



Walnut Creek Special Utility District

P.O. Box 657
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Springtown, Texas 76082
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Minutes for Walnut Creek SUD Board of Directors Regular Meeting August 21, 2023

Directors Present: Mike Gilley, Al Garrett, Beth Correll, Jim Cox, and Frank Henderson
Employees: James Blackwood, Denise Taylor, Perry Day, and James Stevens
Others Present: Bill Lohrke

The meeting was called to order by Mike Gilley, at 4:00 P.M. noting the agenda was posted in accordance with Chapter 551, Texas Local Government Code. Quorum was established. The meeting was held at the District's office located at 1155 W Highway 199 Springtown, Texas. The invocation was given by Jim Cox. The Pledge of Allegiance was led by Frank Henderson.

Open Forum – The following customers spoke during the open forum with concerns about the 2019 Drought Contingency plan not being updated, infrastructure, boil water notices, denial of service, voting for board, contractors hitting lines, MIU replacements, backflow preventers, and testing.

- Jane Galvin, 128 Clayton Crossing, Springtown
- Linda Glidewell, 332 Oak Meadow Lane, Weatherford
- Stephen Rorai, 108 Chance Court, Springtown
- Noel Lee, 140 Cooper Court, Springtown

Consent Agenda – Jim Cox moved to approve the consent agenda as presented. Seconded by Frank Henderson. Motion carried 5-0.

General Session:

- A. Consideration and/or action to approve Certificate of Resolution (2023) associated with the Section 125 Premium Only Plan. Jim Cox moved to approve the Certificate of Resolution (2023). Seconded by Al Garrett. Motion carried 5-0.
- B. Consideration and/or action to rescind the decision made at the July Regular meeting to charge \$5.36 per 1,000 for wholesale customers and keep their current rates. Jim Cox moved to rescind the decision made during the July Regular meeting regarding the wholesale customers. Seconded by Frank Henderson. Motion carried 5-0.
- C. Consideration and/or action to call two special meetings on Monday, August 28, 2023, and Monday September 25, 2023, for required bond actions. Motion by Beth Correll to call the two needed meetings for required bond actions. Seconded by Al Garrett. Motion carried 5-0.
- D. Consideration and/or action to approve agreement extensions with the City of Reno and West Wise SUD. Motion by Al Garrett to approve the agreement extensions to September 30, 2028, for both entities. Seconded by Jim Cox. Motion carried 5-0.

- E. Consideration and action to define and approve a Longevity Pay Plan and update the Employee Handbook with the information. This item was tabled until the August 28, 2023, meeting.
- F. Consideration and/or action to approve or disapprove a Memorandum of Understanding agreement with Quiddity for specific projects. Beth Correll moved to approve the Memorandum of Understanding with Quiddity. Seconded by Al Garrett. Motion carried 5-0.
- G. Engineer's project report – Bill Lohrke reviewed the current project report, Exhibit A.
- H. Legal and professional reports
 - 1. 2023 Bond Update – S&P rating call will be held on September 6, 2023
 - 2. Thomas Road land purchase has closed, and a deed has been filed with Parker County.
 - 3. Finals site Mass Notification System-staff has seen a demo. Waiting for two more.

General Manager Report

- A. Update on Construction Projects. See Exhibit B.
- B. Meter Project Status
 - a. James Stevens reported that the Census meters are reading at 23%. Diehl and MIUs in Zone 2 are reading at 95%, Zone 3 is 97%, and Zone 4 is 95%.
 - b. The District has joined a MIU pilot program with Zenner, a US based company.

Mike Gilley read drought data.

Jim Cox moved to adjourn the meeting at 5:29 P.M. Seconded by Frank Henderson. Motion passed 5-0.



Beth Correll Secretary

EXHIBIT A

From: Freddie Sanchez <freddie@hamiltonduffy.com>
Sent: Monday, August 21, 2023, 11:08 AM
To: James Blackwood <james.blackwood@walnutcreeksud.org>
Cc: Michael Gilley <mgilley@springtownisd.net>; Denise Taylor <denise@walnutcreeksud.org>; Michael Cunningham <mcunningham@hamiltonduffy.com>
Subject: Work Outline August

To: James Blackwood
General Manager
Walnut Creek S.U.D.

From: Bill Lohrke
Senior Project Manager
E.S. & C.M., Inc., Engineers

CC: Michael Gilley
Board President
Walnut Creek S.U.D.

CC: Denise Taylor
Office Manager
Walnut Creek S.U.D.

