

MINUTES

ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in regular session at 9:00 a.m., Wednesday, August 17, 2022. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

August 17, 2022

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  
L. Dougal, Jackson Walker,  
via conference call

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 July 20, 2022 and Special Meeting July 27, 2022.

Motion: Vernon  
Second: Cleveland  
Vote: All ayes

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

- C. Richard English presented a memorandum dated August 12, 2022 regarding terms of compensation to PPOA with regard to potential road damages associated with the WWTP No. 2 project. As stated in the memo, a meeting was held with Daniel Van Patten and Rick Lantgen, the new General Manager with PPOA. R. English stated the meeting was cordial and productive; the parties agreed to target compensation in the amount of \$300,000 up front (aid in road construction) in an effort to settle this matter. The compensation would remain the same whether the damage is greater or less. President, Ray Lewis questioned how to avoid this setting a precedence. General Counsel, Leonard Dougal asked if there is a written agreement; he recommends a Memorandum of Understanding (MOU) to make the terms clear.

After discussion, a motion was made to authorize the General Manager to negotiate and execute a MOU reflecting the terms of the payment, as discussed and as reflected in the memorandum dated August 12, 2022.

Motion: Vernon  
Second: Cleveland  
Vote: All ayes

- D. Executive Session – The Board entered into closed executive session at 9:17 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 9:42 a.m. and returned to open session.

E. No action taken on executive session items.

- F. Richard English presented a memorandum dated August 12, 2022 regarding authorization for eminent domain for the purpose of acquiring utility easements for the Legacy Ranch Development Project. Our ROW Agent has successfully obtained 2 of the easements for the project; however, there are 2 remaining easements needed for the project. R. English stated our next step would be to hire a certified appraiser; the eminent domain process would be used only as a last resort in obtaining the required easements.

After discussion, a motion was made to approve the resolution authorizing the District file proceedings in eminent domain, if necessary, to acquire utility easements specific to the Legacy Ranch Development Project. (RESOL 22-08-360)

Motion: Rose  
Second: Cleveland  
Vote: All ayes

- G. Richard English presented the annexation of 23.6218 acres in part of the Fogg Survey, Abstract No. 648 and the Wherry Davis Survey, Abstract No. 1, located in Hood County, Texas, known as 6121 Contrary Creek Road, second reading. Annexation documentation is complete; Staff recommends approval.

After discussion, a motion was made to annex 23.6218 acres in part of the Fogg Survey, Abstract No. 648 and the Wherry Davis Survey, Abstract No. 1, located in

Hood County, Texas, known as 6121 Contrary Creek Road into the Acton Municipal Utility District. (RESOL 22-08-361)

Motion: Vernon  
Second: Cleveland  
Vote: All ayes

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 – Finishing out the Control Building and the SBR Support Building are anticipated to continue through August, including installation of equipment, piping, valves, electrical and instrumentation. Anticipating several delivery delays of components for the new plant SCADA system; Crossland is currently working with TraC-n-trol to establish firm dates for SCADA equipment delivery and installation. Construction Status Meeting (CSM) #19 was held July 20<sup>th</sup>; the next CSM is anticipated for August 26<sup>th</sup>.
- WWTP #2 Improvements – Bar began mobilizing at the WWTP site mid-June and continued site clearing, earthwork and submittal/RFI development through July. Several meetings have been held with PPOA to discuss haul route road repairs. The first CSM was held August 16<sup>th</sup>; the only complaint from PPOA is that one of the contractors used a different path than directed; eHT is working with the contractor to try and use the same driver for hauling.
- Lift Station 11 Improvements – The summary transmittal letter has been submitted to TCEQ for review and approval for construction. TCEQ requested drawings for review after receiving the summary transmittal letter, eHT provided drawings via email. 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 Ridgley East – Project was advertised for bids in Hood County News August 10<sup>th</sup> and will run until the bid opening on Thursday, September 1<sup>st</sup>. eHT has coordinated with the grinder pump manufacturer; they have indicated there will be some delay in material availability that will likely require a contract extension with TDA past the January 2023 deadline.
- 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. Prepared 60% design and intend to have a design review meeting with Staff the week of August 15<sup>th</sup>.



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 July is 14.5%; 12 month rolling average is 11.31%. T. Riggio reported we pumped a total of 163.2 million gallons of water in the month of July; 44.0 million gallons was pumped from our water wells; 119.1 million gallons was taken from SWATS. He reported we are at a 5 year high on gallons produced and sold.

T. Riggio reported UTGCD rate calculation for the month of July is \$0.0070 per 1,000 gallons. Pecan Plantation Fire Department reported 9,000 gallons usage for the month of July, however their report was received after the operational report went out. No usage was reported this month from Indian Harbor or DCBE/Acton Fire Departments. T. Riggio reported during the month of July, Well No's. 11, 16, and 20 were down; we are waiting for a new pump for Well No. 11, Well No. 16 is back up and running; Well No. 30 is inactive.

Under the Wastewater Report, T. Riggio reported WWTP No. 1 is at 47% average permitted flow. WWTP No. 2 is at 57% average permitted flow. R. Lewis questioned when smoke testing is scheduled; T. Riggio stated it is scheduled late November/December. T. Riggio reported there were 22 wastewater problem calls for the month of July; 7 gravity problem calls and 11 grinder pump problem calls; 10 were E-1 grinder pumps and 1 was a Keen pump. The other call 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 – 6 meters were changed out, 123 meters fiscal year to date.

