

**NOTICE OF MEETING OF
ACTON MUNICIPAL UTILITY DISTRICT
BOARD OF DIRECTORS**

NOTICE IS HEREBY GIVEN THAT ON **Wednesday, August 13, 2025 at 10:00 AM** at the District Office, located at 6420 Lusk Branch Court, the Board of Directors will hold a meeting. This meeting is open to the public and the following items will be covered for consideration and action:

Special Meeting

August 13, 2025

Call to Order

Recognition of Visitors

- A. Discuss Capital Item Requests for Fiscal Year 2025-2026
- B. Discuss Proposed O & M and Debt Service Budget for Fiscal Year 2025-2026
- C. Items from Board Members

Adjournment

- * *The Board may vote and/or act upon each of the items listed in this agenda.*
- * *The Board reserves the right to retire into executive session concerning any of the items listed on this Agenda, whenever it is considered necessary and legally justified under the Open Meetings Act.*
- * *Persons with disabilities who plan to attend this meeting and who may need assistance should call the AMUD office contact at 817-326-4720 two working days prior to the meeting so that appropriate arrangements can be made.*

Dated: August 8, 2025


Richard English, General Manager
Acton Municipal Utility District

Agenda posted:

www.amud.com

AMUD District Office

STATE OF TEXAS

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ACKNOWLEDGEMENT

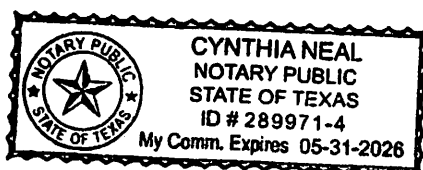
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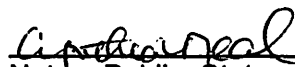
COUNTY OF HOOD

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This instrument was acknowledged before me on the 8th day of August 2025, by Richard English.

Seal




Notary Public, State of Texas

MINUTES
ACTON MUNICIPAL UTILITY DISTRICT

The Board of Directors of Acton Municipal Utility District met in special session at 10:00 a.m., Wednesday, August 13, 2025. Notice of said meeting was posted as prescribed by Chapter 54, Article 109, of the Texas Water Code.

Special Session

August 13, 2025

Directors Present

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

Staff Present

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

Visitors Present

S. Dollins, Brazos Regional
Public Utility Agency

Directors Absent

None

Call to Order

Ray Lewis, President, called the meeting to order at 10:01 a.m.

- A. Richard English presented the proposed Capital Budget for fiscal year 2025-2026. The Capital Budget and the O & M Budget is a combination of AMUD and SWATS as one entity. Income for capital projects is either from bond proceeds or cash funded from operations. For fiscal year 2026, \$20,470,000 is budgeted through bond funds for the following projects:

Pecan Elevated Water Tank	\$ 500,000	carryover
Acton Loop Water Line	\$ 2,020,000	carryover
Fall Creek Water Line	\$ 1,630,000	
WWTP #2 Expansion	\$ 1,200,000	carryover
Lift Station #11 Improvements	\$ 520,000	
SWATS Capacity Restoration	\$14,600,000	

The total bond funded projects are \$20,470,000.

Many of the cash funded projects are on an annual basis and/or are listed as contingencies. The following cash funded items are highlighted for fiscal year 2026:

Water Capital:

- Roadways - \$80,000 - \$70,000 for all weather road at Well No. 15 to meet TCEQ requirements. \$10,000 is for cost participation to share in the cost of road repairs on Lusk Branch Court. This road is a private road and goes up to Elevated Tank No. 9 from the AMUD Office.

- Water Valves – Installed in the system to facilitate flow control of various lines and fire hydrants - \$5,000.
- Fire Hydrants – To replace/repair inoperable existing hydrants or installed in new locations to enhance fire protection where needed - \$5,000.
- Meters Remote Read – \$300,000 to purchase and install Badger E-Series ultra-sonic meters and transmitters to replace old meters in the system as well as new installations. This amount will purchase approximately 800 complete meter units.
- Pumps and Motors – \$60,000 to replace various pumps and motors as needed.
- Water Meters – \$10,000 for purchase of non-standard meters that are typically larger and register increased volume.
- Well Rehab/Replacement – \$60,000 for rehab as needed.
- Equipment - \$33,000 for a trailer mounted air compressor.
- Tools - \$5,800.

Sewer Capital:

- Fence, Walks, Roadways - \$95,000 – This includes \$50,000 for improved drive/pad sludge dumpsters; this is per request from our sludge hauler, and for various walk and fence repairs.
- WWTP – DCBE – \$30,000 contingency for repairs/replacement of equipment as needed.
- WWTP – Pecan Plantation – \$10,000 contingency for repairs/replacement of equipment as needed.
- I & I Abatement/Upgrade – \$500,000 sewer line and manhole rehabilitation. T. Riggio has identified some areas that need to be pipebursted/upgraded.
- Pump Replacement – \$55,000 - Replacement of lift station pumps and motors as needed.
- Grinder Pumps – \$30,000 - Existing grinder pumps are scrapped due to being non-repairable, replacements can be capitalized.
- Tools – 2,500 – Trash pump.
- Machinery and Equipment – \$40,000 – Ammonia Monitoring System at WWTP No. 1.

