MINUTES

ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in regular session at 9:00 a.m., Thursday, June 20, 2024. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

June 20, 2024

Directors Present	Staff Present	<u>Visitors</u>
R. Lewis	R. English	C. Hay, P.E.,
D. Cleveland	C. Neal	Enprotec/Hibbs & Todd
J. Featherston	R. Evart	A. Head, Jackson Walker,
G. Rose	T. Riggio	via conference call
		L. Dougal, Jackson Walker,
		via conference call
		S. Leibe, Norton Rose
		Fulbright, via conference
		call
		M. McLiney, SAMCO
		Capital Market, via
		conference call

Directors Absent

V. Vernon

Call to Order

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

Invocation

By Don Cleveland.

A. After discussion, a motion was made to accept the minutes from the Regular Meeting May 15, 2024.

Motion:

Cleveland

Second:

Rose

Vote:

All ayes

Absent:

Vernon

- B. Open Forum. No one signed in for open forum.
- C. Executive Session The Board entered into closed executive session at 9:03 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 9:25 a.m. and returned to open session at 9:28 a.m.

- D. No action taken on executive session item.
- E. Ray Lewis presented an Order by the Board of Directors of the Acton Municipal Utility District authorizing the issuance of "Acton Municipal Utility District Utility System Revenue Bonds, New Series 2024"; providing for the payment of the principal of and interest on the bonds, together with certain currently outstanding obligations, by a first and prior lien on and pledge of the net revenues of the District's combined utility system; delegating the authority to certain members of the Board of Directors and District Staff to approve and execute certain documents relating to the sale of the bonds; authorizing the execution of any necessary Engagement Agreement with the District's Financial Advisors; and providing for an effective date.

Mark McLiney, Financial Advisor of SAMCO Capital was present by conference call to discuss and answer questions. The Resolution presented authorizes to proceed with the sale of bonds if we meet terms of the bond resolution; anticipate selling the bonds July 31st and have funds in the bank by August 21st.

After discussion, a motion was made to authorize the issuance of "Acton Municipal Utility District Utility System Revenue Bonds, New Series 2024"; providing for the payment of the principal of and interest on the bonds, together with certain currently outstanding obligations, by a first and prior lien on and pledge of the net revenues of the District's combined utility system; delegating the authority to certain members of the Board of Directors and District Staff to approve and execute certain documents relating to the sale of the bonds; authorizing the execution of any necessary Engagement Agreement with the District's Financial Advisors; and providing for an effective date.

Motion: Rose Second: Cleveland

Vote: All ayes Absent: Vernon

F. Richard English presented the annexation of 2.0 acres in part of the Lot 2, Block 1 of the Massey Estates Subdivision, and a portion of that certain tract conveyed to Billy Bob Wilson and Consuela Wilson Survey, located in Hood County, Texas, known as 7448 Fall Creek Highway, first reading. This lot is located by the front gate of Pecan Plantation. The owner is requesting the water tap be installed prior to the second reading.

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

Motion: Rose Second: Cleveland

Vote: All ayes Abs

Absent: Vernon

G. Richard English presented a request from Pecan Plantation VFD to waive connection fees to establish water and sewer service for a new addition to the existing fire building. Currently there is water service to the building, however an additional meter may be needed to supply the additional domestic demand. As stated in the memorandum dated June 14, 2024, if the current water service is adequate to serve the new addition, the request will not be necessary. T J Riggio informed the Board that there are more cost issues to run sewer service.

After discussion, a motion was made to waive the connection fees for water service.

Motion: Featherston Second: Cleveland

Vote: All ayes Absent: Vernon

- 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; 2 punch list items remaining related to SCADA.
 - WWTP #2 Improvements Construction moving forward. Bar Constructors, Inc. (Bar) completed installation of equipment in the SBR Building, Dewatering Building, and Chlorine Building and continued work on the new influent lift station required to transfer influent wastewater to the new SBR system in May. 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 the most recent startup preparation meeting May 16th to verify tasks, timing, and critical milestones to prepare for startup of the new SBR system over the next several months. The next startup coordination meeting is planned for the 3rd week of June. The next CSM is scheduled for this afternoon. With the delays in electrical equipment delivery, Bar has noted an anticipated further delay in startup of the SBR system until Summer 2024 and plant completion in Fall 2024; at this time, BAR has not formally requested additional time in the contract schedule.
 - Lift Station 11 Improvements Bid opening was February 14, 2023; 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 awarded to Phoenix Fabricators & Erectors, LLC at the December 2023 Board Meeting. The contractor has been onsite performing foundation excavation and site work. The contractor is steadily moving forward.
 - Acton Loop Water Line Extension Improvements The property owners for
 the two southern parcels have both tentatively agreed to alignments; in
 process of finalizing the easement exhibits for these two properties and are
 proceeding forward with design. An alternate route has been determined for
 the northern section of the project. eHT has been in coordination with the
 landman regarding landowner information and alternative routing so they can
 coordinate acquisition of easements. One of the landowners has tentatively

agreed to the easement. Surveying is beginning this week; the landman has indicated that they anticipate access to the other property soon to begin survey and design coordination.

