



Walnut Creek Special Utility District

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Minutes for Walnut Creek SUD Board of Directors Regular Meeting January 16, 2024

Directors Present: Mike Gilley, Al Garrett, and Jim Cox
Directors Absent: Beth Correll and Frank Henderson
Employees: Denise Taylor and Perry Day
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 Al Garrett.

Open Forum – Customer Jane Galvin at 128 Clayton Crossing, Springtown spoke concerning lack of notifications based on the Drought Contingency Plan. She commented on the level of Lake Bridgeport. She stated that Stage 2 or 3 restrictions were in effect 55 percent of the time. Customer Chris Collier at 233 Horizon Circle, Azle, asked if the upgrades to FM 920 and FM 51 Booster stations would help his pressure issues. Office Manager, Denise Taylor, told Mr. Collier that legally, the Board couldn't respond to his questions and was advised to send them in.

Consent Agenda – Jim Cox moved to approve the Consent Agenda as presented. Seconded by Al Garrett. Motion carried 3-0.

General Session:

- A. Consideration and/or action to award or reject bids for the 2M Gallon Ground Storage Tank. Al Garrett moved to award the contract to Tank Builders, Inc. for the base bid of \$2,549,400.00. Seconded by Jim Cox. Carried 3-0.
- B. Consideration and/or action to award or reject bids for the 1M Gallon Ground Storage Tank Jim Cox moved to award the contract to Tank Builders, Inc. for the base bid of \$1,544,700.00. Seconded by Al Garrett. Carried 3-0.
- C. Consideration and/or action to award or reject bids for the 500K Gallon Ground Storage Tank. Jim Cox moved to reject the bids for the 500K Gallon Ground Storage Tank. Seconded by Al Garrett. Carried 3-0.
- D. Consideration and/or action to award or reject bids for the FM 920 Booster Pump Station. Al Garrett moved to award the contract to Acadia Services, LLC for the base bid of \$2,774,500.00. Seconded by Jim Cox. Carried 3-0.
- E. Consideration and/or action to award or reject bids for the FM 51 Booster Pump Station. Al Garrett moved to award the contract to Acadia Services, LLC for the base bid of \$2,789,300.00. Seconded by Jim Cox. Carried 3-0.

- F. Engineer's project report – Bill Lohrke reviewed the current project report, Exhibit A.
- G. Legal and professional reports

General Manager Report

- A. Update on Construction Projects. See Exhibit B. GM James Blackwood, updated the board on project status.
- B. Meter Project Status – Perry Day reported that Diehl meters by Zone were (2) 97%, (3) 99%, and (4) 96%.

Mike Gilley adjourned the meeting at 5:18 P.M.



Beth Correll
Beth Correll, Board Secretary

Exhibit A

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Texas Registered Engineering Firm No. F-12080

January 15, 2024

Mr. James Blackwood, General Manager
Walnut Creek Special Utility District
P.O. Box 657
Springtown, Texas 76082

Engineer's Monthly Report to the Board of Directors For December 16, 2024

Dear Mr. Blackwood:

For your Board of Directors Meeting, I have listed an outline of our work for the District as follows:

I. 16" Water Distribution Lines

Engineer's Project No. 537-099

16" Water Line along State Hwy. 199, then down Newsome Mound Road to Veal Station Road.

Contractor: Acadia Services, LLC

The Contractor completed this project. He has completed pressure testing and the Contractor has disinfected the water lines with HTH (chlorine). This project is complete and has been placed in service. We are in the process of preparing "As Built Plans". The Contractor is in the process of making minor clean-up of specific surface areas.

II. 10" Water Lines to Proposed Azle I.S.D. Elementary School

Engineer's Project No. 537-099 (A)

Contractor: Timco Blasting & Coating Systems, Inc.

This project was completed in August of 2023 and placed in service.

III. Reconstruct and Elevate the Partagas 300,000 Gallon Elevated Storage Tank

Engineer's Project No. 537-099 (B)

Contractor: Phoenix Fabricators & Erectors, Inc.

Notice To Proceed With Construction dated May 22, 2023

Contract Amount: \$979,310.00

New Contract Amount: \$901,135.00

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The Reconstructed 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 that the Tank could be filled with water. The Tank Contractor has returned to complete tank painting in January 2024. Due to extremely high winds, one of the temporary telephone towers was blown over and damaged one of the tank contractor's paint trailers. We estimate all tank maintenance will be completed by February of 2024.

