

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

January 27, 2020

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 27th day of January, 2020, 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 were Tony Corbett, District's Legal Counsel; and the following:

For Kingsland Volunteer Fire Department—Danny Stone, Joey Whittenburg.

For the Kingsland Lions Club—Jim Chapman, John McWilliams, Mike Jenkins, David Richison.

For MRB Group—Randy Stumberg.

For Grit Design Build LLC—Dakota Durden.

Bob West of the Audit Firm of West, Davis & Company.

John Hallowell of the Highland Lakes Weekly.

Brad Shaw—Citizen of Kingsland and Engineer.

- Item No. 1 Mary Ann Hefner called the meeting to order at 9:00 a.m. January 27, 2020, 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 the meetings of the Board of December 16, 2019, and January 9, 2020, were unanimously approved.
- Item No. 4 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 issue and construction in the Legendary Estates on Lake LBJ and issues with WW Improvement Project Phase II.

Tom advised that the punch list for the Wastewater Improvement Project Phase II had been completed. Also Legendary Estates on Lake LBJ engineer is in the process of completing the requested changes.

- Item No. 5 The Board then considered the Audit Report for the Fiscal Year ending September 20, 2019.

Appearing on behalf of West, Davis & Company was Bob West.

Mr. West summarized his firm's findings.

Mary Ann suggested that a correction be made to the date on page 16 to reflect September 30, 2019, and questioned if the figure \$1 billion was correct in the total valuation of property since the audit ending September 30, 2018 only indicated \$367,000. Mr. West advised he would review the total valuation before finalizing the audit for filing.

Frank then moved that the audit for the year ending September 30, 2019, be approved with the noted changes. The motion was seconded by Larry, which carried unanimously.

- Item No. 6 Consideration was then given to a request from the Kingsland Water Supply Corporation ("KWSC") to discharge water treatment sludge into Kingsland Municipal Utility District's wastewater system.

Tom, the District's Operation and Maintenance Supervisor, advised KWSC was in the process of gathering additional information.

It was agreed that Kingsland Water Supply Corporation would provide documentation for the request and the District would table the request until the February 24, 2020, regular Board meeting.

- Item No. 7 Next considered was a complaint filed by a customer of Kingsland Municipal Utility District relating to employee conduct, access to customer property, and easement matters.

Tony Corbett advised the Board that the parties had agreed to delete the 48-hour notice requirement in the easement before KMUD employees could enter their property. He also recommended changing the wording from credentials to identification.

Larry then moved that the draft easement as presented be approved. The motion was seconded by Lorean, which carried unanimously.

- Item No. 8 Then considered was a request from representatives of the Legends Golf Course to purchase effluent from the District for irrigation of golf course.

Anita advised the engineer for Legends Golf Course still had not responded to the request that the engineer contact KMUD's engineer about an estimated cost for a preliminary evaluation, nor had they responded to the District's letter concerning the \$5000.00 check they had previously submitted.

No formal action was taken at this time.

- Item No. 9 The Board considered possible action on a request from the Kingsland Lions Club to use the existing Community Center for the Club's Easter Breakfast on April 11, 2020.

Appearing for the Lions Club were John McWilliams, Jim Chapman, Mike Jenkins, and Dave Richison.

Mr. McWilliams advised that the Club had contacted several other venues for this event; however, have not been able to locate one. The First Baptist Church's gymnasium which was recently renovated had numerous stipulations to be able to withstand the traffic of people who usually attend this event. The only other option was to use the large meeting room at the Highlake Methodist Church at the intersection of RR 1431 and Highway 29; however, the Lions Club is concerned that people would not drive that distance.

It was agreed to continue this discussion following any Board action on Item No. 10.

- Item No. 10 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:

- a) Status report by the District's Extension Committee on design of the new Community Center structure.
- b) Status report from Grit Design Build, LLC, on the Community Center project to including repurposing the existing structure and constructing a new Community Center.

