

Kingsland Municipal Utility District
P. O. Box 748
Kingsland, Texas 78639

August 26, 2019

Regular Meeting

The Board of Directors of said District convened at the office of Kingsland Municipal Utility District, Kingsland, Texas, at 9:00 a.m. on the 26th day of August, 2019, pursuant to notice duly given in accordance with Section 49.063 of the Texas Water Code and the Open Meetings Act, Chapter 551, Texas Government Code. The following Board members were present: President Mary Ann Hefner; Vice President Larry Denney; Secretary-Treasurer Frank Willingham; Director Lorean Sindelar; and Director Ken Martin. Attending from the staff were Anita LaBier, General Manager; Tom Stewart, Operation and Maintenance Supervisor; and Yadira Arreguin, Administrative Assistant. Also in attendance was Tony Corbett, District's Legal Counsel.

Item No. 1 Mary Ann Hefner called the meeting to order at 9:00 a.m. August 26, 2019, with all five Board members in attendance, thereby constituting a quorum. Pledges of Allegiance to the U. S. Flag and Texas Flag were recited.

Item No. 2 There was no one requesting public input.

Item No. 3 Upon motion by Lorean, seconded by Frank, minutes for meetings of the Board of July 22, 2019, July 29, 2019, and August 8, 2019, were unanimously approved.

Item No. 4 Annexation Matter:

4 (a) Conduct a public hearing on the following petition requesting addition of land to the District:

- i. Petition by Nancy Price, Lot No. Two Hundred Twenty One (221) Royal Oaks Estates, Unit No. One (1), a subdivision located in Llano County, Texas, according to the plat recorded, in Volume 1, Page 10, Plat Records of Llano County, Texas.

Mary Ann opened the public hearing on the petition. There was no one for or in opposition to the petitions.

Larry expressed concern that numerous annexations have been scattered around the area and not always contiguous to KMUD boundaries. Anita responded that we already have lines in the area and this has not been a problem.

The public hearings were then closed.

4 (b) Consideration was then given to adoption of an order adding land to the District pursuant to the petition referenced in No. 4(a) above.

Following a brief discussion, Frank moved that the order be adopted finding that the addition of the land described in the petition described in 4(a) is feasible, practicable, and to the advantage of the District and that the District's system and other improvements will be sufficient to supply the added land without injuring land already in the District. The motion was seconded by Lorean, which carried unanimously.

- Item No. 5 Next considered was approving an amendment to the District Information Form, including approval of the District's Revised Boundary Map and Boundary Description to include the land annexed pursuant to 4 (a) and (b) above.

Frank moved that the amendment be approved as presented. The motion was seconded by Lorean, which carried unanimously.

- Item No. 6 Consideration was then given to the status report by Jones-Heroy & Associates, Inc., on pending engineering and construction projects.

Jason Jones had previously filed his written report, which included the status of the easement issues and construction in the Legendary Estates on Lake LBJ and issues with WW Improvement Project Phase II.

No formal action was required on the status report of the Board.

- Item No. 7 Consideration was then given to a request from a customer to be reimbursed for electrical expenses.

KMUD had responded to numerous service calls to the rental property owned by Jon Samuelson, Kingsland, Texas. Mr. Samuelson decided to have an electrician check the system. The repairs were made by an electrician and the customer now requested KMUD to reimburse him for the expenses in the amount of \$129.00.

The staff recommended denial of the reimbursement.

Frank then moved that the request by Jon Samuelson for reimbursement of the electrician's service call be denied. The motion was seconded by Ken, which carried unanimously.

- Item No. 8 The Board then considered approving an engagement of an independent auditor to conduct an audit for the District's Fiscal Year ending September 30, 209.

Upon questioning by the Board, Tony Corbett advised that perhaps next year the engagement letter could indicate a perpetual agreement with a specific time frame within which either party could cancel.

Lorean then moved that the engagement of an independent auditor be awarded to West, Davis & Company. The motion was seconded by Larry, which carried unanimously.

- Item No. 9 The Board then considered the approval of the District's tax roll for the 2019 Tax Year for Llano County, Texas.

