motion: Rose
Second: Vernon
Vote: All ayes

I. Richard English presented the annexation of 2.00 acres in the G. Sutherland Survey, Abstract No. 524, located in Hood County, Texas, known as 2420 Bob White Road, first reading. The applicant is requesting a water tap prior to the second reading.

After discussion, a motion was made to allow a water tap be installed prior to the second reading and to carry over for a second reading.

Motion: Featherston
Second: Cleveland
Vote: All ayes

J. Richard English presented a proposal from Enprotec/Hibbs & Todd (eHT) for engineering services for the design and construction of an elevated storage tank in Pecan Plantation. He stated due to the accelerated demand of growth in Pecan Plantation and meeting peak demands, the design on the elevated tank needs to begin now. The cost for this project is approximately \$4 million. An amendment to the Settlement Agreement executed November 7, 2000 may be needed to help offset cost.

After discussion, a motion was made to approve the proposal for engineering services from eHT for the design and construction of the Pecan Plantation Elevated Storage Tank Project.

Motion: Featherston
Second: Cleveland
Vote: All ayes

K. Richard English presented a memorandum dated September 16, 2022 regarding options for the Port Ridglea East First Time Sewer Grant Project and to provide a recommendation to the Hood County Commissioners Court in conjunction with the project. There was only one bid received at the bid opening for the project and it was significantly higher than the engineers estimate of cost to connect 40 households to sewer; this bid would only accommodate 21 connections with available grant funds. Wesley Traylor, Grant Administrator has stated we basically have 3 options going forward; narrow the scope of work which would require a major amendment application with the TDA, which would mean starting the process completely over and would likely kill the project, rebid the project, or scale back on the project no more than 25% with a minor amendment. For this option to happen, the District would need to be willing to provide about \$220,000 in additional funds out of pocket. R. English stated the grant is for \$500,000 with \$25,000 match from the District.

Chris Hay, P.E. of eHT stated he could take a bid packet and try to meet with some plumbers face to face in the hopes of getting enough interest that they may submit a bid for the project.

After discussion, a motion was made to make a recommendation to Hood County to rebid the project.

Motion: Featherston
Second: Cleveland
Vote: All ayes

- L. The Engineer's Report was presented by Chris Hay, P.E. of Enprotec/Hibbs & Todd (eHT). He reported on the following:
- WWTP #1 Improvements – Finishing out the Control Building and the SBR Support Building are anticipated to continue through September, including installation of equipment, piping, valves, electrical and instrumentation. Anticipating several delivery delays of components for the new plant SCADA system; information on delays is verbal at this time; Crossland is currently working with TraC-n-trol to establish firm dates for SCADA equipment delivery and installation. Construction Status Meeting (CSM) #20 was held August 26th; the next CSM is anticipated for September 22nd.
 - WWTP #2 Improvements – Bar began mobilizing at the WWTP site mid-June and are continuing site clearing, earthwork. Several meetings have been held with PPOA to discuss haul route road repairs. The first CSM was held August 16th; the next CSM is anticipated for September 20th.
 - Lift Station 11 Improvements – The summary transmittal letter has been submitted to TCEQ for review and approval for construction. Waiting on official response from TCEQ for construction approval. eHT continuing to finalize bid documents for advertisements when TCEQ approval is received.
 - Hood County CDBG First Time Sewer Service Project in Port Ridglea East – Discussed under Agenda Item 'K'.
 - Greenleaves Low Pressure Sewer System Improvements – eHT completed the design survey after coordination with Staff to locate the existing infrastructure that has already been installed. Completed coordination with the grinder pump manufacturer for the system for use with E-One grinder pumps which are utilized in this portion of the system. Held a preliminary review meeting with Staff August 19th; addressing comments that came out of review meeting, including modifications to the project alignment and continuing towards completion of plans and specifications.

General Services Tasks

1. Capital Improvement Plan (CIP) Update for Impact Fee Advisory Committee (IFAC) Meeting – working on updating CIP for use and discussion for the IFAC. The last update was done in 2020. Increased growth and cost escalation for construction projects has caused significant changes to the CIP.

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

Motion: Featherston
Second: Vernon
Vote: All ayes

- M. The Operational Report was presented by T J Riggio. He reported unaccounted water for the month of August is 11.86%; 12 month rolling average is 9.10%. T. Riggio reported we pumped a total of 134.6 million gallons of water in the month of August; 45.1 million gallons was pumped from our water wells; 89.5 million gallons was taken from SWATS. He reported we are at a 5 year high on production and sales.

T. Riggio reported UTGCD rate calculation for the month of August is \$0.0066 per 1,000 gallons. Pecan Plantation Fire Department reported 9,200 gallons usage for the month of August; no usage was reported this month from Indian Harbor or DCBE/Acton Fire Departments. T. Riggio reported during the month of August, we lost automation on Wells 1 & 2. Well No's. 11 and 20 were down; we are waiting for a new pump for Well No. 11; Well No. 30 is inactive.

Under the Wastewater Report, T. Riggio reported WWTP No. 1 is at 51% average permitted flow. WWTP No. 2 is at 45% average permitted flow. T. Riggio reported there were 29 wastewater problem calls for the month of August; 13 gravity problem calls and 12 grinder pump problem calls; 9 were E-1 grinder pumps and 3 were Keen pumps. The other call outs were the customer problem, not a problem with the grinder pump.

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

Motion: Featherston
Second: Cleveland
Vote: All ayes

- N. Richard English presented a memorandum dated August 31, 2022 from the Impact Fee Advisory Committee regarding the semi-annual review of water and wastewater impact fees for Board consideration. No discrepancies were found. The Committee is meeting again next month to reassess the Capital Improvements Plan (CIP) and Land Use Assumptions as it applies to impact fees.

