

To: Aqua WSC Board of Directors

From: Dave McMurry

Subject: General Manager's Report

March 31, 2020

FINANCIAL OVERVIEW

	February			YTD		
	Budget	Actual	Diff.	Budget	Actual	Diff.
Total Rev.*	1,162,046	1,297,933	135,887	2,407,406	2,510,005	102,599
Total Expenses	1,050,692	1,173,452	(122,760)	2,157,881	2,027,677	130,204
Net Revenue	11,355	124,482	113,127	249,526	482,328	232,802

* Total Revenue includes Other Income not reflected in Water or Wastewater revenue.
 Note: All Black figures in the Difference column are favorable. Red figures are unfavorable.

- Using the **2020 Seasonally Adjusted Monthly Budget** (five years of data):
 - Total Revenues in February are **\$135,887** above budget. Year-to-date, Total Revenues are **\$102,599** above budget.
 - Total Expenses in February are **\$122,760** above budget. Year-to-date, Total Expenses are **\$130,204** below budget.
 - Net Revenue in February is **\$113,127** above budget and YTD is **\$232,802** above budget.
- Using the **2020 "Straight-Line" Monthly Budget**:
 - Total Revenues in February are **\$145,500** below budget. Year-to-date, Total Revenues are **\$376,861** below budget.
 - Total Expenses in February are **\$10,784** below budget. Year-to-date, Total Expenses are **\$340,795** below budget.
 - Net Revenue in February is **\$134,716** below budget and YTD is **\$36,066** below budget.
- DCOH at the end of February is 264 days.

MANAGEMENT OVERVIEW

- Attended TWCA Annual Conference.
- Met with Tony Graf of Manville WSC to discuss CCN issue.
- Along with David Fleming, met with City of Elgin officials to discuss CCN issues and an agreement similar to that with the City of Bastrop.
- Continued working with Ty Embrey and Corix Utilities on teaming/alliance agreement.
- Continued working with Ty Embrey and Paul Pittman of Polonia WSC to finalize consolidation agreement and path forward.
- Conducted several meetings with Dennis Durfey of Waters of Vista Ranch concerning water services agreement and path forward with consolidation.
- Participated in conference call board meeting with Association of Regional Water Organizations.
- Lost Pines Groundwater Conservation District (LPGCD) – from David Fleming's report:
 Monthly Board Meeting of 3/18/2020:
 - Board Meeting cancelled due to COVID-19.

<i>2019 & 2020 Aquifer Levels (Source: LPGCD)</i>				
<i>Month</i>	<i>Change From Previous Month (ft.)</i>	<i>% Change From Previous Month</i>	<i>Change From Previous Year (ft.)</i>	<i>% Change From Previous Year</i>
<i>January</i>	0.2	Negligible	0.3	Negligible
<i>February</i>	*	*	*	*
<i>March</i>	*	*	*	*

* No Data

PRODUCTION (Steve Dunn)

1. Met with Waters of Vista Ranch and began operating the drinking water production facility including rebuilding chlorination system.
2. Completed the EPA required Needs Survey and submitted to the TRWA which is compiling the data for the TCEQ.
3. Completed the AWWA course titled "Facilitating Compliance with America's Water Infrastructure Act of 2018".
4. Began the Pilot study in conjunction with Ovivo at the Stony Point WWTP.
5. Continued wastewater discharge permit renewal process for the Delhi WTP, McMahan WTP and Double Eagle WWTP.
6. The average number of days of Chlorine on hand for the month of March was 48.

Maintenance (Steve Faske)

1. 2nd Quarter Preventive Maintenance tasks are 15% complete.
2. Completed exercising valves and fire hydrants in Zone 2.
3. Right of Way project:
 - Completed shredding Cross-Country Line 21 (CCL 21) from the TU Pump Station to the X Pump Station.
 - Began shredding CCL 24 from FM-535 and Highway 21 west to the St. Mary's EST.
4. Completed site landscape maintenance at 55 Aqua facilities.