Frank moved to approve the District's Tax Roll for the 2019 tax year for Llano County, Texas, with the net taxable value to be \$703,611,593. The motion was seconded by Ken, which carried unanimously.

- Item No. 10 The Board then considered the approval of the District's tax roll for the 2019 Tax Year for Burnet County, Texas.

Frank then moved to approve the District's Tax Roll for the 2019 tax year for Burnet County, Texas, with the net taxable value to be \$304,626,009. The motion was seconded by Larry, which carried unanimously.

- Item No. 11 Next considered was the approval of the annual budget of Burnet Central Appraisal District for tax assessment and collection services.

Following the discussion, Larry moved to approve the Burnet Central Appraisal District's budget indicating the cost to KMUD to be \$11,283.12 for Tax Year 2019 for tax assessment and collection services. The motion was seconded by Frank, which carried unanimously.

- Item No. 12 The Board then continued with its discussion regarding the District's budget for its fiscal year beginning October 1, 2019.

Anita advised that an additional capital item had been added to replace the backhoe.

Inasmuch as this item was for discussion only, no formal action was required of the Board.

- Item No. 13 Consideration was then given to a resolution adopting a proposed District tax rate for Tax Year 2019, setting a public hearing on the proposed tax rate and providing notice of the hearing.

Frank moved that the resolution be approved adopting a proposed District tax rate of \$0.219, that the public hearing be set for September 16, 2019, at 9:00 a.m., and that the notice of the public hearing be published as required by law. The motion was seconded by Larry, which carried unanimously.

Item No. 14 Next the Board considered matters relating to the construction of improvements to, lease, and operations of the Kingsland Convention and Community Center to include the following:

- i. Authorize the roof replacement;
- ii. Renovation of the interior of the Community Center, or
- iii. Replace existing structure with a new structure.

First discussion was the roof replacement. Tom, Operations and Maintenance Supervisor, advised he had found a process where the replacement could be placed on top of the existing roof at a much lower cost.

The second item was the renovation of the interior; however, the Extension Committee had no information to discuss concerning the renovation of the existing interior.

It was the Extension Committee's opinion that the only option was to demolish the existing structure and replace with a new structure.

Lorean, the Extension Committee's Chair, advised that in exploring various options for building a new structure, the Committee was given information on the Design/Builder which involves contracting with a single entity to provide both design and construction services. Copies of the information on this type of construction was available to the Board.

Larry asked if KMUD really knows what Kingsland needs? Have we discussed what would be supported by the community of Kingsland?

Mary Ann concurred with Larry's comments about getting input from the community; however, the Committee did not feel any public forum or similar setting would be of any benefit to the project.

Lorean advised that a 6000 square foot building would cost no more than \$1.2 million and that would include electrical, plumbing, data lines, appliances, etc. In other words, would be a complete structure.

Lorean then moved that the existing structure be demolished and replaced with new structure. The motion was seconded by Frank, which carried by a vote of three "ayes" and Larry and Mary Ann voting "no."

Ken asked Tony Corbett, legal counsel, if he knew if an entity would ever get a return of its investment? Response by Tony, probably not.

Tony also reminded the Board that should it decide to go with the single design/builder program, the Board would still need to hire an independent architect or engineer to protect KMUD. Tony also commented that while feedback from the community is not required, it is always a good option.

Tony was asked to prepare a summary of the single design/building program, with applicable requirements and statutes.

- Item No. 15 The Board summarized the events of the sewer line breach incident and regulatory compliance.

Anita advised that the replacement had been completed and Texas Commission on Environment Quality and LCRA have been advised.

Tom advised that a RV pad at the Llanorado Lodge was removed because it was situated on KMUD's easement. The owner has been advised to not to replace it and that KMUD also did not intend to replace it.

Tony questioned whether this was a dedicated KMUD easement? Staff is to locate the easement in KMUD's file for Tony's review.

- Item No. 16 Then considered was the renewal of the following Certificates of Deposit.

Frank moved that the Certificates of Deposit with Prosperity Bank and Security State Bank be renewed. The motion was seconded by Lorean, which carried unanimously.

- Item No. 17 The Board then considered payment of non-recurring bills.

