

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 15, 2021. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

September 15, 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
J. Berryhill, P. E.,
Enprotec/Hibbs & Todd
K. Kindle, P.E.,
Enprotec/Hibbs & Todd
S. Dollins, Brazos Regional
Public Utility Agency
A. Friedman, SAMCO
Capital Markets

Directors Absent

None

Call to Order

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

Invocation

By John Featherston.

- A. After discussion, a motion was made to accept the minutes from the Regular Meeting August 18, 2021, Budget Workshop Meeting August 24, 2021 and Special Meeting September 7, 2021.

Motion: Featherston
Second: Cleveland
Vote: All ayes

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

- C. Ray Lewis, Board 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 2021. The tax rate proposed is \$0.0525 per \$100.00 valuation. The current tax rate is \$0.060 per \$100.00 valuation. R. English stated the decrease is adequate to cover the taxes; the tax will retire in 1 year. No one from the public was present, therefore the Public Hearing closed at 9:04 a.m.

D. After discussion, a motion was made to adopt the resolution setting the tax rate at \$0.0525 per \$100.00 valuation for the Defined Area, DeCordova Bend Estates, Phase 1 for calendar year 2021. (RESOL 21-09-344)

Motion: Rose
Second: Vernon
Vote: All ayes

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 2021B"; 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; providing the terms and conditions of such bonds; resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of such bonds, including the approval and distribution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrar agreement and sale documentation; complying with the requirements of the letter of representations previously executed with the depository trust company; authorizing the execution of any necessary engagement agreement with the District's Financial Advisors, and providing for an effective date.

Executive Session – The Board recessed into Executive Session at 9:05 a.m. to discuss the following: Gov. Code Section 551.071: Consultation with Attorney as allowed by statute.

Open Session at 9:48 a.m.

No action taken in executive session.

Andrew Freidman of SAMCO Capital Markets was present to discuss and answer questions regarding the issuance of bonds. Three bids were received for the \$5 million bond issue. The best bid received at a rate of 1.995% is from Robert W. Baird & Co., Inc.

After discussion, a motion was made to approve the Order authorizing the issuance of "Acton Municipal Utility District Utility System Revenue Bonds, New Series 2021B"; 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; providing the terms and conditions of such bonds; resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of such bonds, including the approval and distribution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrar agreement and sale documentation; complying with the requirements of the letter of representations previously executed with the depository trust company; authorizing the execution of any necessary engagement

agreement with the District's Financial Advisors, and providing for an effective date.
(RESOL 21-09-345)

Motion: Cleveland
Second: Featherston
Vote: All ayes

- F. Richard English presented the annexation of 3.000 acres in the S. E. Herron Survey, Abstract A-247, located in Hood County, Texas, known as 2449 Bob White Road, second reading. Staff has all required documentation and recommends approval.

After discussion, a motion was made to annex 3.000 acres in the S. E. Herron Survey, Abstract A-247, located in Hood County, Texas, known as 2449 Bob White Road into the Acton Municipal Utility District. (RESOL 21-09-346)

Motion: Cleveland
Second: Rose
Vote: All ayes

- G. Richard English presented the annexation of 2.00 acres in the A. Farris Survey, Abstract A-179, located in Hood County, Texas, known as 3621 Millstream Court, first reading. The petitioner is requesting water and sewer taps be installed after the first reading.

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

Motion: Rose
Second: Vernon
Vote: All ayes

- H. Richard English presented a letter dated September 10, 2021 from Enprotec/Hibbs & Todd (eHT) regarding final acceptance of the Standpipe No. 2 Drainage Improvements Project. Chris Hay, P.E. of eHT stated the Contractor did a good job; final completion was reached September 9, 2021 and the 12-month warranty period expires September 9, 2022. eHT recommends final acceptance and payment to Fort Worth Civil Constructors, LLC.

After discussion, a motion was made to approve final acceptance of the Standpipe No. 2 Drainage Improvements Project and release the final payment to Fort Worth Civil Constructors, LLC.