Appearing interested in Item No. 10 were the following:

Dakota Durden on behalf of Grit;
Randy Stumberg, architect on behalf of KMUD;
Danny Stone and Joey Whittenburg on behalf of Kingsland Volunteer Fire Department; and
Brad Shaw, concerned citizen

c) Approve contract with Grit Design Build, LLC, for professional design services relating to the new Community Center building project.

d) Designate the District's Revenue Committee to Review the District's funds for development of recommendations to the Board for financing the design and construction of the new Community Center structure.

10(d) Mary Ann announced that Ken would be the interim chair for the District's Revenue Committee with matters relating to the Community Center and that Mary Ann would be the other member since Larry had requested to be relieved of his position as Chair because of his opposition to demolishing of the old structure.

10(a) The Extension had no additional information at this time.

10(b) Mr. Durden advised that Grit had performed a preliminary review of building a new Community Center or repurposing the existing building for the Kingsland Volunteer Fire Department outlined his report dated January 25, 2020. This report offered two options: Option 1 would be to renovate/demolish the existing structure and Option 2 would be to repurpose the existing building and constructing a new structure.

Danny Stone advised that the KVFD would be able to do any landscaping and again reiterated that the Department had funds to perform any renovations necessary to utilize the existing Community Center. Joey Whittenburg commented that it would appear less expensive to build a structure than to try to renovating the old center. Mr. Stone also commented that the KVFD is currently in the floodplain and the building was flooded during the 2018 flood in Kingsland.

Brad Shaw advised that he had designed the foundation of the existing structure and believes it would support fire trucks. He questioned that LCRA would require detention. It was his opinion that any additional authorizations from LCRA or TCEQ would be minimal.

Mr. Stumberg commented that he didn't know about KMUD's ownership of the KVFD.

Mary Ann advised that KMUD owns the property where the Fire Department is presently located and the only requirement of that deed to KMUD was that KMUD would have to furnish another location for the Fire Department if KMUD were to sell the existing property where Fire Department is presently located.

Reviewing some of the items that Grit has listed in its Work Order 001, Mary Ann noted that a "warming kitchen" was being proposed instead of a commercial

kitchen that was initially required, and advised that most people still need a regular stove and from experience, she has cooked many meals on the stoves that were in the existing structure.

Following extensive discussion, Lorean moved that Option 1 as outlined in Grit's preliminary report dated January 25, 2020, on additional usage of existing structure versus tear down and replace be approved. The motion was seconded by Frank, which carried by a vote of three "ayes", Larry voting "no", and Mary Ann abstaining.

10(c) Approving of the contract with Grit Design Build, LLC, for professional services relating to the new Community Center building project was delayed to Friday, February 7, 2020, at 9:00 a.m.

Item No. 9 The Board then returned to finalize action on Item No. 9 about the Kingsland Lions Club's request to use the existing Community Center on April 11, 2020.

Lorean then moved that the existing Community Center will not be available for the Club's use on April 11, 2020. The motion was seconded by Ken, which carried by a vote of four "ayes" and Larry abstaining.

Item no. 11 Consideration was then given to the Election Services Agreement and Joint Election Contract with Llano County relating to the District's general election to be conducted on May 2, 2020.

Frank moved that the contract be approved. The motion was seconded by Ken, which carried unanimously.

Item No. 12 Consideration was then given to the staff's request for authorization to obtain bids for fencing replacement for the wastewater plant and seven (7) lift stations to include gate replacements.

Frank moved that the staff be authorized to obtain bids for gates and fencing for seven lift stations to include gate replacements and replace fencing for the wastewater plant. The motion was seconded by Larry, which carried unanimously.

Item No. 13 Consideration was then given to the staff's request for authorization to obtain bids for asphalt replacement at the plant facilities.

Frank moved that the staff be authorized to obtain bids for asphalt replacement at the plant facilities. The motion was seconded by Lorean, which carried unanimously.