Re: Walnut Creek S.U.D.
Work Outline Report

Mr. Blackwood:

For your Board of Directors meeting 8-21-23, we are listing an outline of our work for the District as follows:

Projects

1. 16" Water Distribution Lines

Hwy No. 199, then down Newsom Mound Road to Veal Station Road

Engineer's Project No. 537-099

Contractor: Acadia Services, LLC

Notice to Proceed with Construction Dated April 9, 2023

Contract Amount: \$7,386,287.00

Major Bid Item: 16" PVC Pipe, 23,589 L.F.

Amount Installed to Date: 19,000 L.F. Estimated

Also Contractor is working on large quantities of boring Hwy 199 and creek crossings. The Contractor has three construction crews working on this project. We would like to have this project completed before mid-September 2023.

This project is approximately 85% complete.

2. 10" Water Lines to Proposed Azle I.S.D. Elementary School
Engineer's Project No. 537-099(A)
Contractor: Timco Blasting & Coating Systems, Inc.
Notice to Proceed with Construction: May 22, 2023
Original Contract Amount: \$979,310.00
Change Order No. 1 Contract Reduction Amount: (-) \$157,685.00
New Contract Amount: \$821,625.00

We redesigned this project and followed a cross country route that would become a future subdivision street. This eliminated the expensive route along Veal Station Road.

This project has been completed and the 10" water line has been placed into service.

3. Reconstruct and Elevate the Partagas 300,000 Gallon Elevated Storage Tank
Engineer's Project No. 537-099 (B)
Contractor: Phoenix Fabricators & Erectors, Inc.
This project cost is \$901,135.00

The tank has been placed into service. The tank has been elevated and the tank exterior was in the process of being painted, however we asked the contractor to stop painting so the tank could be filled with water. The tank contractor was asked to return in mid-September to finish the tank painting. When the 16" water line is completed in mid-September, then the tank can be taken out of service so both the exterior and interior of the tank can be painted.

Please note that due to the extremely hot weather, the water distribution system could not support the tank being filled due to high water usage. When the 16" water line is completed in mid-September, then the tank can be filled. Likewise, the tank can be taken out of service for completion of tank painting when the 16" water line is completed and connected to water lines along Veal Station Road.

4. The formal Bond Application to the T.C.E.Q. that addresses approximately 20 individual projects has been approved by the T.C.E.Q. The \$2,516,202 surplus funds are now available. The Revenue Bonds \$40,000,000.00 will be sold and said \$40,000,000.00 should be available in mid-October.

We have completed the design for the vast majority of the 20 projects, except for the two elevated storage tank sites. One site on Thomas Road near the intersection of Dobbs Trail has been purchased by the District. The second site between F.M. 51 and Hutcheson Hill Road is being negotiated with the owners.

We have completed water distribution plans for a large area between the Keeter Elevated Storage Tank and the Jay Bird Lane Booster Pump Station. We are near completion of water distribution plans along F.M. 51, however before we can complete these plans, we need the elevated storage tank site to be purchased between F.M. 51 AND Hutcheson Hill Road.

5. We are in the process of completing our Disinfection Study Report, i.e., "C.T. Study," for the surface water treatment plant. We are basing said study on a daily production of 14 million gallons per day. We are coordinating our work with Mr. Mike Holloway, the Chief Plant Operator.

6. Other items or projects that we are addressing is a new surface water treatment that will be needed within the next 5 to 8 years if not sooner. The plant will be designed for a treatment capacity of 28 MGD. This project has been tentatively reviewed and the facility concept has been approved by the Tarrant Regional Water District (T.R.W.D.). We are in the process of reviewing T.R.W.D.'s offer to add a secondary supply of raw water from their 96" raw water line, located near the southeastern portion of the District's service area. This offer was to supplement the District's needs for future raw water that may not be fully available from Bridgeport Lake. We completed our Preliminary Engineering Report for the needed new water treatment plant on June 26, 2023.

Other monthly work is to respond to water service request by subdivision developers and R.V. Park developers.

This shall conclude our Report to the Board of Directors this 10th day of July 2023.

Sincerely,

Bill Lohrke

Senior Project Manager

E.S.&C.M., Inc., Engineers

8241 Mid Cities Blvd., #100

North Richland Hills, Texas 76182

Cell Ph. (817) 962-7300

Exhibit B

8/21/23 Board Meeting

Answers to Mrs. Galvin's questions and concerns:

❖ Steps used to inform customers of Drought contingency changes and boil water notices:

1. Updated on district's website.
2. Text to all customers who participate in the Districts texting program.
3. Email to customers where possible.
4. Posted in public area.
5. Posted on Marquee sign in front of district office.
6. Posted in two newspapers; Wise County Messenger and Tri-County Reporter.
7. The District is currently in talks with two call out systems that would call each customer upon Boil water notices or changes in Drought stage. It would also allow the district to only call specific areas as needed. This would be a more immediate way of reaching customers,

❖ Outlying areas having low pressure during watering:

1. Rocky Ridge Estates
2. Homes along veal station rd.
3. Vintage Oaks Estates

These areas are the districts areas with the lowest pressures and when watering is implemented they lose almost all pressure as water is being used faster than it can be supplied to them.