Administration Capital:

- Vehicle Replacements – \$30,000 – Additional amount needed to replace the truck that was totaled.
- Vehicle Equipment & Improvements – \$24,000 for a truck lift. We have a mechanic in house for oil changes, etc.
- Office & Warehouse Building – \$350,000 – Carryover project, \$250,000 for a new building, \$70,000 for chip seal laydown yard, and \$30,000 for A/C replacements as needed.
- Billing & Accounting Software – \$20,000 to complete new billing system.
- Computer Equipment – \$10,000 for various computer replacements, licenses and software.

SWATS Capital: Stefan Dollins discussed SWATS Capital items as follows:

- Water Plant - \$155,000 – Discharge line repair/replacement. Plan to do the repairs/replacements during the winter months.
- Office & Warehouse Building - \$172,000 – Roof on Admin and Chemical Building/shop floor and door. The roof is too old to make an insurance claim. The shop currently has a dirt floor and is unable to use a fork lift.
- Pumps/Motors - \$100,000 – Contingency for replacements as necessary.
- R O Membranes - \$156,000 – Replacement of #4 rack if upgrade project does not happen.
- Equipment - \$206,844 – Emergency quick connects for portable generators per Emergency Preparedness Plan (EPP) as approved by the TCEQ. Split cost with JCSUD on raw water intake. S. Dollins informed the Board they are a member of TX Warn; in the case of an emergency and the plant went down, they could request a generator from other entities to keep the plant going. This satisfies the minimum requirement under the EPP. Also, after the winter storm in 2022 when there were rolling blackouts, S. Dollins met with United Cooperative Services (UCS); the SWATS Plant is now reclassified as a high need with UCS.

Engineering Capital:

- Engineering Fees – \$36,000.

Capital Contingency:

- \$20,000 to allow for unexpected capital expenditures.

- B. Richard English presented a proposed Operations & Maintenance (O & M) and Debt Service Budget for fiscal year 2025-2026. The O & M Budget is based on the predictions of no increases to water and sewer rates. We have over \$7 million in reserves to cover shortfalls in cash funded capital expenses. Total revenue is projected to be \$18,382,396.

Water and Sewer:

With regard to SWATS, overall O & M expenses are budgeted at \$4,547,180, with an expected income through the Wholesale Contract with JCSUD of \$2,618,081, leaving a net expense to AMUD of \$1,929,099.

Projected raw water cost for all 7,000-acre feet is \$540,000. BRA system-wide rate increased from \$99.50 to \$106.00 per acre foot. Option water contracts have increased slightly. This is water contracted for but not expected to be used, thus we pay less for reserving the water.

Debt:

Debt Service is budgeted at \$4,983,139 including agency fees. Debt Service requirement is 1.05; projected debt service coverage is approximately 1.38. This indicates our bond covenant is covered, under our proposed rate structure we are projected to have an approximate \$711,000 deficit after funding cash-funded capital expenses.

Wages and Benefits:

Payroll has been budgeted with a 6.0% increase composed of a 4% COLA and 2% merit. B. Evert reported wages are calculated and based on staffing levels of 44 full time employees. Water, Sewer, SWATS, and Administration personnel cost is calculated based upon the department to which the employee is assigned, however, time is charged based upon the work done. The account License Adjustment is included to recognize an increase in wages in recognition of obtaining a water or sewer license. Retirement cost are approximately 8.78% of payroll. Included in this rate is 2.13% related to underfunded retirement liability (\$335,000). AMUD currently has a 94.5% funded ration with TCDRS. Mandatory employee contribution rate is 5% until January 1, 2026, thereafter will be 6%, AMUD matches the rate 2.0 times the employee's contribution rate. Unemployment taxes fluctuates from year to year; the rate is set by the State of Texas and fluctuates on a recurring cycle of low to high every other year. We have no control over this rate and will not know the rate until March of the ensuing year for implementation January 1st. Longevity pay is budgeted in the amount of \$150,000.

Medical coverage is through Blue Cross/Blue Shield (BCBS) and renews January 1st. Actual AMUD amounts will not be available until late October to early November. The District currently provides medical coverage for 42 of the 44 full time employees with employees picking up 30% of the cost for family members. AMUD contributes \$1,300 to a Health Reimbursement Account (HRA) for each covered employee under the plan, with a maximum allowable carryover of \$2,000 per employee; this account is expensed as funds are expended. A Flexible Spending Account (FSA) is offered that allows employees to set aside pre-tax funds for medical care. FSA amounts are funded entirely by employees; currently there are 14 employees participating in the FSA program.

Insurance:

Property and Casualty and Workers Compensation premiums are expected to increase this year due to several claims on our P & C policy and our Workers Compensation mods have increased since the prior year.

Engineering:

Engineering Office Expenses is budgeted at \$200 for occasional expenses. Engineering Consultant category represents eHT retainer.

Summary:

In summary, the overall budget yields net revenues, which are estimated to cover a portion of cash funded capital items with a deficit of approximately \$711,000.

C. Items from Board Members:

Rose:

None

Vernon:
None

Maunder:
None

Featherston:
None

Lewis:
None

Adjournment

A motion was made to adjourn at 11:56 a.m.

Motion: Vernon
Second: Featherston
Vote: All ayes

A handwritten signature in blue ink, appearing to read "D. J. [unclear]", is written over a horizontal line.

Assistant Secretary, Board of Directors
Acton Municipal Utility District