- Item No. 14 The Board then considered on the annual repair and maintenance expenses funded by Kingsland Little League under the property lease agreement.

Following a review of the documents submitted by the Little League, Lorean moved to accept the report as required by the property lease agreement. The motion was seconded by Larry, which carried unanimously.

- Item No. 15 Next considered was the renewal of a contract with Justice Pest Services, LLC, for pest control services.

Frank moved that the contract with Justice Pest Services be renewed at the annual cost of \$793.25. The motion was seconded by Lorean, which carried unanimously.

- Item No. 16 The Board then considered approval of payment for non-recurring bills.

Invoices for payment had been received from (1) James Miertschin in the amount of \$832.50 for engineering services; and (2) McLean & Howard in the amount of \$3,193.23 for legal services.

Frank then moved that invoices from James Miertschin in the amount of \$832.50 and McLean & Howard in the amount of \$3,193.23 be approved for payment. The motion was seconded by Larry, which carried unanimously.

- Item No. 17 The Board then considered payment of invoices exceeding \$10,000.00.

Invoices for payment from Smith Pump totaling \$49,585.00 for:

Invoice #SI016882, dated December 12, 2019 in the amount of \$12,620.00;
Invoice #SI016917, dated December 26, 2019 in the amount of \$8,550.00;
Invoice #SI016959, dated January 13, 2020 in the amount of \$17,608.00; and
Invoice #P1066868, dated December 12, 2019 in the amount of \$10,807.00.

Larry moved that invoices from Smith Pump totaling \$49,585.00 be approved for payment. The motion was seconded by Lorean, which carried unanimously.

- Item No. 18 Next considered was approval of payment of the General Manager's expense reimbursement requests.

There were no requests.

- Item No. 19 Consideration was then given to the Board of Directors' per diem fees and expense reimbursement requests for payment.

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

- Item No. 20 The Board then considered approval of requests from Board members and General Manager to attend educational seminars.

Considered was a request for Cheyne Guitierrez to attend Wastewater Treatment Seminar, March 17-19, 2020, Tyler, Texas, cost to be \$325.00 to include hotel accommodations and use a KMUD vehicle.

Lorean moved that the request be approved. The motion was seconded by Ken, which carried unanimously.

An update to a request that was previously approved for Tom Stewart to attend seminar in Corpus Christi was that he would be driving a KMUD vehicle instead of his personal vehicle as previously been requested.

- Item No. 21 Consideration was then given to the delinquent accounts report.

Lorean moved to accept the delinquent report. The motion was seconded by Frank, which carried unanimously.

- Item No. 22 Then considered was a report and the authorization of penalties, if any, on noncompliance of the Grease Trap Ordinance. The staff did not recommend any penalties at this time.

Frank moved to accept the Grease Trap Ordinance report. The motion was seconded by Lorean, which carried unanimously.

- Item No. 23 Consideration was then given to the monthly written report by the General Manager.

Frank and Ken will be attending the January 29, 2020 safety meeting.

Anita requested PTO for January 31, 2020, February 10, 2020, and February 27, 2020.

Lorean then moved that the General Manager's report be approved including Anita's request for PTO. The motion was seconded by Frank, which carried unanimously.

- Item No. 24 Each Committee Chairperson recommended acceptance of their respective report as follows:

Audit Committee—Frank Willingham, Secretary-Treasurer;
District Treasurer—Frank Willingham, Secretary-Treasurer;
Extension Committee—Lorean Sindelar, Director;
Finance Committee—Larry Denney, Vice President;
Insurance Committee—Lorean Sindelar, Director;
Investment Committee—Mary Ann Hefner, President;
Park Committee—Lorean Sindelar, Director;
Personnel Committee—Larry Denney, Vice-President;
Property/Easement Committee—Larry Denney, Vice President;
Records Management Committee—Mary Ann Hefner, President;
Revenue Committee—Larry Denney, Vice President;
Safety Committee—Frank Willingham, Secretary-Treasurer; and
Tax Committee—Frank Willingham, Secretary-Treasurer.

