

MINUTES

ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in regular session at 9:00 a.m., Wednesday, November 17, 2021. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Regular Session

November 17, 2021

Directors Present

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

Staff Present

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

Visitors

C. Hay, P.E.,
Enprotec/Hibbs & Todd
K. Kindle, P.E.,
Enprotec/Hibbs & Todd
A. Head, Jackson Walker
S. Dollins, Brazos Regional
Public Utility Agency
M. McLiney, SAMCO
Capital Markets, via
conference call
C. Daugherty,
Higginbotham & Associates
R. White, Higginbotham &
Associates

Directors Absent

None

Call to Order

Ray Lewis, Board President, called the meeting to order at 9:00 a.m.

Invocation

By Don Cleveland.

- A. After discussion, a motion was made to accept the minutes from the Regular Meeting October 20, 2021.

Motion: Rose
Second: Cleveland
Vote: All ayes

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

- C. Executive Session – The Board entered into closed executive session at 9:02 a.m. to discuss the following:

1. Gov. Code 551.071: Consultation with Attorney regarding pending or contemplated litigation.

Return to open session at 10:12 a.m.

- D. No action taken on pending or contemplated litigation.
- E. Mark McLiney, Financial Advisor from SAMCO Capital Markets, via conference call presented information with regard to a potential bond refunding opportunity. The District currently has four (4) bond series that are callable; with Board approval to proceed, the District could consolidate the 4 bonds series to one bond with a possible lower interest rate, if interest rates continue to remain low; an approximate annual savings of \$50,000 per year, estimated total savings over the life of the bonds, approximately \$500,000. M. McLiney stated by December we should know if rates will remain low. The interest rates cannot be locked in till January, 2022.

After discussion, a motion was made to authorize SAMCO Capital Markets to proceed with the bond refunding.

Motion: Rose
Second: Vernon
Vote: All ayes

- F. Richard English presented a memorandum dated November 12, 2021 and information from Higginbotham & Associates regarding employee health insurance coverage for the 2022 calendar year. Carla Daugherty of Higginbotham & Associates met with Staff and the Finance Committee on November 10th to discuss the health insurance renewal. Renewal of the current plan with no changes in the employee status would increase the premium cost 5.63%; with the change in employee status results in a decrease in premiums for next year. Consensus of the Finance Committee and Staff is renewal of the current plan, Blue Cross P621CHC-PPO Plan for calendar year 2022.

After discussion, a motion was made to accept renewal of the Blue Cross P621CHC-PPO Plan for calendar year 2022.

Motion: Vernon
Second: Rose
Vote: All ayes

- G. The Engineer's Report was presented by Chris Hay, P.E. of Enprotec/Hibbs & Todd (eHT). He reported on the following:
- WWTP #1 Improvements – Structural work for the new sequencing batch reactor (SBR) structure and the new control building foundation has been completed. Structural formwork, installation of reinforcing steel and pouring of structural concrete continued in October for the SBR Support Building foundation and is anticipated to continue through November. Construction Status Meeting (CSM) #10 was held October 20th; the next CSM is anticipated for the week of November 16th. The project is proceeding on schedule.

- WWTP #2 Improvements – eHT has completed electrical and mechanical design components to finalize the plan and specification set for advertisement. eHT will provide a final review set of plans and specifications to Staff for review prior to advertisement the week of November 16th; pending review comments, eHT is ready to begin advertising.
- Tank 4 Disinfectant Residual Improvements – The contractor, SC&M, LLC is still waiting on delivery of the chemical feed scales for the chemical feed systems, anticipated to be delivered the second week of November which should allow for completion of the project by the end of November.
- Lift Station 11 Improvements – eHT continuing with preparation of final plans and specifications.
- Hood County CDBG First Time Sewer Service Project in Port Ridglea East – eHT has provided Staff with the easement compensation evaluation and is preparing the project manual and drawings for project advertisement with bid alternates for the more difficult installations. Once plans are completed, easements are acquired, and the environmental review is completed by the Grant Consultant, the project can be advertised for bids.
- Blackhawk Circle Water Line Improvements – eHT completed plans and specifications. The project will be advertised for bids starting November 27th and bid opening will be scheduled early in December.

General Services Tasks

1. Legacy Ranch Off-Site Easement Coordination – eHT surveyors have continued to work on field surveying to find property corners along the easement alignment. RPLS is working up the boundary to prepare the easement exhibits to be presented for coordination with landowners.
2. Development Review – eHT is working on utility capacity verification requests that have been submitted to the District for the following locations:
 - a. Pecan Plantation
 - b. 5809 Walnut Creek
 - c. Property adjacent to AMUD Office

Don Cleveland suggests we write a letter to the County voicing objection to citizens maintaining their own aerobic systems.

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

Motion: Cleveland
 Second: Featherston
 Vote: All ayes

- H. The Operational Report was presented by T J Riggio. He reported unaccounted water for the month of October is -29.54%; 12 month rolling average is 11.04%. He reported we pumped a total of 72 million gallons of water in the month of October;

49.8 million gallons was pumped from our water wells; 22.3 million gallons was taken from SWATS.

T. Riggio reported UTGCD rate calculation for the month of October is \$0.012 per 1,000 gallons. Pecan Plantation reported 2,000 gallons usage and Indian Harbor reported 9,000 gallons usage for the month; DCBE/Acton did not report usage. T. Riggio reported during the month of October, Well No.'s 14, 15P and 20 were down; Well No. 30 is inactive. Well No. 14 had a problem with the chlorination system, Well No. 20 is down for repairs but should be back up running after Thanksgiving.