Conservation (Chuck Kellogg)

1. Began preparing the 2019 TWDB Annual Water Conservation report.
2. Customer Service Inspection work orders status:
 - Currently there are 124 open work orders.
 - Completed 58 CSI inspections.
3. Backflow prevention program status:
 - Issued 25 notifications for annual testing.
 - Issued 2 past due notifications for annual testing.

Lab (John Grohman, Josie Longoria, Linda Nietsche, & Mo Olivieri)

1. Prepared and submitted an accreditation amendment request to the TCEQ for wastewater turbidity testing.
2. Still waiting for TCEQ report for laboratory audit.
3. As required by state and federal regulations, delivered 2019 compliance water sample results to Public Water Systems currently using Aqua water.
4. Analyzed 394 water and wastewater samples using chemistry and biological test methods.

DISTRIBUTION and FIELD OPERATIONS (Frank Pacheco)

1. Started locating waterlines on State Highway 71 West at Tucker Hill Lane and Pope Bend Road.
2. Relocated waterline and valve for customer driveway on FM 2104.
3. Replaced 6" tee to repair leak on Tucker Hill Lane.
4. Completed repairs on flush valve set off of 16" CSC waterline near creek south of Cedar Creek at State Highway 21 West.
5. Completed construction on county road bore at Smith Road for Dola Price and Jeff Raffaele.
6. Replaced PRV and vault on 6" waterline near Kovar.

7. Repaired wash out under fencing at ER Well on State Highway 95.
8. Open Cut Herschel Lane at two locations to install new meter set and relocate a 2nd meter set.

Leaks (Joey Adams)

1. Repaired 80 water leaks this month.

Fleet Operations (Mike Kirby, Cheri Hilbig, and Donovan Moffett)

1. Vehicle Operations

	October	November	December	January	February
Fuel Expense	\$23,149.49	\$18,745.03	\$19,490.71	\$21,118.51	\$18,941.51
Maintenance Cost	\$7913.26	\$14,254.97	\$9123.10	\$6020.72	\$2997.20
Fleet Miles	71,990	64,521	55,398	71,689	65,812
Fuel Cost Per Mile	\$0.322	\$0.291	\$0.352	\$0.295	\$0.288
Maintenance Cost Per Mile	\$0.11	\$0.22	\$0.16	\$0.08	\$0.05

2. Inventory level is \$448,260.

ENGINEERING (David Fleming)

1. Attended a meeting with City of Elgin officials regarding the sale of Aqua’s CCN to Elgin within Elgin’s wastewater CCN.
2. The revised City of Elgin Wholesale Agreement is complete and has been approved by both governing entities. Awaiting execution and distribution.
3. It appears that another phase of the Stony Point Wastewater Collection System will be under contract by fall. 28 houses are to be connected.
4. Working with Harvest Ridge (aka: Altessa) Subdivision in developing their “transparent MUD.” agreement.
5. Average Water Produced in March – 7.2 MGD.

SCADA (Geno Abshier)

1. ER Jockey Pumps – Pumps #3 and #4 installed and are being tested.
2. Tank Grounding Project – Continuing with tank grounding and 3-phase protection.

Construction (Rory Marrs)

1. Twin Creeks Estates – Under Construction
2. Majestic Hills Subdivision – Under Construction
3. 2019 Tank Painting – Rocky Hill EST and McDade GST – Complete
4. Eldorado Estates – Under Construction
5. Los Senderos Subdivision – Under Construction
6. Lanzola Subdivision – Under Construction
7. ER Jockey Pumps – Substantially Complete
8. Carter’s Grove Subdivision – Under Construction
9. Pope Bend Road II & III Approach Main - Complete
10. Pope Bend Road Phase II – Complete
11. The Homestead Subdivision – Under Construction
12. X Pump Station Bypass – Substantially Complete
13. Arroyo Vista Subdivision – Under Construction
14. Arnhamn Lane Subdivision – Under Construction
15. Los Milagros Subdivision – Under Construction
16. Los Milagros Approach Main – Under Construction
17. 2020 Tank Painting – Watts & Highview ESTs – Under Construction
18. 2020 “S” Pump Station Improvements – Under Construction
19. 2020 TxDOT SH 304 Relocations Phase I – Substantially Construction
20. 2020 TxDOT SH 304 Relocations Phase II – Under Construction