Invoices for payment had been received from (1) James Miertschin and Associates in the amount of \$1,427.50 for engineering services; (2) Jones-Heroy and Associates in the amount of \$3,324.58 for engineering services; and (3) McLean & Howard in the amount of \$1,350.00 for legal services.

Frank then moved that invoices from James Miertschin and Associates in the amount of \$1,427.50; Jones-Heroy and Associates in the amount of \$3,324.58 and McLean & Howard in the amount of \$1,350.00 be approved for payment. The motion was seconded by Larry, which carried unanimously.

Item No. 18 The Board then considered payment of invoices exceeding \$10,000.00.

Smith Pump Inc. had submitted invoices totaling \$37,236.50 for

Invoice #SI016360 dated July 18, 2019 in the amount of \$3,307.50
Invoice #SI016359 dated July 18, 2019 in the amount of \$16,241.00; and
Invoice #SI016401 dated July 31, 2019 in the amount of \$17,688.00.

U.S. Underwater Services, LLC had submitted invoices totaling \$44,625.00 for

Invoice #10969 dated August 12, 2019 in the amount of \$12,300.00; and
Invoice No. 10985 dated August 19, 2019 in the amount of \$32,325.00.

Larry moved that invoices by Smith Pump Inc. totaling \$37,236.50 and invoices by U. S. Underwater Services, LLC totaling \$44,625.00 be approved for payment. The motion was seconded by Frank, which carried unanimously.

Item No. 19 Next considered was approval of payment of the General Manager's expense reimbursement requests.

There were no requests.

Item No. 20 Consideration was then given to the Board of Directors' per diem fees and expense reimbursement requests for payment.

Following a brief discussion, Frank moved that the Board of Directors' per diem fees and expense reimbursement requests be approved for payment. The motion was seconded by Lorean, which carried unanimously.

Item No. 21 The Board then considered approval of requests from Board members and General Manager to attend educational seminars.

Frank moved that the Board of Directors and General Manager be authorized to attend the Association of Water Board Directors' Mid-Winter Conference in Dallas on January 17-19, 2020. The motion was seconded by Larry, which carried unanimously.

The Board members were reminded to please advise Anita if they were not planning to attend so she can get hotel accommodations.

Item No. 22 Consideration was then given to the delinquent accounts report.

Anita advised the staff is reviewing the delinquent accounts that have been carried for several years and plans to have recommendations for the September Board meeting.

Frank then moved that the reports as presented be accepted. The motion was seconded by Lorean, which carried unanimously.

Items No. 26
and No. 27

The Board then gave consideration to the Administration and Operation Report and the Budget Expenditures.

Frank moved that the Administration and Operation Report and Budget Expenditures be approved. The motion was seconded by Lorean, which carried unanimously.

Inasmuch as the last item involves personnel issues, Tony asked to be excused from further attendance. Request granted.

Item No. 28

The Board then gave consideration to a salary adjustment for the General Manager.

Larry moved that the Board go into executive session pursuant to the Texas Open Meetings Act, Tex. Gov't Code Ann. Ch. 551, subch. D, as amended, under Sec. 551.074 personnel matters. The motion was seconded by Frank, which carried unanimously.

Mary Ann announced that the Board would go into executive session pursuant to the Texas Open Meetings Act, Tex. Gov't Code Ann. Ch. 551, subch. D, as amended, under Sec. 551.074 personnel matters at 10:55 a.m.

The Board returned to open session at 11:17 a.m. with the full Board and Anita in attendance.


Larry moved that the Board not increase the salary level of the General Manager. The motion was seconded by Frank, which carried unanimously.

Item No. 29


Larry moved to adjourn at 11:20 a.m. The motion was seconded by Frank, which carried unanimously.

A complete audio recording of this meeting is archived at KMUD Office, 100 Ingram Street, Kingsland, Texas, and will be maintained for at least 90 days following the date of approval of these minutes by the Board.

Approved:


Mary Ann Hefner, President

Attest:


Frank G. Willingham, Secretary-Treasurer

Agenda Item #24

GENERAL MANAGER'S REPORT August 26, 2019

Finance & Budget

Total Income was 20.72% over Budget, accounting for \$27,019 more than budgeted for July 2019. Total Expenses were 20.1% under Budget, accounting for \$46,630 less than budgeted expenditures for July 2019.