After discussion, a motion was made to accept the Impact Fee Advisory Committee memorandum dated August 31, 2022.

Motion: Featherston
Second: Vernon
Vote: All ayes

- O. 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 22-09-363)

Motion: Vernon
Second: Cleveland
Vote: All ayes

- P. Richard English presented water rate models for fiscal year 2023. An adjustment to rates is needed to help offset rising costs of service. Staff recommends a 5% increase across the board for the minimum water charge and commodity charges to all In-District and Commercial customers.

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 2022 billing. (RESOL 22-09-364)

Motion: Rose
Second: Cleveland
Vote: All ayes

- Q. Richard English presented sewer rate models for fiscal year 2023. Staff recommends a 5% increase across the board for the minimum sewer charge and commodity charges to 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 2022 billing. (RESOL 22-09-365)

Motion: Rose
Second: Vernon
Vote: All ayes

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

- S. Richard English presented the budget amendments for fiscal year 2021 – 2022 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 2021-2022, as presented. (RESOL 22-09-366)

Motion: Vernon
Second: Cleveland
Vote: All ayes

- T. Richard English presented the proposed budget for fiscal year 2022 – 2023. He stated the proposed budget basically mirrors the budget workshop with the exception of the cost of electricity, which is increased for all departments approximately 50%. Additionally, the SWATS budget amounts for O & M may change depending upon the outcome of the BRPUA meeting scheduled September 28th.

After discussion, a motion was made to adopt the resolution approving the budget for fiscal year 2022 – 2023, as presented with the exception of the BRPUA Budget. (RESOL 22-09-367)

Motion: Rose
Second: Vernon
Vote: All ayes

- U. Richard English presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$1,215.51 for the month of August, 2022. Year to date total thus far is \$22,366.09.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$1,215.51 for the month of August, 2022.

Motion: Rose
Second: Cleveland
Vote: All ayes

- V. Richard English presented the Financial Report. He reported Water Revenue for August is up from last month and up 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 August, two in Port Ridglea East and two in the Acton Area. Impact Fee revenue is \$84,000 consisting of \$52,500 from water and \$31,500 from sewer. Wholesale water revenue is \$131,214. Irrigation revenue is \$1,760 for the month.

R. English reported Personnel Services increased in Water, Sewer and Administrative due to prepayment of COLA to TCDRS. Under Water Expense, Utility Expenses decreased due to less electrical usage; Equipment Repairs decreased due to less

equipment and vehicle repairs; and Materials & Operations increased due to chemicals, small tools and two months of meter cellular charges. Under Sewer Expense, Equipment Repairs decreased due to less vehicle and equipment repairs; and Materials & Operations increased due to sludge hauling at wastewater plants. Under Administrative Expense, Office Expenses increased due to renewal of annual software maintenance.

Regarding Capital Items, R. English reported on the following: Under Pump Replacements we paid \$27,041 for a submersible pump and motor at Well 19; under Equipment we paid \$2,010 for Tank 4 engineering and \$9,189 for a 20 ft. equipment trailer; under SWATS Capacity Restoration we paid \$1,788 for engineering; under SWATS Capital we paid \$62,755 for SWATS Capital monthly payment; under WWTP – Pecan Expansion we paid \$435,187, for construction and engineering; under Sewer Line Extensions we paid \$7,000 for Greenleaves engineering; under Pump Replacement we paid \$6,612 for lift station pump and 4 replacement motors; under Lift Stations we paid \$2,403 for engineering at Lift Station 11; under Port Ridglea East Sewer we paid \$351 for public notice; under Office & Warehouse Building we paid \$432 for additional parts for the new gate; and under Engineering Fees/Consulting we paid \$1,005 for Capital Engineering.

R. English reported cash funds used for Capital Items current month is \$120,585; year to date is \$2,048,296; Bond funds used for Capital Items current month is \$435,187; year to date is \$6,504,158.

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

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

Motion: Rose
Second: Cleveland
Vote: All ayes

W. Executive Session – The Board entered into closed executive session at 12:14 p.m. to discuss the following:

1. Gov. Code 551.074: Personnel

Return to open session at 12:45 p.m.

X. After review and discussion, and in consideration of all the activities and challenges faced over this year, a motion was made to increase the General Manager’s salary 6% effective October 1, 2022.

Motion: Cleveland
Second: Featherston
Vote: All ayes

- Y. 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 19, 2022. Committee meetings are scheduled Thursday, October 13th.
 2. Monthly meeting of the Brazos Regional Public Utility Agency – Scheduled Wednesday, September 28th at the AMUD Office.
 3. Impact Fee Advisory Committee Meeting scheduled Tuesday, October 11th at 1:30 p.m.
 4. Articles – “SAWS forced to leave low-priority water main breaks spilling water for weeks at a time”, “Brazos River Authority – Where has the water gone?” from Hood County News, “Water + Weather for August 2022” from Texas Water Development Board, and “BLS: Inflation in Price of Food Highest Since 1979” from CNSNews Team.

Open Items –

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of August, 2022 and the beginning of September, 2022. Chloride levels are continuing to be low.
- b) Port Ridglea East – CDBG First Time Sewer Service Project. Discussed under Agenda Item ‘K’.

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

Motion: Featherston
Second: Cleveland
Vote: All ayes

Z. Items from Board Members:

Vernon:

1. Appreciates the job that Richard English is doing for AMUD.

Featherston:

None

Cleveland:

None

Rose:

1. Appreciates the AMUD Board looking out for the best interest of AMUD and its customers.

Lewis:

None

Adjournment

A motion was made to adjourn at 1:00 p.m.

Motion: Rose
Second: Featherston
Vote: All ayes



Secretary, Board of Directors
Acton Municipal Utility District