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

Items No. 25

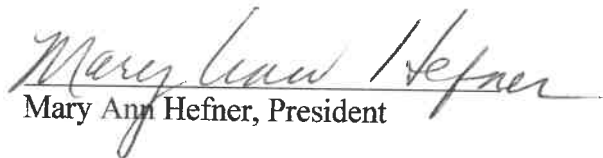
and No. 26 The Board then gave consideration to the Administration and Operation Report and the Budget Expenditures.

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


Item No. 27 Larry moved to adjourn at 11:10 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 #23

GENERAL MANAGER'S REPORT January 27, 2020

Finance & Budget

Total Income was 6.93% under Budget, accounting for \$68,653 less than budgeted for December 2019. Total Expenses were 15.2% under Budget, accounting for \$36,211 less than budgeted expenditures for December 2019.

Interest Rates as of 12/31/2019

Prosperity Bank (Money Market Checking): 0.35%

Collateralization as of 12/31/2019 (Report Attached)

Prosperity Bank: \$5,928,015.97

BancorpSouth: \$1,000,000.00

BancorpSouth: \$999,654.00 (December 9, 2019)

Five late fees were waived in the month of December. Four were due to posting errors and one was due to a system error.

A total of 1,406 people have signed up for ACH payments as of January 2020.

Personnel

The present staffing allocation is thirteen full-time operational staff, three full-time administrative staff and one General Manager.

Paid time Off for General Manager: As of 01/09/20 I have 277.40 hours (34.68 days) of paid time off. I am requesting PTO for January 31, 2020, February 10, 2020, and February 27, 2020.

Plant Compliance

The plant permitted parameters were in compliance for December 2019.

<u>Test Removal</u>	<u>Influent</u>	<u>Effluent</u>	<u>Permitted</u>	<u>Percent</u>
BOD ₅	287 mg/L	1.00 mg/L	5.0 mg/L	99.7%
Phosphorous	6.73 mg/L	0.74 mg/L	2.0 mg/L	89.0%
TSS	244 mg/L	1.00 mg/L	5.0 mg/L	99.6%
Cl ₂	L-1.13 H-2.73	L-1.0 H-4.0		
pH	L-6.01 H-7.31	L-6.0 H-9.0		
E. coli	Daily Avg – 1.19 – Daily Max – 2.00		Permitted Daily Avg – 126 – Daily Max – 399	

Maximum Daily Flow

0.305 MG

Average Flow

0.253 MGD 0.750 MGD 33.7% of permit
0.750 MGD (75% = 562,500)
92.3% of last yr – (December 2018 – 0.274 MGD)

Odor Complaints

No odor complaints were received since the last Board meeting.

Engineering Pending Projects

Legendary Estates subdivision is moving forward. See Jason's status report under Agenda item #4.

Plant and Field Operations

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

The office generator is down; water got into the oil chamber and seized the motor. The new generator should arrive mid-February from Austin Generator.

Septic Dumping Site: December 2019 flow totals for this facility were 103,980 gallons or 34.7% of capacity. Total Income was 37.4% over Budget, accounting for \$2,338 more than budgeted for December 2019. Total Expenses were 45.8% under Budget, accounting for \$1,487 less than budgeted expenses for December 2019. Revenue through the third month of this fiscal year has exceeded expenditures by \$11,307. (See attached Income Statements).

Field Operations: The staff responded to 262 service calls in December 2019 (19.0% were after hours calls). There were seven new residential grinder service installed and eight new service requests received during the month of December. The majority of field staff's workload for the month of December 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 December for a total of 0 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 1,486.

There were two Liberty pumps rebuilt during the month of December.

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 December. January's safety meeting will be held on January 29, 2020 and will cover General Safety Rules for Motor Vehicle and Equipment Operation and Driving Safety. Directors who are scheduled to attend are Ken Martin and Frank Willingham.