Motion: Featherston
Second: Cleveland
Vote: All ayes

- I. Richard English presented a letter dated September 10, 2021 from eHT regarding final acceptance of the Booster Station No. 9 Improvements Project. Chris Hay, P.E. of eHT stated final completion was reached September 8, 2021 and the 12-month warranty period expires September 8, 2022. eHT recommends final acceptance and payment to Crossland Heavy Contractors.

After discussion, a motion was made to approve final acceptance of the Booster Station No. 9 Improvements Project and release final payment to Crossland Heavy Contractors.

Motion: Rose
Second: Vernon
Vote: All ayes

- J. Richard English presented a letter dated September 10, 2021 from eHT regarding final acceptance of the Standpipe No. 1 Rehabilitation Project. Chris Hay, P.E. of eHT stated final completion was reached August 19, 2021 and the 12-month warranty period expires August 19, 2022. eHT recommends final acceptance and payment to N G Painting, L.P.

After discussion, a motion was made to approve final acceptance of the Standpipe No. 1 Rehabilitation Project and release final payment to N G Painting, L.P.

Motion: Vernon
Second: Rose
Vote: All ayes

- K. The Engineer's Report was presented by Chris Hay, P.E. of eHT. He reported on the following:
- WWTP #1 Improvements – Structural work for the new sequencing batch reactor (SBR) structure and new Control Building foundation is complete. Structural formwork, installation of reinforcing steel, and pouring of structural concrete continued in August for the new chlorine contact and screening structures and is anticipated to continue into September. Erection of the Control Building and SBR Support Building are anticipated to continue through October. A Construction Status Meeting (CSM) #7 was held July 28th with Staff and field coordination; the next CSM is anticipated for the last week of August.
 - WWTP #2 Improvements – TCEQ issued the final amended discharge permit May 11th. eHT met with Staff to review the Requests for Proposals (RFP) for the major equipment packages. The project is proceeding on schedule.
 - Tank 4 Disinfectant Residual Improvements – The Contractor has completed major site work and the remaining effort consists of electrical installation and equipment startup. eHT met with the Contractor September 9th and learned they are waiting on delivery of the chemical feed scales for the chemical feed

systems. eHT is expecting an updated delivery date for the chemical storage scales and subsequent startup schedule.

- Booster Pump Station #9 Improvements – Board approved final acceptance of the project and to release final payment to Crossland Heavy Contractors under agenda item “I”.
- Standpipe 2 Drainage Improvements – Board approved final acceptance of the project and to release final payment to Fort Worth Civil Constructors, LLC under agenda item “H”.
- Standpipe 1 Rehabilitation – Board approved final acceptance of the project and to release final payment to NG Painting, L.P. under agenda item “J”.
- Lift Station 11 Improvements – eHT continuing towards 50% plans and specifications for review.
- Hood County CDBG First Time Sewer Service Project in Port Ridglea East – eHT has begun design surveys and will be continuing as contact is made with property owners for survey access. Texas Department of Agriculture (TDA) approval received for alternate bid for the one where the septic tank is located under slab of the house.
- Blackhawk Circle Water Line Improvements – eHT completed the design survey and currently working on design and preparing plans and specifications; eHT held a design review meeting with Staff. Anticipate advertising the project for bid this month.

General Services Tasks

1. Legacy Ranch Off-Site Easement Coordination – eHT is in coordination with the Developer’s Engineer to finalize the off-site easement route for sewer service for coordination with Pinnacle for easement acquisition and easement surveys.

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

Motion: Featherston
Second: Cleveland
Vote: All ayes

L. The Operational Report was presented by T J Riggio. He reported unaccounted water for the month of August is 2.00%; 12 month rolling average is 9.20%. He reported we pumped a total of 113.3 million gallons of water in the month of August; 48.8 million gallons was pumped from our water wells; 64.5 million gallons was taken from SWATS.

T. Riggio reported UTGCD rate calculation for the month of August is \$0.098 per 1,000 gallons. Pecan Plantation reported 4,000 gallons usage for the month; DCBE/Acton and Indian Harbor did not report usage. T. Riggio reported during the month of August, Well No’s 15P and 20 were down; Well No. 30 is inactive. Well No. 20 is down for repairs; the repairs should be completed next week.