- IV.** The Formal Bond Application to the T.C.E.Q. that addresses approximately 20 individual projects was Approved by the T.C.E.Q. The Revenue Bonds of \$40,000,000.00 have been sold and said \$40,000,000.00 was available on October 18, 2023. The District has invested these funds in an interest bearing account that generates over \$100,000.00 each month.

We have completed the design for the vast majority of the 20 projects, except for the one Elevated Storage Tank project adjacent to F.M. 51. The Elevated Storage Tank site adjacent to F.M. 51 is in the process of being purchased by the District. It is very important that we have the permission of the landowner to conduct needed survey work for that Proposed Elevated Storage Tank. Likewise, we are awaiting the landowner's permission to conduct survey work on the 20' wide easement between F.M. 51 and Hutcheson Hill Road. Without these two remaining items, we cannot finalize two major projects.

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 have completed Water Distribution Plans along F.M. 51, however in order to finalize these plans, we need the Elevated Storage Tank site to be purchased and permission from the landowner to survey the 20' wide easement between F.M. 51 and Hutcheson Hill Road.

We have prepared Contract Documents, Plans & Specifications for Advertising Bids on two major Booster Pump Stations. The Bid Opening dates for these two major Booster Pump Stations is January 11, 2024.

- V.** 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 (MGD). We are coordinating our work with Mr. Mike Hollway, the Chief Plant Operator. In order to increase the

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detention time, we have placed partition baffles in the proposed 2,000,000 Gallon Ground Storage Tank at the Water Treatment Plant Site.

- VI.** We have added the 20" water main from F.M. 920 Booster Pump Station to S.H. No. 199, then eastward along, S.H. No. 199 to the Agnes Elevated Storage Tank. This project replaced the water service to the City of Peaster which was deleted. We are now preparing Water Distribution Plans for this project. We are presently scheduling all Bid Openings for all of the remaining projects for January and February 2024.

Other Items or projects that we are addressing is a new Surface Water Treatment Plant 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 the 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 need for future raw water that may not be fully available from Lake Bridgeport. We completed our Preliminary Engineering Report for the needed new Water Treatment Plant on June 26, 2023. We have been in contact with the Tarrant Regional Water District concerning the connection to their raw water line located near the southeast side of the District's CCN. We have been coordinating the raw water projected demands for said future water plant on Lake Bridgeport with Tarrant Regional Water District and with your Chief Plant Operator, Mr. Mike Holloway. We have previously prepared property ownership maps listing the property the District needs to purchase for the new plant site.

VII. Bid Advertisement Dates

1. 2,000,000 Gallon Ground Storage Tank
@ Existing Lake Bridgeport Water Treatment Plant Site
Project # 537-059-A
Bids Were Opened 12/21/23 @ 1:00 P.M.

2. 1,000,000 Gallon Ground Storage Tank
@ F.M. 920 Booster Pump Station Site

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Project # 537-060-A
Bids Were Opened 12/21/23 @ 1:30 P.M.

3. 500,000 Gallon Ground Storage Tank
@ Proposed F.M. 51 Booster Pump Station Site
Project # 537-063-A
Bids Were Opened 12/21/23 @ 2:00 P.M.
4. Water System Improvements
F.M. 920 Booster Pump Station
Project # 537-060
Bids Were Opened 01/11/24 @ 1:00 P.M.
5. Water System Improvements
F.M. 51 Booster Pump Station
Project # 537-063
Bids Were Opened 01/11/24 @ 1:30 P.M.
6. Water System Improvements
Surface Water Treatment
Plant Tentative Scheduled
for Bid Opening In February
2024
7. Large Water Distribution System
Improvements Between Keeter Tank and
Jaybird Lane Booster Pump Station
Tentative Bid
Opening In February 2024

In February 2024, if the needed Elevated Storage Tank Site adjacent to F.M. 51 is purchased, and the cross country 20' wide easement is acquired from the landowner, we can complete these plans and advertise them for bids also in February of 2024.

This is Water Distribution System Plans Project No. 537-062. Likewise, we can schedule Bid Openings for the two elevated storage tank projects in February of 2024. The other three water distribution system projects are nearing

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completion with projected Bid Openings in

IX. Potential Merger With West Wise S.U.D.

*James to negotiate w/ West Wise
Community Water? G.M.*

We have contacted your Financial Advisor, Mark McLiney, concerning the Bond Ratings for West Wise S.U.D. in comparison to the Bond Rating of Walnut Creek S.U.D. West Wise S.U.D. has an A- Rating and Walnut Creek S.U.D. has an A+ Rating, however with insurance the Bond Rating for Walnut Creek S.U.D. was increased to A-A.