Under the Wastewater Report, T. Riggio reported WWTP No. 1 is at 57% average permitted flow. WWTP No. 2 is at 78% average permitted flow, which exceeds the permitted flow. Efforts are being made to see where the issues are at WWTP No. 2. T. Riggio reported there were 24 wastewater problem calls for the month of October; 5 gravity problem calls and 16 grinder pump problem calls; 15 were E-1 grinder pumps and one 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 – 10 meters changed out fiscal year to date.

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

Motion: Cleveland
Second: Vernon
Vote: All ayes

- I. Richard English presented a memorandum dated November 12, 2021 regarding SCADA Computer Upgrades. Also attached is the memo from T J Riggio dated June 23, 2021 describing two options for an upgrade. Staff is recommending the VT SCADA package at a price of \$49,660. T. Riggio contacted Trac-N-Trol verifying that their quote is still valid. The SCADA Computer Upgrades were approved this fiscal year Capital Budget in the amount of \$50,000.

After discussion, a motion was made authorizing Staff to proceed with the SCADA Computer Upgrades using the VT SCADA package in the amount of \$49,660.

Motion: Featherston
Second: Cleveland
Vote: All ayes

- J. Bob Evert presented a memorandum regarding the AMUD Investment Policy update and review. As stated, the State Legislation did not enact any changes pertinent to our municipal utility. Staff recommends no changes to the investment policy.

After discussion, a motion was made to adopt the resolution acknowledging the Board of Directors reviewed and approved the AMUD Investment Policy.
(RESOL 21-11-354)

Motion: Cleveland
Second: Vernon
Vote: All ayes

- K. Bob Evert presented a request for Board consideration to write off the net uncollectible accounts in the amount of \$4,786.06 for the month of October, 2021.

After discussion, a motion was made to write off the net uncollectible accounts in the amount of \$4,786.06 for the month of October, 2021.

Motion: Rose
Second: Cleveland
Vote: All ayes

- L. Prior to the presentation of the Financial Report, Richard English informed the Board that the auditors were here this week. The majority of the audit is complete and looks like we will have a good report; R. English gave Bob Evert a “thumbs up” for his hard work.

Bob Evert presented the Financial Report. He reported Water Revenue for October is down from last month and up from the same period last year. Sewer revenue is up from last month and up from the same period last year. Four new grinder pumps were sold during the month of October, one in Port Ridglea East, one in DCBE Phase One and two in the Acton Area. Impact Fee revenue is \$255,500 consisting of \$140,000 from water and \$115,500 from sewer. Wholesale water revenue had not been billed for the month prior to completing the October Financial Report; it will be reflected on next months report. Irrigation revenue is \$1,869 for the month.

B. Evert reported Personnel Services increased in Water, Sewer and Administrative due to five pay periods in the month. Under Water Expense, Utility Expenses decreased due to September being charged back to FY 2021; Equipment Repairs increased due to vehicle and equipment repairs; and Materials & Operations decreased due to overcharge in September for debt service from SWATS. Under Sewer Expense, Utility Expenses decreased due to September being charged back to FY 2021; and Materials & Operations decreased due to sludge removal charges applied back to September FY 2021. Under Administrative Expense, Office Expenses decreased due to less computer expenses and phone/internet bill received in November; and Travel, Dues, Subscriptions increased due to annual AWWA membership.

Regarding Capital Items, B. Evert reported on the following: Under Water Line Replacements we paid \$6,458 for installation of a hydrant on Fall Creek Highway;

under SWATS Capital we paid \$62,755 SWATS Capital monthly payment; and under WWTP – DCBE Expansion we paid \$1,020,060 for construction expenses approved by TWDB for payments (2 payments). B. Evert reported cash funds used for Capital Items current month is \$69,213; year to date is \$69,213; Bond funds used for Capital Items current month is \$1,020,060; year to date is \$1,020,060.

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

After discussion, a motion was made to accept the Financial Report for October, 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 December is scheduled for 9:00 a.m., Wednesday, December 15, 2021. Committee meetings are scheduled Wednesday, December 9th.
 2. Monthly meeting of the Brazos Regional Public Utility Agency – Today, Wednesday, November 17th at 2:00 p.m. at the AMUD Office.
 3. AMUD Office closed Thursday and Friday, November 25th – 26th for Thanksgiving.

Open Items –

- a) SWATS Plant Update – Presented water quality reports; source, raw and finished water for the month of October, 2021 and the beginning of November, 2021. Chloride levels are still holding low.
- b) Application to the Texas Department of Agriculture (TDA) for TX CDBG Funding – Discussed under Engineers report.

R. English also informed the Board that Wayne Matzen is retiring after 26 years with AMUD. He will be leaving the end of December. His position will be posted both in-house and out. Kudos to Wayne for his outstanding service. Ray Lewis requests Wayne to be present at the next Board Meeting.

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

Motion: Featherston
Second: Cleveland
Vote: All ayes

N. Items from Board Members:

Rose:

None

Cleveland:

None

Vernon:

None

Featherston:

None

Lewis:

None

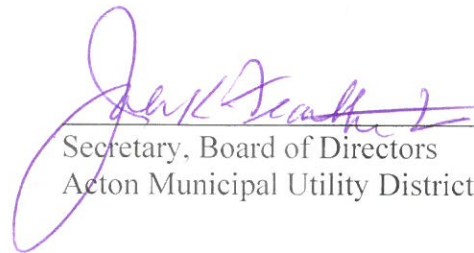
Adjournment

A motion was made to adjourn at 11:26 a.m.

Motion: Featherston

Second: Cleveland

Vote: All ayes


Secretary, Board of Directors
Acton Municipal Utility District