

Midland County Utility District
Regular Meeting Minutes
February 27, 2024

The Board of Directors of the Midland County Utility District met in a regular meeting on February 27, 2024 at 5310 E. County Road 60, Midland, Texas 79705. The meeting was held pursuant to notice given to the public in accordance with the laws of the state of Texas. The meeting was open to the public.

Item 1. Call to Order. Dr. Viney called the meeting to order and made the following statements. It is 5:36 p.m. on February 27, 2024, and I am calling to order the regular meeting of the Midland County Utility District.

Board members present were:

Dr. Shelton Viney
Alan Lang
Israel Rodriguez

Board members not present in the meeting:

Jackie Schneider
Joe Patten

Also present at the meeting in person or via Zoom were:

John Carlton	Counsel for Midland County Utility District
Bill Bain	Bookkeeper
Kevin Krueger	Parkhill Smith & Cooper
Ryan Kennerly	Parkhill Smith & Cooper
Tom Kerr	Parkhill Smith & Cooper
Shane Danley	Parkhill Smith & Cooper
Daniel Albus	Parkhill Smith & Cooper
Kyle Krueger	Parkhill Smith & Cooper

Item 2. Establish a Quorum. Dr. Viney announced that a quorum was present.

Item 3. Review Public Comments. There was a public comment regarding District water concerns. Resident Shirley Campell voiced her concerns regarding where the water for the District was coming from since it was previously going to be routed from another well that has gone dry. She voiced her concerns with Parkhill about the use of the aquifer. Kevin Krueger stated Parkhill was analyzing pumping data, evaluating, and testing the wells.

Item 4. Discuss and consider approval of minutes from the regular meeting on January 18, 2024. Mr. Lang made a motion to approve the minutes of the January 18, 2024, regular meeting as presented. The motion was seconded by Mr. Rodriguez, and the motion passed 3-0.

Item 5. Receive financial report from District’s Bookkeeper and consider: (a) approval of payment of bills and invoices; and (b) approval of financial report. Mr. Bain presented the investment report, financial report, and expenditures. The Board reviewed the income and expenses with Mr. Bain.

- (a) **Approval of payment of bills and invoices:** Mr. Rodriguez moved to approve payment of the bills and invoices. Mr. Lang seconded the motion, and the motion passed 3-0.
- (b) **Approval of financial report:** Mr. Bain reported payment received from Park Water and Parkhill confirmed balance was paid in full. Mr. Rodriguez moved to approve the financial report as presented. Mr. Lang seconded the motion, and the motion passed 3-0.

Item 6. Receive report from the District’s General Manager and consider taking action regarding proposed plan to finance District improvements and plan for implementation as well as financial matters, utility planning and service issues, water supply evaluation and management. Tom Kerr presented a report regarding Parkhill’s activities and budget forecast. No action.

Item 7. Receive presentation regarding General Manager services and consider related action, including: Mr. Kerr reported on receiving SGR proposals.

- (a) **Posting position for General Manager services;** Mr. Kerr discussed recruiting a District General Manager for Midland County Utility District.
- (b) **Engaging Strategic Government Resources (“SGR”) for a Governance Workshop;** Mr. Kerr proposed SGR conducting a workshop with District to educate the District, learn the District needs, and discuss other options. Mr. Lang moved to approve a contract with SGR for a Governance Workshop not to exceed \$9,000. Mr. Rodriguez seconded the motion, and the motion passed 3-0.
- (c) **Engaging SGR Executive Recruitment Services; and/or;** Mr. Kerr proposed SGR preparing the job description, handling recruitment, and for the item to be included in the proposed workshop. No action.
- (d) **Engaging SGR for Interim General Management Services.** Mr. Kerr suggested SGR provide an interim manager. No action.

Item 8. Discuss and consider engineering services report from Parkhill, including; Kevin Krueger presented the engineering report.

- (a) **Financial overview, job-to-date, for task orders (including progress report and updated schedule with anticipated expenditures);** Mr. Krueger reported the status of the Task Orders.

(b) **Consider approval of Amendment to Task Order #2 Amendment (RO Groundwater Treatment design and engineering service); and** Daniel Albus presented information on the wastewater plant design. Dr. Viney requested approval of \$1,883,250 in Task Order #2 amendment. Mr. Rodriguez moved to approve Task Order #2 amendment as stated by Dr. Viney. Mr. Lang seconded the motion, and the motion passed 3-0.

(c) **Consider approval of CMAR (Wellfield and Treatment) proposal by Garney Construction, Inc.** Ryan Kennerly presented the Construction Manager At-Risk (“CMAR”) proposal and selection committee recommendations of Garney Construction. Mr. Rodriguez moved to select Garney Construction as CMAR and authorize negotiations. Mr. Lang seconded the motion, and the motion passed 3-0.

Item 9. Receive update on Interlocal Agreement with the City of Midland to dispose of reverse osmosis reject water and discuss cost comparison of disposal; Mr. Kerr presented the draft of the interlocal agreement with the City of Midland. No action.

Item 10. Discuss and consider action regarding strategic plan for providing water service within the District, including financing, design, construction, and rate issues. Item was addressed in Item 6 by Mr. Kerr. No action.

Item 11. Discuss and consider approval for execution of the Interlocal Agreement with the County of Midland for project funding and consider taking related actions, including; Mr. Krueger discussed the Interlocal Agreement for funding with Midland County. Mr. Rodriguez moved to approve the Interlocal Agreement as presented. Mr. Lang seconded the motion, and the motion passed 3-0.

(a) **Discuss transfer procedure for County funds;** The Board discussed creating a District inventory procedure for receipt of \$7.75 million from the County.

(b) **Discuss available dates and times for a press release of the signing of the Interlocal Agreement; and** Mr. Krueger discussed coordinating a press release with the County and the District. No action.

(c) **Discuss Midland County Master Plan on treatment plant property.** Mr. Krueger discussed the plant site plan and potential expansion. No action.

Item 12. Receive Park Water development updates. No action.

Item 13. Receive report from District’s attorney and consider taking action regarding contracts, legislative issues, regulatory issues and matters relating to future elections. Mr. Carlton discussed the need to begin planning for the bond election and to engage a Financial Advisor.

Item 14. Supplemental agenda for election items discussing and considering the approval of Order Declaring Election of Unopposed Candidates and Canceling May 4, 2024 Director Election. Mr. Carlton discussed the Order Canceling the Director’s Election. Mr. Lang moved to adopt the Order Canceling Director Election. Dr. Viney seconded the motion, and the motion passed 3-0.

Item 15. Discuss time and date for next meeting. Next regular meeting will be held on March 21, 2024 at 5:30 p.m. at 5310 E. County Road 60, Midland, Texas 79705.

Item 16. Adjourned. Mr. Rodriguez moved to adjourn the meeting. Mr. Lang seconded the motion, and motion passed 3-0. The meeting was adjourned at 8:03 p.m.

Respectfully submitted,

Joe Patten
Secretary