Mr. McLiney said that a merger would lower the Bond Rating of Walnut Creek S.U.D. and would pose a problem to the current Bond Holders of the District's latest \$40,000,000.00 Bond Issue. Likewise, it would pose a financial problem for future Bond Issues.

West Wise S.U.D. should be notified concerning the Bond problems posed by such a merger. West Wise S.U.D. could use their current Bond funds to restructure their water lines and install new water lines to the Walnut Creek S.U.D. Water Treatment Plant should Walnut Creek S.U.D. agree to allowing West Wise S.U.D. to become a full Wholesale Customer. This was talked about several years ago when West Wise S.U.D. received bids for a new Surface Water Treatment Plant, however their Engineering firm missed the estimate cost by about 50%, therefore they did not have near the funds needed to build a new Water Treatment Plant.

I have discussed this issue with James Blackwood, however if this is a workable solution, then West Wise S.U.D. could relinquish their raw water right to Walnut Creek S.U.D. at no cost. I contacted Tarrant Regional Water District and spoke with their Water Resource Manager, and she said West Wise S.U.D. has approximately 886 acre feet, which would equate to about 791,000 gallons per day and their actual usage is much lower, about 300,000 gallons per day. We recommend Walnut Creek S.U.D. to contact West Wise S.U.D. and inform them of the District's decision.

Walnut Creek S.U.D. operates on a much higher water pressure than West Wise S.U.D., therefore supplying West Wise S.U.D. based upon them constructing new water lines from the Walnut Creek S.U.D. plant into their water system would be a workable task.

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Walnut Creek S.U.D. would gain approximately 491,000 GPM raw water capacity. Walnut Creek S.U.D. has experienced extremely fast customer growth, and this is why we prepared a growth projection table in our previous Preliminary Engineering Report addressing a future 28 MGD new Surface Water Treatment Plant.

In summation, West Wise S.U.D. is already a Wholesale Customer of Walnut Creek S.U.D. and if Walnut Creek S.U.D. agrees to furnish them treated water at a treated water cost and West Wise S.U.D. transfers their water right of approximately 886 acre feet, it should be a workable exchange for Walnut Creek S.U.D.

X. Private Developments

We have been in the process of reviewing several large residential subdivisions and large R.V. parks in the past month, so the 12% annual growth continues.

Sincerely,

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

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1/16/24 Board of Directors Meeting Exhibit B General Managers Report

- Bids openings for 3 ground storage tanks were opened on 12/21/23. These projects are the 2,000,000 gal Ground storage tank at the water plant. The 1,000,000 gal Ground storage tank at the FM 920 booster pump station and the 500,000 gal Ground storage tank going at the new booster station site to be built on FM 51 South of town. Only one bid was received for each tank. Each of these bids came from Tank Builders Inc.
- The 500,000 gal tank is being put out to rebid with some changes to the plans due to how much higher that the bid came in compared to engineers estimate.
- Bid openings for the 920 and the South FM 51 pump stations were opened on 1/11/24. Acadia and Gracon both bid on these projects with Acadia having the lower bids.
- On 1/9/24 a valve in the 16" line was replaced due to being seized open.
- The Partagas tank was drained on 12/29/23. Paint crews came in on January 3rd and started paint prep. Painting started on 1/8/24
- There have been 16 meters set and 34 meters changed out since the last board meeting.
- There have been 6 leaks fixed in the last month. One of those was caused by a line strike by a fencing company and is being billed accordingly.
- Engineering is still working on the preliminary plans for the elevated storage site on South FM51. As soon as the plans are finished I will meet with the property owner again about the purchase of the property and easements needed.
- SetFlow's accounts caught up in their bankruptcy have been acquired by Fenix USA. The price for cellular on these meters will be going up to \$1.10 per meter each month. This is a cost of around \$7000.00 per month. The District has contacted Zenner about providing the same service with no equipment change at less than half the cost. As of 1/12/24 we have not had a reply from Zenner. We will have to pay for the service with Fenix until things can be set up with Zenner. The service with Fenix can be canceled at any time with a 30 day notice with no penalties.