❖ Approved Sub-division plats and residences 2022 and 2023

1. 2022: 13 approved subdivisions, consisting of 840 additional residences

Saddle Back Estates: 43 lots

Valley View Ranch: 247 lots

Stanford Estates phases 3 and 4: 93 lots

McBryde Ranch: 14 lots

Maverick Bend: 18 lots

Sculptors Park: 108 lots

Vintage Oaks phase 3: 117 lots

Oak Grove: 77 lots

Young Estates: 8 lots

Arbor Oaks: 52 lots

Paradise Crossing phase 2: 35 lots

Thomas Estates phase 3: 17 lots

Park Hurst phase 1: 11 lots

2. 2023: 2 proposed subdivisions, consisting of 25 residences

Lavender Hills: 7 lots

El Peche Ranch: 18 lots

❖ Infrastructure added/improved since 2019

1. In 2019, 14,885' of upgraded line was added to the system.
2. In 2020, 84,350' of upgraded line was added to the system.
3. In 2021, 91,920' of upgraded line was added to the system.
4. In 2022, 66,860' of upgraded line was added to the system.

5. In 2023, 9,858' of upgraded line has been added to the system.
6. This does not include the 16" line currently being installed from the Jaybird pump station down Newsome Mound Rd to Veal Station Rd. This approx. 40,000' or 7 ½ miles of upgraded line. This project is slated to be complete by the end of September 2023.
7. In 2022, a 200hp – 150gpm pump was added to the Jaybird pump station to supply adequate supply and pressure to the new 16" line when it is completed. Thus adding more adequate supply and pressure to the subdivisions in that area (Rocky Ridge Estates, Vintage Oaks Estates, Calhoun Estates and others in the area).
8. The elevated water storage at Veal Station and Newsome Mound Has been extended from 110' tall to 168' tall this also gives more adequate supply and pressure to the aforementioned areas. This also is contingent with the completion of the 16" line currently being installed.
9. Property has been bought in Alex Estates to build an approx. 210' elevated storage tank and a pump station to the system. This will add 500,000 gallons of storage and supply to the system.

❖ Status of TCEQ bond

1. The \$40,000.000 Bond funds are scheduled to be released in mid-October 2023.
2. Originally it was scheduled for a mid-November 2023 fund release, with adding 2 special board meetings to the schedule it will be available approx. 1 month sooner.
3. This release of funds will allow the district to start releasing bids, in November 2023, for upgrades system wide. Including the addition of a 4mgd filter at the existing water plant and the addition of another 16 to 24mgd water plant to the system. This plant would be operational within the next 5 to 8 years.

❖ Billing Issues

1. Walnut Creek has 10,370 metered customers 5,430 of which have to be read manually by our meter readers. 4,940 are read by driving by.
2. The 5,430 manual read meters are read by a 6-person crew. (actually 3 at this time, we are always hiring) Other crews are used to help at times when possible. Any meters that do not get read are estimated. This is not an ideal system. The district is currently working to ensure that multiple estimates in a row no longer occur. The meters are read in zones. Any zone with estimated meters those meters will now be read at the first of the next cycle. This should cut back on multiple estimated bills in a row until more readers are hired. When multiple months are estimated in a row and then a manual read is done it causes the account to true up and most times the water use is higher than what was estimated however it is water that has been used. This causes larger than normal bills. This is why we are trying the new system of reading to try to eliminate this issue. The district also encourages anyone who sees an E on their bill standing for estimated to feel free to contact district offices so that it can be taken care of ASAP.
3. The \$7,000 bill was actually over ten years ago and was caused by a misread. My understanding is that the district corrected the mistake as soon as it was brought to the General Manager at the times attention.

❖ How has the Brazos Electric Bankruptcy affected the 250,000 gallons that they had contracted for purchase?

1. The Brazos Electric contract was transferred to Jack County Power this is the company who took over after the bankruptcy.

2. This water is actually water that has been used by the district to flush water plant filters. This is water that the plant can no longer use therefore it is sold to Jack County Power, (previously Brazos Electric) for their use in electricity production.