

MINUTES

ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in regular session at 9:00 a.m., Wednesday, June 16, 2021. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

June 16, 2021

Directors Present

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

Staff Present

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

Visitors

C. Hay, P.E.,  
Enprotec/Hibbs & Todd  
K. Kindle, P.E.,  
Enprotec/Hibbs & Todd  
A. Freidman, SAMCO  
Capital Markets, Inc.  
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 John Featherston.

- A. After discussion, a motion was made to accept the minutes from the Regular Meeting May 19, 2021 and Special Meeting May 26, 2021.

Motion: Cleveland  
Second: Rose  
Vote: All ayes

- B. Public Comments. There were no public comments.

- C. Ray Lewis presented the agenda item "Consideration and approval of 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 2021A", 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; authorizing the execution of any necessary engagement agreements with the District's Financial Advisors; complying with the regulations promulgated by the Texas Water Development Board; and providing for an effective date."

Andrew Friedman, Financial Advisor of SAMCO Capital Markets was present to discuss and answer questions. He presented a handout of the final numbers for the \$2,490,000.00 bonds. The total interest over the life of these bonds (20 years) is less than \$5,000.00 and is paid the last three years of the bonds. Closing on the bonds is scheduled July 15<sup>th</sup>.

After discussion, a motion was made to approve the Order authorizing the issuance of "Acton Municipal Utility District Utility System Revenue Bonds, New Series 2021A", 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 new revenues of the District's combined utility system; authorizing the execution of any necessary engagement agreements with the District's Financial Advisors; complying with the regulations promulgated by the Texas Water Development Board; and providing for an effective date.". (RESOL 21-06-341)

Motion: Vernon  
Second: Cleveland  
Vote: All ayes

- D. Richard English presented a memorandum dated June 11, 2021 regarding a Water and Wastewater Development Agreement (Legacy Ranch) for Board consideration. As stated in the memo, this agreement was constructed by our Legal Counsels of Jackson Walker, LLP and forwarded to the Developer in January 2021. The agreement is for off-site sewer and will provide net consideration of \$333,750 to assist with the offsite sewer construction cost. In addition, the agreement provides that AMUD will obtain, at our cost, the offsite easements needed for this sewer force main. The agreement has been executed by Jason Britt, Managing Partner of Legends Land Development, however the agreement needs to be re-executed due to a change in designation from CJB Development, Inc. to Legends Land Development. Currently the estimated build out on the property is 356 lots, however it could increase up to approximately 450 lots.

After discussion, a motion was made to approve the Water and Wastewater Development Agreement (Legacy Ranch).

Motion: Featherston  
Second: Rose  
Vote: All ayes

- E. Richard English presented a memorandum dated June 11, 2021 regarding a request to purchase and install a Colorimeter for Well No. 20. The colorimeter automatically detects when color in the water exceeds acceptable parameters and prevents it from being put into the distribution system. Attached is a price quote from Hach in the amount of \$25,781.00 for the equipment. An annual fee of \$3,500 for maintenance and technical support is included in the quote; the quote from Trac-N-Trol in the amount of \$28,700.00 is for the installation; total cost for this request is \$54,481.00.

As stated in the memo, this well is capable of producing up to 170,000 gallons per day, therefore Staff feels this effort is well worth it. The cost is over the budgeted amount in the Capital Well Rehab account, therefore if approved, a budget amendment will be triggered for this account.

After discussion, a motion was made to approve the purchase of the equipment and installation of a Colorimeter for the rehabilitation needed at Well No. 20 in the amount of \$54,481.00.

Motion: Featherston  
Second: Rose  
Vote: All ayes

- F. Richard English presented a letter from Enprotec/Hibbs & Todd (eHT) dated June 11, 2021 regarding a recommendation of bid award for the Standpipe #2 Drainage Improvements Project. Chris Hay, P.E. of eHT was present to discuss and answer questions. One bid was received for the project in the amount of \$97,153.00 from Fort Worth Civil Constructors, LLC. Given substantial changes in the market over the last year, eHT does not recommend the project be rebid. Based on the evaluation of the bid and references provided, eHT recommends that the Standpipe #2 Drainage Improvements project be awarded to Fort Worth Civil Constructors, LLC as the lowest qualified bidder at a total contract price of \$97,153.00.

After discussion, a motion was made to award the bid to Fort Worth Civil Constructors, LLC at a total contract price of \$97,153.00.

Motion: Cleveland  
Second: Vernon  
Vote: All ayes

- G. Richard English presented a proposal for engineering services from eHT for the design and construction of the Waterline Improvements Project located on Blackhawk Circle in Indian Harbor. This line will extend the water line to the Marina approximately 470 linear feet to provide fire protection. Staff recommends approval.