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

Motion: Rose  
Second: Vernon  
Vote: All ayes

- J. Richard English presented a memorandum dated August 12, 2022 regarding appointment of a Board Member to the Brazos Regional Public Utility Agency (BRPUA) Board of Directors. Place 5 currently held by Don Cleveland expires at the end of September. D. Cleveland respectfully requests to be replaced on the BRPUA Board. R. Lewis stated he appreciates D. Cleveland's service on the BRPUA Board.

After discussion, a motion was made to appoint Van Vernon to fill Place 5 on the BRPUA Board of Directors.

Motion: Featherston  
Second: Rose  
Vote: All ayes

- K. Bob Evart presented a memorandum dated August 12, 2022 requesting Board approval to dispose of fixed assets (asset description listed on memo). One change to the list is the Apple iPads; there may be more than 10, and therefore request modifying the list by deleting the number of Apple iPads listed. As stated in the memo, the assets have been replaced or will be replaced; assets will either be traded in for credit or scraped.

After discussion, a motion was made to approve disposal of the fixed assets and modifying the list as discussed.

Motion: Featherston  
Second: Rose  
Vote: All ayes

- L. Bob Evart presented an update for the Defined Area Tax Rate. The tax is for installation of sewer infrastructure in Phase 1, DCBE; 145 potential connections. A Public Hearing is required to set the tax rate; Staff proposes rolling back the tax rate to \$0.0200 per \$100 valuation; the current rate is \$0.0525 per \$100 valuation; this is the last year of the note.

After discussion, a motion was made to set a Public Hearing for the AMUD Defined Area tax rate September 21, 2022 at 9:00 a.m.

Motion: Cleveland  
Second: Vernon  
Vote: All ayes

- M. Bob Evart presented the Texas County and District Retirement System (TCDRS) Plan Provisions for 2023 including Cost of Living Allowance (COLA) for retirees. Our funded ratio for 2023 is 90.8%. R. English recommends Board consideration to 100% pre-fund the COLA in this fiscal year funding in the amount of \$58,546. Gary Rose requests to abstain from the vote since he is a retiree from AMUD and receives retirement benefits.





Furniture & Equipment we paid \$3,076 for shelves for utility billing storage; under Computer Equipment we paid \$13,715 for the server system; and under Engineering Fees/Consulting we paid \$4,650 for Capital Engineering.

B. Evert reported cash funds used for Capital Items current month is \$156,346; year to date is \$1,927,711; Bond funds used for Capital Items current month is \$2,107,111; year to date is \$6,068,971.

B. Evert presented a 13-month cash flow analysis as of July 2022. He presented the Analysis of Undesignated Funds and Designated Funds as of July 2022.

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

Motion: Rose  
Second: Cleveland  
Vote: All ayes

- P. The General Manager's Report was presented by Richard English. He reported on the following items:
1. The Regular Meeting for September is scheduled for 9:00 a.m., Wednesday, September 21, 2022. Committee meetings are scheduled Thursday, September 15<sup>th</sup>.
  2. The Budget Workshop is scheduled for Tuesday, August 23<sup>rd</sup> at 10:00 a.m.
  3. Monthly meeting of the Brazos Regional Public Utility Agency – Tentatively scheduled Wednesday, August 24<sup>th</sup> at the JCSUD Office. R. English suggests delaying the meeting until September 7<sup>th</sup>.
  4. Semi-Annual Impact Fee Advisory Committee Meeting scheduled Thursday, August 25<sup>th</sup> at 3:00 p.m. R. English intends during the meeting to recommend the committee increase the impact fees by at least \$500 each. Staff will also be looking at rate increases for water and sewer at the September meeting.
  5. Potential Improvements at WWTP No. 1 Site – Presented a proposal from DCBE Long Range Planning Committee “AMUD/DCBE Partnership Proposal...”, objectives and options at the burn area. Waiting to get more specifics from DCBE before bringing this item for consideration to the Board.
  6. Office closed Monday, September 5<sup>th</sup> for the Labor Day Holiday
  7. Articles – “Navigating the next steps of your utility’s EPP” in Quench magazine, “NTMWD Completes One of Nation’s Largest Environmental Restoration Projects” in Texas H2O, “Proposed reservoir will benefit everyone in the Brazos basin” from Brazos.org/newsletter, and “Rent in Texas: How much you need to make per hour to afford it” from www.fox4news.

Open Items –

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

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

Motion: Cleveland  
Second: Rose  
Vote: All ayes

Q. Items from Board Members:

Vernon:

1. Stated Richard is doing an outstanding job and staying within budget.
2. Thanked Don for his service on the BRPUA Board.

Featherston:

None

Cleveland:

None

Rose:

1. With regard to the response to JCSUD, he feels their intent could have been discussed without a lawsuit.
2. Stated in seeing several articles where places are running out of water, it is more critical to keep the SWATS plant going.


Lewis:

1. Informed Board (although not official) the Anthony's have farmed out the additional lots (1,200 lots) in Pecan Plantation to developers over the next 5 years, 240 lots per year. In the District's planning we need to consider the escalation in our growth. R. English informed him that a meeting is planned this Friday to go over our Capital Improvements Plan (CIP).
2. With the multitude of tasks going on, he gave thanks to AMUD Staff and Board for continuing to work together, in spite of all the pressure everyone has continued to pull together and work extra time.

Adjournment

A motion was made to adjourn at 11:22 a.m.

Motion: Rose  
Second: Vernon  
Vote: All ayes

  
Secretary, Board of Directors  
Acton Municipal Utility District