21. Old Lexington Road – Under Construction
22. Old Lexington Acres – Under Construction
23. Summer Moon Subdivision – Under Construction

GIS & IT (Jason Kennedy)

1. Completed the addition of Polonia's water lines to Aqua's digital maps.
2. Updated all GIS software clients to use the latest version of ESRI products. Originally encountered some issues in this migration, but ESRI was able to assist in tracking down which assets were not in compliance with the new standards.
3. Met with GCS to review Aqua's security assessment. Based on that analysis, creating a list of projects to address and developing a timeline to complete each project.
4. Setup a new Terminal Server for remote access to data located on Aqua's network.

Development Services & Right-of-Way (Patricia Hernandez)

1. TxDOT SH 95 Safety Improvements – Water line located and sent to engineers for relocation design.

Title Examiner, New Meter Sets, & Negotiations (Brenda Kohlert, Angie Nunez, & Zach Merino)

1. Blisard Road Line Replacement Project (4 tracts) – Bastrop County research is pending.
2. Behrend Well Water Line Improvements Phase 1 (3 tracts) – Bastrop County research on hold – awaiting alignment.
3. Los Milagros subdivision Approach Main (6 tracts) – Bastrop County research in progress.
4. Received 87 new meter set applicant files for research on easements, compliance for service, cost estimates for extension, etc.
5. Worked on 216 meter-set/extension files – Last Deed forward (LDF) title research, prepared documents (Easements, Easement Amendments, Release PA, Subordinations), sent for estimate, permits, etc. Completed and closed 25 meter-set/extension files.
6. Sent 54 new meter-set/extension files to Distribution Manager for cost estimates. Distribution Manager completed cost estimates and returned 42 files.
7. Reviewed 42 files with Distribution Manager for capacity, construction route, tie-on tracts, etc.
8. Created eight (8) construction work orders for line extensions.
9. Old Lexington Road Subdivision – Mailed off the contact letters and easements to the landowners applying for service.
10. St. Mary's Subdivision – Received the project files, prepared and mailed off contact letters and easements.
11. Polonia Wholesale Approach Main – In negotiations with the Tie-on tract owner, waiting for the reviewed easement back from the landowner.

FINANCE (Christie Nutt)

1. Completed most tasks associated with close of year-end. Final scanning and shredding of documents completed in March 2020
2. Opened additional CDARS accounts as of March 5, 2020.
3. Began review of the IRS Form 990 prepared by auditors. Sent edits back to auditor for final draft.
4. Compared to February 2019, Aqua billed 834 more meters in February 2020.

ADMINISTRATIVE SERVICES (Lisa Wachsmann)

Administration (Lisa Wachsmann)

1. Created 236 work orders to check/change non-reading meter registers.
2. Issued five (5) work orders for change-out of meters with over two million gallons.
3. Performed seven (7) Data Log Work Orders from (Feb 27 – Mar 26).
4. Changed out 65 meters and made 69 register changes this month. For 2020, made a total of 369-meter changes not including register changes.
5. Collected GPS data on 394 meters this month for a total of 1,356 meters year to date.

Security (Richard Reyes)

1. 1st floor renovation project – Completed security installs except for wireless transmitter installation. Waiting for office desk to be selected.
2. Network Video Recorder proposals from Dell to replace PowerEdge server due to CPU and RAM deficiency in supporting 18 IP cameras. Working on a solution to add an additional NVR.
3. 22 radios and 9 batteries were taken to Bastrop County Wireless Communications for tuning and inspection. 20 radios were tuned, and seven batteries were found to be functional.
4. Per Steve Dunn, mobile phones are adequate to meet current public safety communication needs. Deployment of XTS 1500 radios to occur, if needed. Purchase of new APX 4000 radios on hold.