After discussion, a motion was made to approve the proposal for engineering services from eHT for the design and construction of the Waterline Improvements Project located on Blackhawk Circle in Indian Harbor.

Motion: Featherston  
Second: Cleveland  
Vote: All ayes

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

- WWTP #1 Improvements – The structural formwork, installation of reinforcing steel, and pouring of structural concrete continued in May for the new sequencing batch reactor (SBR), chlorine contact and screening structures and is anticipated to continue into June and July. Working on foundation preparation for the new Control Building. A construction status meeting was held May 26<sup>th</sup>; the next construction meeting is anticipated the end of June. A tour of both WWTP's was conducted with Board Members and Staff June 9<sup>th</sup>.
- WWTP #2 Improvements – TWDB completed its review of the Environmental Information Document (EID). The final amended discharge permit was issued by TCEQ May 11, 2021. eHT prepared a draft 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 and the RFP packages have been released to vendors to prepare for requesting final equipment pricing. Anticipate the project will be ready to advertise for construction as soon as TCEQ completes its plan review, which is anticipated to be in June or July.
- Tank 4 Disinfectant Residual Improvements – The fiberglass building submittal was approved by eHT on June 1<sup>st</sup>. Waiting on building to be delivered; the Contractor stated everything else is ready to move forward.
- Booster Pump Station #9 Improvements – Contractor currently in construction for this project.
- Lift Station 11 Improvements – A design review meeting was held with Staff on June 3<sup>rd</sup> in which an alternative was selected for the project. A new wet well will be constructed, separate of the existing wet well with new pumps that will serve as the upgraded Lift Station 11. The dual capacity will be needed for future development.
- Standpipe 2 Drainage Improvements – Awarded project to Fort Worth Civil Constructors, LLC under agenda item "F".
- Standpipe 1 Rehabilitation – Project awarded to NG Painting, L.P.; anticipate construction to begin after July 4<sup>th</sup>.
- Hood County CDBG First Time Sewer Service Project in Port Ridglea East – Waiting to hear back from grant administrator with TDA's response regarding how we can proceed with one of the qualifying households in which their septic tank is located under one of the bedrooms in the house and covered by a concrete slab.

#### 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.

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 unaccounted water for the month of May is -2.74%; 12 month rolling average is 8.81%. He reported we pumped a total of 51.3 million gallons of water in the month of May; 44.6 million gallons was pumped from our water wells; 6.6 million gallons was taken from SWATS.

T. Riggio reported UTGCD rate calculation for the month of May is \$0.0192 per 1,000 gallons. Pecan Plantation Fire Department reported 4,000 gallons usage for the month of May; DCBE/Acton and Indian Harbor Fire Departments did not report usage for the month. T. Riggio reported we are at a five year high for water production and sales. He reported during the month of May, Well No's 11, 15P, 20 and 26 were down; Well No. 30 is inactive. There was electrical problem at Well No. 11, it is back up and running now; T. Riggio reported there was an issue with the automated switch at Well No. 26.

Under the wastewater report, T. Riggio reported WWTP No. 1 is at 131% average permitted flow and WWTP No. 2 is at 158% average permitted flow. All discharge quality parameters were met at WWTP No. 1; however, all constituents were elevated at WWTP No. 2. T. Riggio reported there were 31 wastewater problem calls for the month of May; 3 gravity problem calls and 17 grinder pump problem calls; 15 were E-1 grinder pumps, 2 were Keen pumps. T. Riggio reported under the Work Order Statistics, the meter change outs have slowed down due to a shortage on the transmitters. We just recently received a new shipment of transmitters and therefore should get back on track changing meters.

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

- Meters – Remote Reads – 98 meters changed out fiscal year to date.
- Tank 4 Disinfectant Residual Improvements – Waiting for work to begin.
- Stand Pipe 2 Site Drainage – Awarded bid to Fort Worth Civil Constructors, LLC under agenda item "F".

G. Rose questioned why some of the fire hydrants have black bags covering them; T. Riggio stated a black bag identifies the hydrant is in need of repairs and out of service at this time. Crews are working to get repairs done on fire hydrants.

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

Motion: Cleveland  
Second: Featherston  
Vote: All ayes

- J. Bob Evart presented a memorandum dated June 16, 2021 regarding selection of a bank depository. As stated in the memo, we solicited proposals for bank depository services from ten local banks. Five bids were received. First National Bank of Granbury (FNB) had the best overall services. Their proposal is for a three-year contract with an option of a fixed or variable rate. Upon review of bids, Staff recommends awarding the bid to First National Bank of Granbury for all depository services for the District.

