

MINUTES  
ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in special session at 10:00 a.m., Tuesday, August 24, 2021. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Special Session

August 24, 2021

Directors Present

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

Staff Present

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

Visitors Present

Directors Absent

V. Vernon

Call to Order

Ray Lewis, President, called the meeting to order at 10:00 a.m.

- A. Richard English presented the proposed Capital Budget for fiscal year 2021 – 2022. He presented a memorandum dated August 24, 2021 that lists several carryover projects from the current fiscal year. The estimated carryover costs to complete the projects is \$799,000. In addition, Staff is requesting funds to allow construction for Water Line Upgrades on Thunderbird, Low Pressure Sanitary Sewer (LPSS) service for Greenleaves, North Longwood and Monticello in Pecan Plantation and SCADA computer upgrades.

Under the Capital 2021-2022 fiscal year proposed budget, R. English reported income for capital projects is either from bond proceeds or cash funded from operations. For fiscal year 2022, \$15,000,000 is budgeted through bond funds for WWTP #1 Expansion Project, WWTP #2 Expansion Project and the SWATS Capacity Restoration Project. Cash funded requests are budgeted at \$3,239,000. Items listed on the Capital Budget are highlighted as follows:

Water Capital:

- Water Line Replacements – \$301,000. A portion of these funds are proposed for the Thunderbird Water Line Upgrades. The remainder is a carryover from the Blackhawk Water Line Improvements Project. A memorandum from T J Riggio is included regarding the Thunderbird Water Line Upgrades. As stated in the memo, this section is located in Phase 1 of DeCordova Bend Estates and is one of the oldest sections in our system. The upgrades would replace a line that is concealed in a creek and brush that has leaked unnoticed a number of times; it would also increase flows to Phase 1 and other areas along Fall Creek Highway.

- Oversize Participation with Developers – Development in Pecan Plantation - \$132,500 carryover.
- Water Valves – Installed in the system to facilitate control of various lines and fire hydrants - \$5,000.
- Fire Hydrants – To replace inoperable existing hydrants or installed in new locations to enhance fire protection where needed - \$5,000.
- Meters Remote Read – \$155,000 to purchase approximately 500 Badger E-Series ultra-sonic meters and transmitters to replace old meters in the system as well as new installations.
- Pumps and Motors - \$40,000 to replace various pumps and motors as needed.
- Water Meters - \$10,000 for purchase of non-standard meters that are typically larger and register increased volume.
- Well Rehab - \$55,000 carryover Well No. 20 rehab.
- Tank Rehab - \$35,000 for mixer installation at Standpipe 1 and retainage for final approval of Standpipe 2 improvements.
- Equipment - \$7,000 for a utility trailer.
- SCADA - \$50,000 for proposed SCADA computer upgrade. The current SCADA computer has been in service since 2012 and operates on an older version of Microsoft Windows. Microsoft will discontinue security updates for any operating system prior to Windows 10.
- SWATS Capital - \$675,000 for AMUD's portion of BRPUA capital budget.

#### Sewer Capital:

- Land, Easements, ROW - \$80,000 for offsite easement acquisition at Legacy Ranch.
- WWTP – DCBE - \$30,000 for rotor rebuild and other repairs/replacements as needed.
- WWTP – Pecan Plantation - \$20,000 for a rotor rebuild and other repairs/replacements as needed.
- Sewer Line Extensions - \$430,000 for a proposed LPSS project in Pecan Plantation. This proposed item would install an estimated 5,279 feet of LPSS to serve approximately 116 properties.
- I & I Abatement/Upgrade - \$450,000 for replacement and renewal of sewer lines and infrastructure.
- Pump Replacement – \$30,000 to replace lift station pumps and controls as needed.
- Grinder Pumps - \$55,000 represents replacement of existing grinder pumps in place.
- Lift Stations - \$525,000 for Lift Station 11 Improvements, carryover project at WWTP #1.

#### Administration Capital:

- Vehicle Replacements - \$72,000 for two 3/4-ton pickups.
- Vehicle Equipment & Improvements - \$12,000 for utility bed conversion for Vehicle No. 46.

- Office & Warehouse Building - \$6,000 to replace gate at fleet entrance.
- Billing and Accounting Software - \$30,000 to complete purchase and installation of new billing/accounting system.
- Computer Equipment – \$10,000 for various computer replacements, licenses and software.