Under the wastewater report, T. Riggio reported WWTP No. 1 is at 57% average permitted flow. WWTP No. 2 is at 73% average permitted flow. T. Riggio reported there were 13 wastewater problem calls for the month of August; 5 gravity problem calls and 6 grinder pump problem calls; all were E-1 grinder pumps. The other 2 calls outs were the customer problem, not a problem with the grinder pump.

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

- Meters – Remote Reads – 122 meters changed out fiscal year to date.
- Booster Station #9 Improvements – Project complete.
- Stand Pipe 2 Site Drainage – Project complete.
- Sewer Line Replacements/Improvements/I & I Abatement – 2020 final report received. Insituform completed all pipe bursting. Smoke testing began last week.

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

Motion: Cleveland
Second: Vernon
Vote: All ayes

- M. Richard English presented a memorandum dated August 24, 2021 from the Impact Fee Advisory Committee regarding the semi-annual review of water and wastewater impact fees for Board consideration. No discrepancies were found and no changes to the Capital Improvements Plan or Land Use Assumptions are recommended.

After discussion, a motion was made to accept the Impact Fee Advisory Committee memorandum dated August 24, 2021.

Motion: Featherston
Second: Rose
Vote: All ayes

- N. 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 21-09-347)

Motion: Cleveland
Second: Rose
Vote: All ayes

- O. Richard English presented the rate models for water and sewer rates for fiscal year 2022. The current rates are adequate to cover O & M but fall short on covering cash. Standard & Poor's report suggests making changes to rates this year and next year to stay up. Staff therefore recommends a 5% increase across the board for the minimum charge and commodity charges to all In-District and Commercial customers for both water and sewer.

After discussion, a motion was made to approve a resolution authorizing a 5% increase in the water and sewer base rates and commodity rates for all In-District residential, commercial and fire hydrant accounts effective on the November 2021 billing. (RESOL 21-09-348)

Motion: Featherston
Second: Rose
Vote: All ayes

- P. Richard English presented the rate models for water and sewer rates for fiscal year 2022. The current rates are adequate to cover O & M but fall short on covering cash. Staff recommends a 5% increase across the board for the minimum charge and commodity charges to all In-District and Commercial customers for both water and sewer.

After discussion, a motion was made to approve a resolution authorizing a 5% increase in the water and sewer base rates and commodity rates for all In-District residential, commercial and fire hydrant accounts effective on the November 2021 billing. (RESOL 21-09-349)

Motion: Featherston
Second: Rose
Vote: All ayes

- Q. Richard English presented wholesale water rates. Staff recommends no changes to the wholesale water rates at this time.

After discussion, a motion was made for no changes to the wholesale water rates, as recommended by Staff.

Motion: Cleveland
Second: Vernon
Vote: All ayes

- R. Bob Ewart presented budget amendments for fiscal year 2020-2021 for Board consideration. There is no overall change 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 2020-2021, as presented. (RESOL 21-09-350)

Motion: Cleveland
Second: Rose
Vote: All ayes

- S. Bob Evert presented the proposed budget for fiscal year 2021-2022 for Board consideration. He presented changes/revisions since the Budget Workshop Meeting held August 24th and presented details of the changes. There are two changes to the Capital Budget; Water Equipment is increased to \$162,000 for a mobile generator and 4 transfer switches, and SWATS Capital was changed back to the FY 2021 BRPUA budgeted amount, an increase of \$78,060 as the FY 2022 BRPUA budget has not been adopted. Changes totaled \$233,060 to be funded as Cash Capital. Under Operations and Maintenance, SWATS O & M was changed back to the FY 2021 BRPUA budget amount and Transfer to the Construction Fund from the General Fund for Cash Capital Items was increased to \$3,472,060. The overall budget yields net revenues, which are estimated to be \$2,294,546 short of covering cash funded capital items, an increase of \$434,467.

After discussion, a motion was made to adopt the resolution approving the budget for fiscal year 2021 – 2022, as presented. (RESOL 21-09-351)

Motion: Vernon
Second: Rose
Vote: All ayes

- T. Bob Evert presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$3,941.17 for the month of August, 2021. Year to date write off accounts are \$23,528.20.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$3,941.17 for the month of August, 2021.