After discussion, a motion was made to award the bid to First National Bank of Granbury for a three-year contract with a variable rate, Option 1.

Motion: Rose  
Second: Vernon  
Vote: All ayes

- K. Bob Evart presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$1,346.83 for the month of May, 2021. Year to date write off accounts are \$16,724.44.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$1,346.83 for the month of May, 2021.

Motion: Featherston  
Second: Cleveland  
Vote: All ayes

- L. The Financial Report was presented by Bob Evart. He reported Water Revenue for May is down 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 the Acton Area during the month of May. Impact Fee revenue is \$59,500 consisting of \$38,500 from water and \$21,000 from sewer. Wholesale water revenue is \$0 for the month; it was not billed during the month; therefore, the revenue will be reflected in the June Financial Report. Irrigation revenue is \$620 for the month.

B. Evart reported Personnel Services decreased in Water, Sewer and Administrative due to five pay periods in April versus four pay periods in May. Under Water Expense, Utility Expenses increased due to more electrical usage; Equipment Repairs decreased due to less fuel and oil charges and Materials & Operations decreased due to less inventory purchases. Under Sewer Expense, Materials & Operations decreased due to less chemical and inventory purchases and contracted repairs. Under Administrative Expense, Office Expenses increased due to printing and postage expenses for Utility Billing and Travel, Dues, Subscriptions increased due to registration fees paid for Board Members to attend the TWDB Water for Texas conference.

Regarding Capital Items, B. Evart reported on the following: Under Tank Rehab we paid \$2,011 for engineering and postage; under Booster Station #9 Improvements we paid \$400 for engineering; under WWTP – DCBE Expansion we paid \$32,760 for engineering and \$702,773 for construction; under WWTP – Pecan Expansion we paid \$56,284 for engineering and postage; under Lift Stations Rehab we paid \$500 for engineering, and under Engineering Fees/Consulting we paid \$1,015 for engineering to Chris Hay. B. Evart reported cash funds used for Capital Items current month is \$3,926; year to date is \$739,524; Bond funds used for Capital Items current month is \$791,817; year to date is \$1,477,302.

B. Evart presented a 13-month cash flow analysis as of May 2021. He presented the Analysis of Undesignated Funds and Designated Funds as of May 2021. He presented the project schedule for the new Finance and Payroll software project; scheduled to go live in August for financials and September for payroll.

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

Motion Cleveland  
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 July is scheduled for 9:00 a.m., Wednesday, July 21, 2021. Committee meetings are scheduled Thursday, July 15<sup>th</sup>.
  2. Monthly meeting of the Brazos Regional Public Utility Agency – Wednesday, June 23<sup>rd</sup> at 2:00 p.m. at the JCSUD Office. This meeting will be in person.
  3. Brazos River Authority Virtual Annual Water Customer Meeting – June 22, 2021 at 9:00 a.m. A link will be sent to home email addresses from BRA prior to the scheduled meeting time. In addition, the last Legislative Lunchbreak webcast is scheduled June 22<sup>nd</sup> at 12:00, the link for the webcast will be sent to home email addresses.
  4. AMUD Office closed Monday, July 5<sup>th</sup> for Independence Day.
  5. Articles – “TCEQ: Wastewater plant meets requirements” from Hood County News and “Winter Storm Uri Makes Lasting Impact on Texas Water Utilities” from Quench Magazine.

Open Items –

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of May, 2021 and the beginning of June, 2021. Due to low demands, water shut down for approximately half the month of May. 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:

Lewis:  
None

Vernon:  
1. Questioned how hardened is the District's IT System against potential hackers.  
Staff continually working on trying to stay ahead of this issue.

Featherston:  
None

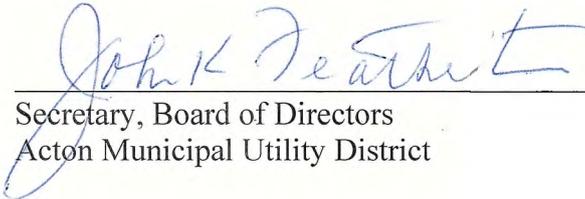
Cleveland:  
None

Rose:  
1. Noticed during plant tours that some AMUD vehicles do not have automatic stickers to enter the gates at Pecan Plantation (PP) and DeCordova Bend Estates (DCBE). Suggest a letter be sent to PP and DCBE requesting automated stickers be provided for all AMUD vehicles.

Adjournment

A motion was made to adjourn at 10:55 a.m.

Motion: Rose  
Second: Vernon  
Vote: All ayes

  
Secretary, Board of Directors  
Acton Municipal Utility District