Safety (Debra McCullough)

1. Monitoring COVID-19 updates and sending out notices.
2. Training:
 - Completed makeup class for First Aid/CPR/AED & BBP safety training.
 - Completed – Protecting yourself from Infectious Disease in the Workplace.
 - Completed –Human Resources & Safety Responsibilities for COVID-19 /outbreak.
 - In Progress – SCADA Department online Training for Arch Flash Hazard training & recertification.

CUSTOMER SERVICE (Jennifer Petty)

1. Sent 123 high usage IVR alert calls to customers.
2. Opened 920 work orders and closed 582.
3. Opened 322 disconnects for non-payment (Cycle 1 only). Locked 68 in Cycle 1 (Zones 1, 4, 5, & 8). Cycle 4 (Zones 2, 3, 6, & 7) not yet complete.
4. Meters:
 - Meter Sets – 55
 - Temporary Emergency Meter sets – 0
5. Complaints/Kudos:
 - Opened complaints - 0
 - Closed complaints - 0
 - Kudos – 1

HUMAN RESOURCES (Cynthia Braendle)

1. As of March 31, 2020
 - 75 full time employees
 - No part time employees
2. Openings – Assistant Equipment Operator
3. Completing review of final draft of new Employee Handbook before printing.
4. Health Benefit Renewals – Open enrollment started 3/24/2020 – 4/7/2020. Premiums remained same to the employees with AWSC absorbing increases. Employees told to expect an increase in 2021. Very few changes other than increase to HDHP and elimination of the \$1500 plan.
5. Employee Recognition:

Mitchell Tiner – Mitchell pulled over when he saw a horse very close to the highway. It had gotten out and was eating grass along the roadside, actually going back and forth crossing the road. He found a phone number for the owner by using the iRemote work order. The owner was about 20-30 minutes away. There were 18 wheelers and regular vehicles traveling by on the road creating a hazard. Mitchell was able to get his belt around the horse's neck and walk it back to property, even over a cattle guard. He called the owner back to let him know he had taken care of it.

GOVERNMENT RELATIONS (Joe Morris)

1. Activity at the Capitol ceased soon after our last board meeting. Legislators and staff are observing the Covid-19 precautions and working from home. In addition, all committee meetings have been cancelled until the health threat passes. I have spoken to Representative Cyrier's staff about a

constituent issue involving Aqua bill payment during the Covid-19 episode and we are working to get that resolved.

2. Because of the financial implications to the State over Covid-19, there is some chatter that a special session may be required to rebalance the State's books. The costs to the state during this time are mighty, and the price of crude oil has tumbled to near \$20 per barrel, wreaking havoc on the state budget. In fact, I was told legislative leaders directed the Texas Department of Transportation to cease activity on some of their larger projects to save money.
3. Covid-19 has and will continue to have an effect on elections and campaigning. With the current lock down in place, candidates can't campaign or raise money. The governor has delayed the primary runoff election to July 14, but all candidates are struggling to keep their name and message alive in the absence of meet and greet opportunities.

PERFORMANCE METRICS for 2020

1. **Budget** – Total Expenses year-to-date are 5.60% under budget (based on a five-year historical average). Goal is at least 8% under budget.
2. **Debt Service Coverage Ratio** – DSC for twelve-month roll ending in February 2020 is 2.19, not including tap fees. Debt Service Ratio year-to-date is 1.26. Goal is DSC of at least 1.30.
3. **Work Orders** – Processed 662 work orders to this point in 2020. None of the work orders exceeded 30 days to complete. Goal is less than 1%.
4. **Annual Inventory Turnover** – Inventory turnover YTD is 4.3. Goal is 3.0.