Interest Rates as of 7/31/2019

Prosperity Bank (Money Market Checking): 0.35%

Collateralization as of 7/31/2019 (Report Attached)

Prosperity Bank: \$5,731,846.63

BancorpSouth: \$1,000,000.00

BancorpSouth (Federal Reserve Bank): \$996,152.00

Five late fees were waived in the month of July due to posting errors.

A total of 1,360 people have signed up for ACH payments as of August 2019.

Personnel

The present staffing allocation is twelve full-time operational staff, three full-time administrative staff and one General Manager. Rebecca Jeffcoat was hired on August 12, 2019 for the Senior Bookkeeper position.

Paid time Off for General Manager: As of 08/08/19 I have 270.74 hours (33.84 days) of paid time off.

Plant Compliance

The plant permitted parameters were in compliance for July 2019.

<u>Test Removal</u>	<u>Influent</u>	<u>Effluent</u>	<u>Permitted</u>	<u>Percent</u>
BOD ₅	178 mg/L	1.60 mg/L	5.0 mg/L	99.1%
Phosphorous	6.39 mg/L	0.92 mg/L	2.0 mg/L	85.5%
TSS	148 mg/L	1.00 mg/L	5.0 mg/L	99.3%
Cl ₂	L-1.04 H-3.58	L-1.0 H-4.0		
pH	L-6.04 H-7.19	L-6.0 H-9.0		
E. coli	Daily Avg – 2.00 – Daily Max – 2.00		Permitted Daily Avg – 126 – Daily Max – 399	
Maximum Daily Flow		0.443 MG		
Average Flow		0.314 MGD 0.750 MGD		41.9% of permit
		0.750 MGD (75% = 562,500)		
		102.6% of last yr – (July 2018 – 0.306 MGD)		

Odor Complaints

No odor complaints were received since the last Board meeting.

Engineering Pending Projects

Legendary Estates subdivision is moving forward. There is one new house being built. See Jason's status report under Agenda item #6.

Plant and Field Operations

Plant Operations: Overall plant performance has been good. All effluent samples are within permitted parameters.

Truck #38, the recovered 2010 F-450, is currently at Johnson Sewell being repaired. There was damage to the driver's side, minor damage on passenger side and also includes where they spray-painted over KMUD's logo and TCEQ stickers. Truck #38 was picked up from Johnson Sewell on Thursday, August 22, 2019.

Septic Dumping Site: July 2019 flow totals for this facility were 141,406 gallons or 47.1% of capacity. Total Income was 87.1% over Budget, accounting for \$5,441 more than budgeted for July 2019. Total Expenses were 110.8% over Budget, accounting for \$3,603 more than budgeted expenses for July 2019. Revenue through the tenth month of this fiscal year has exceeded expenditures by \$86,474. (See attached Income Statements).

Field Operations: The staff responded to 369 service calls in July 2019 (26.0% were after hours calls). There were four new residential grinder services installed and three new service requests received during the month of July. The majority of field staff's workload for the month of July has been on lift station preventative maintenance, general plant preventative maintenance, service calls, gravity mainline maintenance, and general cleanup. Staff replaced 0 grinder tank extensions in the month of July for a total of 12 replaced for this fiscal year at an average cost of \$375- \$400 per unit (cost is higher when panel and pump are replaced also). Total extensions that have been replaced since the start of the extension program are 1,484.

Staff has uploaded flood documentation through the TDEM (Texas Department of Emergency Management) grants portal for the FEMA PA (public assistance program) that was approved in February. We are waiting for their response on further paperwork, questions, etc.. Staff has continued to work with FEMA on the process submitting information on the damages, costs, etc. for the lift stations, customer's units along with the cost of the removal of the tree limbs off our line next to the 1431 bridge.

There were no Liberty pumps rebuilt during the month of July.

Manhole Inspection / Rehab: A spreadsheet for the manhole inspections has been started (see attached Manhole Inspection Report).

Safety: There were no lost time accidents in the month of July. August's safety meeting will be held on August 28, 2019 and will cover Heat Related Illness Awareness. Directors who are scheduled to attend are Lorean Sindelar and Mary Ann Hefner.