Motion: Featherston
Second: Cleveland
Vote: All ayes

- U. The Financial Report was presented by Bob Evert. He reported Water Revenue for August is up from last month and down from the same period last year. Sewer revenue is down from last month and up from the same period last year. Two new grinder pumps were sold during the month of August; one in Port Ridglea East and one in the Acton Area. Impact Fee revenue is \$59,510 consisting of \$42,000 from water and \$17,510 from sewer. Wholesale water revenue is \$29,280 for the month. Irrigation revenue is \$2,129 for the month.

B. Evart reported Personnel Services decreased in Water, Sewer and Administrative due to four pay periods in the month as July had five pay periods. Under Water Expense, Utility Expenses increased due to more electrical usage; Equipment Repairs decreased due to no major repairs or maintenance; and Materials & Operations decreased due to no Orchard Development tap fees paid this month. Under Sewer Expense, Equipment Repairs decreased due to less equipment repairs and maintenance during the month; Materials & Operations decreased due to Orchard Development tap fees and sales of only 2 grinder pumps versus 6 grinder pump sales the previous month; and Travel, School, Dues & Subscriptions increased due to required training classes for several of the field crew. Under Administrative Expense, Office Expenses increased due to annual software maintenance renewals, utility billing postage and printing and 2 payments for internet; and Travel, Dues, Subscriptions decreased due to no payments for conference.

Regarding Capital Items, B. Evart reported on the following: Under Meters – Remote Read we paid \$45,625 for Badger E-Series meters – 250 meters received; under Well Rehab we paid \$25,261 for the Chlorimeter at Well No. 20; under Tank Rehab we paid \$12,425 for engineering at Standpipe No. 1 (\$11,625) and No. 2 (\$800); under Tank Rehab we paid \$104,670 for construction at Standpipe No. 1 (\$97,000) and Well Rehab (\$7,670); under Booster Station No. 9 Improvements we paid \$91,802 for construction; under SWATS Capacity Restoration we paid \$20,201 for engineering; under SWATS Capital we paid \$62,755 SWATS Capital monthly payment; under WWTP – DCBE Pecan we paid \$24,497 for road replacement and drainage improvement; under WWTP – Pecan Expansion we paid \$43,583 for engineering; under Lift Stations we paid \$1,365 for pump upgrade at Lift Station No. 12; under Lift Stations we paid \$2,483 for engineering at Lift Station No. 11; under Port Ridglea East Sewer we paid \$432 to Hood County News for Public Notice; under Billing & Accounting Software we paid \$7,771 to Logics – Payroll module installation and training; and under Engineering Fees/Consulting we paid \$7,863 (Capital) for engineering. B. Evart reported cash funds used for Capital Items current month is \$407,169; year to date is \$2,183,471; Bond funds used for Capital Items current month is \$43,583; year to date is \$2,515,112.

B. Evart presented a 13-month cash flow analysis as of August 2021. He presented the Analysis of Undesignated Funds and Designated Funds as of August 2021.

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

Motion: Rose
Second: Vernon
Vote: All ayes

- V. 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 20, 2021. Committee meetings are scheduled Thursday, October 14th.

2. Monthly meeting of the Brazos Regional Public Utility Agency – Wednesday, September 22nd at 2:00 p.m. at the AMUD Office.
3. Hood County Appraisal District – Nominations for Board of Directors.
4. Propositions for the November Election.

Open Items –

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of August, 2021 and the beginning of September, 2021. Chloride levels are still holding low.
- 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: Vernon
Vote: All ayes

W. Items from Board Members:

Rose:
None

Cleveland:
None

Vernon:

1. Informed Staff that an AMUD customer residing on the circle at the back gate of Pecan Plantation told him they were glad to see an increase in water pressure.

Featherston:
None

Lewis:
None

Adjournment

A motion was made to adjourn at 12:05 p.m.

Motion: Featherston
Second: Vernon
Vote: All ayes


Secretary, Board of Directors
Acton Municipal Utility District