



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 December 18, 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 Al Garrett. The Pledge of Allegiance was led by Mike Gilley.

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 Eagle Mountain Lake 96” water connection and wondered why this connection hadn't been made.

Consent Agenda – Jim Cox moved to approve the Consent Agenda as presented. Seconded by Al Garrett. Motion carried 5-0.

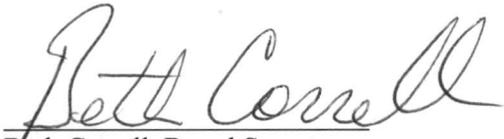
General Session:

- A. Consideration and/or action to approve the Revised Investment Policy. Al Garrett moved to the Revised Investment Policy. Seconded by Jim Cox. Carried 5-0.
- B. Consideration and/or action to approve the FY 2024 Budget. Beth Correll moved to approve the FY 2024 Budget. Seconded by Frank Henderson. Carried 5-0.
- C. Consideration and/or action to call for a General Election for two offices of Board Members to be held on Saturday, May 4, 2024. Jim Cox moved to call for the General Election to be held on Saturday, May 4, 2024. Seconded by Al Garrett. Carried 5-0.
- D. Consideration and/or action to approve contracts with Parker and Wise County for election services. Beth Correll moved to approve both contracts for election services. Seconded by Jim Cox. Carried 5-0.
- E. Consideration and/or action to update the Regular Meeting dates for FY 2024. Mike Gilley moved to change the following meetings due to conflicts with district holidays. The January 2024 meeting will be held on Tuesday, January 16, 2024. The February meeting will be held on Tuesday, February 20, 2024. All other meetings will remain on the third Monday of each month. Seconded by Al Garrett. Carried 5-0.
- 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 – James Stevens reported that Sensus meters were at 25%. Diehl meters by Zone were (2) 95%, (3) 97%, and (4) 96%.

Mike Gilley adjourned the meeting at 4:55 P.M.

A handwritten signature in cursive script that reads "Beth Correll". The signature is written in black ink and is positioned above a horizontal line.

Beth Correll, Board Secretary

Exhibit A

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

Civil & Environmental Engineers · Planners · Construction Managers
Texas Registered Engineering Firm No. F-12080

December 15, 2023

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 18, 2023

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".

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

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 is scheduled to return and to complete tank painting in December through January 2024. The District is only awaiting fire flow at the Azle I.S.D. elementary school. *12/20 fire flow test.*

- 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.

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 detention time, we have placed partition baffles in the proposed 2,000,000 Gallon Ground Storage Tank at the Water Treatment Plant Site. We have revised these plans and rescheduled the Bid Opening for said 2,000,000 Gallon Ground Storage Tank

together with the Bid Opening of both the 1,000,000 Gallon Ground Storage Tank and the 500,000 Gallon Ground Storage Tank to December 21, 2023. Prospective tank bidders have requested additional time to prepare their bids. It is for this reason that we issued Addendum No. 1 for a Bid Opening on December 21, 2023.

- 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

Bid Opening December 21, 2023. Bids must be received in the District offices no later than 11:00 A.M. Thursday morning 12-21-23. The Bid Openings will be as follows:

1. 2,000,000 Gallon Ground Storage Tank
@ Existing Lake Bridgeport Water Treatment Plant Site
Project # 537-059-A
Bids To Be Opened 12/21/23 @ 1:00 P.M.
2. 1,000,000 Gallon Ground Storage Tank
@ F.M. 920 Booster Pump Station Site
Project # 537-060-A
Bids To Be 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 To Be Opened 12/21/23 @ 2:00 P.M.
4. Water System Improvements
F.M. 920 Booster Pump Station
Project # 537-060
Bids To Be Opened 01/11/24 @ 1:00 P.M.
5. Water System Improvements
F.M. 51 Booster Pump Station
Project # 537-063
Bids To Be 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.

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

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 if the Board of Directors agree with 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.

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 processed the review of 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

Walnut Creek SUD

General Managers Report

12/18/23 Board of Directors Meeting
Exhibit B

- The 16" line has now been completed and in use for 1 week.
- We are scheduling new fire flow testing for the school after this testing, the Partagas tank will be taken off line long enough to finish painting and then be put back into use.
- As of Monday 12/11/23 the district has stepped back to stage 2 from stage 3 of the Drought Contingency Plan. This allows watering once weekly.
- The due date and time for the bids for the ground storage tank has been extended until 12/21/23 due to concerns expressed by contractors bidding on the job; that they would not be able to have bids ready on time. This has the board awarding the bid at the January meeting.
- The district will be advertising for bids on the upgrades to the 920 pump station and the new booster station to be built on South FM 51. These bid listings will be advertised in the Tri-County Reporter and in the Star Telegram on December the 28th 2023 and January the 4th 2024. These bids will be due on January 11th for opening. Bids will be awarded at the January board meeting along with the previous bid awards.
- There have been 23 meter sets and 37 meter change outs since the last board meeting.
- 11 leaks have been repaired since the last meeting.