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

Motion:

Featherston

Second:

Rose

Vote:

All ayes

Absent:

Vernon

I. The Operational Report was presented by T J Riggio. He briefed the Board regarding the screw press at WWTP No. 1, it is now operational but still waiting on final repairs.

Under wastewater, T. Riggio reported at WWTP No. 1, there are just a few punch list items; at WWTP No. 2, T. Riggio reported higher than normal Total Suspended Solids and e. Coli but stated nothing is outside of our permit parameters and stated this is due to the removal or limitation of processes in the plant to make way for the new plant. T. Riggio reported WWTP No. 1 was at 130% of the average permitted flow under the existing 600K permit for the month of May; under the future 930K permit this would be 84%; T. Riggio stated the percentage to permit is typically high during the month of May; WWTP No. 2 was at 99% of the average permitted flow under the existing 487K permit; would be 59% under the future 820K permit. Both WWTP's met all discharge permit parameters for the month of May with the exception of discharge volume.

- T. Riggio reported no positive bacteriological samples for the month of May. He reported unaccounted water has been higher than normal for the December through March time frame. In averaging the lowest daily minimums over the last 3 years, the baseline flow is at 1.33 MG, we are seeing daily minimums close to this baseline. He had someone out to verify the production meters and found some problems that have yet to be addressed.
- T. Riggio reported Standpipe 2 is not operable due to issues with the chlorination feed, plan on running a new chlorine line this week. He reported the second round of UCMR5 are completed, no indication of PFAS.
- T. Riggio reported at Well No. 11 is running now; Well No. 17, we had to pull the pump, the well is currently out of operation; Well No. 26 is off due to low demand, if the Well does not run continuously, we get colored water in the distribution system; at Well No. 23 there are issues with the disinfection system.
- T. Riggio reported we currently have 4 open positions, in process of scheduling interviews.

After discussion, a motion was made to accept the Operational Report for May, 2024.

Motion: Featherston Second: Cleveland

Vote: All ayes Absent: Vernon

J. Bob Evart presented an engagement letter from George, Morgan & Sneed, P.C. (GMS) to conduct the year ending September 30, 2024 audit. The base fee, including expenses, will not exceed \$21,000. We are required to do a single audit which is an additional fee of approximately \$5,000 and will be added to the estimated base fee. Ray Lewis questioned a statement written on the first paragraph of the first page of the engagement letter; "We will not express an opinion...". Staff will ask GMS.

After discussion, a motion was made to approve the audit engagement letter from GMS in an amount not to exceed \$21,000 and not to exceed \$5,000 for the single audit.

Motion:

Rose

Second:

Cleveland

Vote:

All ayes

Absent:

Vernon

K. Bob Evart presented the Financial Report for April, 2024. 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.

After discussion, a motion was made to accept the Financial Report for April, 2024.

Motion:

Second:

Vote: All ayes

Absent:

Vernon

- L. The General Manager's Report was presented by Richard English. He reported on the following items:
 - 1. The Regular Meeting for July is scheduled for 9:00 a.m., Wednesday, July 17, 2024. Committee meetings are scheduled for Thursday, July 11th.
 - 2. There is no Brazos Regional Public Utility Agency Meeting this month.
 - Settlement Meetings AMUD Board Meeting at 10:00 a.m. July 15th BRPUA Board Meeting at 11:00 a.m. July 15th
 - 4. AMUD Office closed Thursday, July 4th and Friday, July 5th (July 5th by Board consensus) in observance of Independence Day.
 - 5. Press releases from JCSUD regarding a rate increase in water rates and the retirement of Pete Kampfer and Interim General Manager Named Joshua Howard. R. English stated we will begin doing comparisons with AMUD rates versus the City of Granbury and JCSUD rates.

Open Items:

a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of May, 2024 and the beginning of June 2024. Chloride levels are beginning to increase.

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

Motion:

Rose

Second:

Cleveland

Vote:

All ayes

Absent:

Vernon

M. Items from Board Members:

Rose:

None

Cleveland:

None

Featherston:

None

Lewis:

None

Adjournment

A motion was made to adjourn at 11:03 a.m.

Motion:

Rose

Second:

Featherston

Vote:

All ayes

Absent:

Vernon

Secretary, Board of Directors Acton Municipal Utility District