Brush Recycling Center: Brush Recycling Revenue for the month of December was \$91.70.

Compost Facility: The Compost Facility started selling KMUD's compost (Diamond Dirt Compost) in January 2014. December totals were 6 yards for a total of \$150.00. Total Sales of KMUD compost is 1,785.50 yards for a total of \$41,091.75. 1 bags of compost were sold in December for a total of \$3.50. A total of 1,442 bags have been sold since February 1, 2016 for a total of \$5,112.00. No pallets of Compost were sold in December. 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 met on December 5, 2019 to review the October 12, 2019 cleanup event and start planning on the 2020 events.

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

Kingsland Convention Community Center

See Agenda Item #10 concerning the matters relating to the operations of the Community Center.

Staff has changed the combo lock on the two doors at the Community Center and on Tuesday, January 21, 2020 conducted a walk through of the premises. There are some things still in the Community Center (pictures were taken). The storage building next to the Little League fields is still full. Staff recommends changing the locks on the Community Center so only KMUD staff has access to the building until renovations, etc. are started.

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. See Agenda Item #14 for the annual repair and maintenance expenses.

Potential New Development Issues

There is nothing new to report on New Development Issues at this time.

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 (45 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 (1 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 2019-2020)

- ✓ Staff participated in annual Halloween Carnival and put on the Haunted House.
- ✓ Week of November 4-8, 2019 cleaned out the digesters at the Septic Site cleaning out the grit and making repairs.
- ✓ Interviewed 8 candidates for the new position on November 5, 2019.
- ✓ Hired Joseph Lambert who started on November 19, 2019
- ✓ Week of November 18, 2019 replaced 2HP pumps with 3HP pumps & panel at Packsaddle Elementary Lift Station.
- ✓ Week of November 18, 2019 ordered the new Vac Truck, Backhoe and new F-350 to replace the Mazda.
- ✓ Week of November 25, 2019 started extending the mainline on Indian Trail.
- ✓ On Friday, January 10, 2020 the new backhoe was received from JCB.
- ✓ Week of January 7, 2020 staff repaired one of the drains going to the drying beds.
- ✓ Week of January 7, 2020 staff replaced 2HP pump with a 3HP pump at the Kingsland Hills Lift Station.
- ✓ Week of January 7, 2020 staff replaced the panel at the Oak Grove Lift Station.
- ✓ Week of January 13, 2020 staff replaced a 15HP motor at the Lakeside Heights Lift Station.
- ✓ Week of January 13, 2020 the pressure gauge was replaced at the Twin Isles Lift Station.
- ✓ Week of January 20, 2020 staff replaced 3HP motor, junction box and contactors at the 2545 Lift Station.
- ✓ Week of January 20, 2020 staff replaced the Duplex panel at the Cottonwood Lift Station.
- ✓ Replacement Truck #41 is in and will be picked up on Monday, January 27, 2020.
- ✓



Public Board Meeting Attendance

Date: January 27, 2020

	Name and Address	Business / Firm	Phone #
1.	Jim Chapman	Lions ✓	388-3231
2.	John McWilliam	Lions ✓	388-2328
3.	RANDY STUMBERG	MREB GROUP	(254) 771-2054
4.	Tom Corbett	McKen & Harvis	512-328-2008
5.	Joey Whittenburg	Kingsland VFD	830 613 9684
6.	BRAD SHAW	CITIZEN / Engineer	830 639 9584
7.	Mike Johnston	LIONS ✓	325-388-3365
8.	DANNY STONE	KINGSLAND VFD	512/755-5505
9.	DAVID RICHISON	LIONS ✓	325-388-2091
10.	Dakota Darden	Grit	210 887-0242
11.	John Hollowell	Highland Lakes (weekly)	325-423-4967
12.	Bel West by Mah	West Davis & Co.	
13.			