Engineering Capital:

- Engineering Fees – \$20,000.

Capital Contingency:

- \$20,000 to allow for unexpected capital expenditures.

- B. Bob Evart presented a preliminary Operations & Maintenance (O & M) and Debt Service Budget for fiscal year 2021-2022. Based on year-to-date and projected revenues for our current year as well as anticipated growth in new connections, we are increasing water revenue expectations by approximately \$260,000 and sewer revenue is expected to increase approximately \$58,000. Impact fees are increased due to the increase in the level of building activity since the pandemic. Total revenue is projected to be \$11,402,480, an increase of approximately \$518,000 over the prior year.

Water and Sewer:

- SWATS O & M – By far, this item is the largest impact on O & M expense. Overall, our SWATS related costs are budgeted at approximately \$2,655,150. As noted under agenda item “A”, we are moving the SWATS capital costs from O&M to Capital Water Budget. O&M Budget total for SWATS is \$1,980,150 and Capital Water Budget will include \$675,000. SWATS projected total contribution costs are approximately \$279,000 lower than the prior year.
- Raw Water Cost – Projected raw water cost for all 7,000-acre feet is \$430,000. BRA system-wide rate increased from \$79.00 to \$83.00 per acre foot. Option water contracts have been increased slightly. This is water contracted for but not expected to be used thus, we pay less for reserving the water.
- Debt Service – Debt Service is budgeted at \$3,121,514, including estimated amounts for BRPUA bond issue. Although this indicates our bond covenant is covered, under our current rate structure we are projected to fall \$1,860,079 short of funding cash funded capital expenses, however this shortfall in cash funded capital expense can be covered through available reserves.

Wages and Benefits

- Payroll has been budgeted with a 4.0% increase composed of a 3% COLA and 1% merit. Wages are calculated and based on staffing levels of 29 full time employees. The account License Adjustment is included to recognize an increase in wages in recognition of obtaining a water or sewer license. Retirement cost are 9.29% of payroll. Included in this rate is 2.97% related to underfunded retirement liability. Mandatory employee contribution rate is 5%, AMUD matches the rate 2.0 times the employee’s contribution rate. AMUD

currently has a 90.7% funded ratio in TCDRS. Unemployment taxes fluctuates from year to year; the rate is set by the State of Texas and fluctuates on a recurring cycle of low to high every other year. We have no control over this rate and will not know the rate until December for implementation January 1<sup>st</sup>. Longevity pay is budgeted in the amount of \$90,000.

- Medical Coverage Cost – Coverage is through Blue Cross/Blue Shield (BCBS) and renews January 1<sup>st</sup>. Actual AMUD amounts will not be available until late October to early November. The District currently provides medical coverage for 26 full time employees with employees picking up 30% of the cost for family members. AMUD contributes \$1,300 to a Health Reimbursement Account (HRA) for each covered employee under the plan, with a maximum allowable carryover of \$2,000 per employee; this account is expensed as funds are expended. A Flexible Spending Account (FSA) is offered that allows employees to set aside pre-tax funds for medical care. FSA amounts are funded entirely by employees.

#### Insurance

- Property and Casualty Insurance – The premiums are expected to increase this year due to several claims on our P & C policy and Workers Compensation mods have increased. Total insurance increases are expected to be approximately \$20,000.

#### Engineering

- Engineering salaries represents CADD and map work performed by Wayne Matzen on an overtime basis. The amount budgeted is \$5,900. Engineering Consultant category represents eHT retainer as well as some other O & M engineering work.

#### Summary

In summary, the overall budget yields net revenues, estimated to be \$1,860,079 short of covering cash funded capital items.

#### C. Items from Board Members:

Rose:

None

Lewis:

None

Cleveland:

None

Featherston:

None

Adjourn

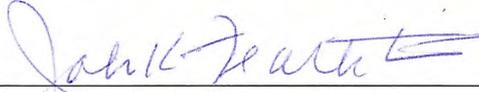
There being no further business, a motion was made to adjourn at 11:22 a.m.

Motion: Featherston

Second: Rose

Vote: All ayes

Absent: Vernon

  
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Secretary, Board of Directors  
Acton Municipal Utility District