Brush Recycling Center: Brush Recycling Revenue for the month of July was \$501.90.

Compost Facility: The Compost Facility started selling KMUD's compost (Diamond Dirt Compost) in January 2014. July totals were 18.5 yards for a total of \$462.50. Total Sales of KMUD compost is 1,699.00 yards for a total of \$38,929.25. 14 bags of compost were sold in July for a total of \$49.00. A total of 1,364 bags have been sold since February 1, 2016 for a total of \$4,839.00. No pallets of Compost were sold in July. A total of 9 pallets have been sold since February 1, 2016 for a total of \$1,350.00. See attached spreadsheet. Staff has included the Income Statement for Department 80: Compost Facility sales and expenditures for the current month and year-to-date.

Community Involvement: Staff participated in the Aquaboom parade by putting out cones, moving tables and chairs as needed and picking up trash cans. The next cleanup event is scheduled for October 12, 2019.

Future Plant Site: Nothing new to report at this time.

Kingsland Convention Community Center

See Agenda Item #14 concerning the matters relating to the operations of the Community Center.

Staff has included as part of the GM’s report the Income Statement for Department 90: Kingsland Convention & Community Center showing Expenses for the month and year-to-date.

Kingsland Little League

Staff has included the Income Statement for Department 70: Kingsland Little League to show the current month’s expenditures and year-to-date expenditures. The sign has been replaced at the Little League field.

Potential New Development Issues

Staff met with Martin Stary of KC Engineering on Friday, August 16, 2019 to discuss the possibility of a new subdivision in Burnet County, which would be located close to Lookout Mountain.

Report on Pending Developments

There is nothing new to report on pending developments at this time.

Capacity of Recent New Developments (at full build-out)

Capacity flow – 9.0% for Lighthouse Golf Course (formerly Packsaddle) – 285 connections (47 constructed)

Capacity flow – 3.0% for The Pointe (formerly Lookout Mountain West) – 78 connections (4 constructed)

Capacity flow – 7.0% for Clearwater Landing – 209 connections (29 constructed)

Capacity flow – 2.0% for Hill Country Cove (formerly Catherine Cove) - 54 connections (12 constructed)

Capacity flow – 2.0% for Legendary Estates on Lake LBJ – 56 connections (0 constructed)

A total of 23% or 165,200 gallons per dwelling of present capacity is being reserved by the above projects.
(Flow is based on engineer’s design of 280 gallons per dwelling.)



Anita LaBier
General Manager

Recently Completed Projects (FY 2018-2019)

- ✓ The majority of the field work for October 2018 has been spent on flood assessments, repairs and replacements for those units / customers that were under water due to the flooding that occurred on October 16, 2018.
- ✓ Kingsland Cove, Bluebonnet and Riverside Lift Stations all had new motors and panels replaced due to the flooding in October 2018.
- ✓ Thursday, November 15, 2018 U.S. Underwater Services came out and inspected the mainline next to Wakepoint and found two trees laying on top of the line. They finished the removal of the trees on Saturday, November 17, 2018.
- ✓ Continue to work on those customer's systems affected by the flooding.
- ✓ Staff ordered and received the new front loader. It was delivered on December 31, 2018.
- ✓ April 2019 – Completed the removal of the dirt from the Kingsland Community Park
- ✓ April 2019 – Concretex has started putting up the new fence at the main plant.
- ✓ May 15, 2019 – The fence at the main plant is almost complete.
- ✓ May 2019 – The fence replacement at Kingsland Cove has been completed and they are getting ready to start on the 2545 Lift Station.
- ✓ May 2019 – The fence replacement at 2545 Lift Station has been completed.
- ✓ Week of July 22,2019 they will start putting in the pumps, panel, etc. at the Legendary Estates on Lake LBJ lift station.
- ✓ Week of August 12, 2019 – August 16, 2019: Finished replacement of the underwater line located next to RR 1431 bridge due to the piece of concrete that was found on top of the line. Staff worked with LCRA and TCEQ during this time period.
- ✓ August 22, 2019 – Picked up Truck #38 from Johnson Sewell after it was repaired and repainted due to the theft in May 2019.