

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

December 16, 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 16th day of December, 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 were Tony Corbett, District's Legal Counsel; Joshua Smith, Kingsland, Texas; Chris Dunbar, Kingsland, Texas; Brian Lovelady, Kingsland, Texas; and John Lovelady, Kingsland, Texas.

Item No. 1 Mary Ann Hefner called the meeting to order at 9:00 a.m. December 16, 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 Larry, minutes for the meetings of the Board of November 18, 2019 and November 25, 2019, were unanimously approved.

Item No. 4 Annexation Matters:

4(a) Conduct Public Hearings on the following petitions:

4(a) i. Petition by Lovelady Equity Group, LLC, being Lots Nos. Thirty-Four (34) and Fifty-Nine (59) in Rose Hill, a subdivision of Llano County, Texas, according to the map or plat thereof recorded in Volume 1, Page 43, Plat Records of Llano County, Texas; and

4(a) ii. Petition by Seelze Investment Group, LLC, being Lots Nos. Four Hundred Ninety-Three (493), Four Hundred Ninety-Four (494), Four Hundred Ninety-Five (495), Four Hundred Ninety-Six (496), and Four Hundred Ninety-Seven (497), Lakeside Heights, Unit No. Three (3), a subdivision in Llano County, Texas, according to the plat recorded in Volume 88, Page 226, Deed Records of Llano County, Texas.

4(a) i: Mary Ann opened the public hearing on the petition by Lovelady Equity Group, LLC.

Appearing on behalf of the petitioner were John Lovelady and Brian Lovelady, Kingsland, Texas. Neither representative expressed any concerns nor had any questions of the Board or the staff. No one appeared in opposition to the petition.

The staff advised that all the requisite documents had been furnished to the District and had no questions of the petitioners.

Mary Ann then closed the public hearing on the petition by Lovelady Equity Group.

4(a) ii: Mary Ann then opened the public hearing on the petition by Seelze Investment Group, LLC.

There were no appearances for or in opposition to the petition.

The staff advised that all the requisite documents had been furnished to the District.

Mary Ann then closed the public hearing on the petition by Seelze Investment Group, LLC.

4(b) The Board then considered adoption of orders adding the land to the District pursuant to the petitions referenced in Item No. 4(a) above.

Following a brief discussion, Ken moved that the orders be adopted finding that the addition of the land described in the two petitions above 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 Frank, 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 Item 4 (a) and (b) above.

Ken moved that the 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 Item 4(a) and (b) above be approved. The motion was seconded by Larry, which carried unanimously.

- Item No. 6 Consideration was then given to a request from a customer to waive the \$30.00 return bank draft fee.

The staff recommended denial of the request.

Lorean then moved that the request by Peter Zogas to waive the \$30.00 return bank draft fee be denied. The motion was seconded by Frank, which carried unanimously.

- Item No. 7 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.

Mary Ann then advised the Board that she had Jason Jones provide documentation between his firm, KMUD, and Llano County concerning the line replacement located on Ingram street located in the area in front of the administration building because conversations with Llano County Commissioners Sandoval and Raschke indicated that the County would not be maintaining Ingram Street because KMUD had curbing placed on each side of the street. Mary Ann advised that the initial inquiry from her to Commissioner Sandoval had to do with the equipment parked by the nursery in the right of way and partially on the street.

Tony suggested that he draft a response to clarify the concerns.

Mary Ann then moved to authorize Tony Corbett, the District's legal counsel, to prepare a letter to Llano County to provide the County with appropriate documentation of Llano County's prior approval of the project. The motion was seconded by Frank, which carried unanimously.

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

- Item No. 8 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.

Appearing on behalf of the Kingsland Water Supply Corporation were Joshua (Josh) Smith and Chris Dunbar.

Tom, the District's Operation and Maintenance Supervisor, advised that he has run a couple of samples that the Corporation had provided but would need additional information.

The Corporation needs to provide additional information to the staff before the District can take any action on the request.

It was agreed that Kingsland Water Supply Corporation would provide documentation for the request and the District would table the request until the January 27, 2020 regular Board meeting.

Item No. 9 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 that the District received a \$5,000.00 check from the Legends but did not receive any additional information whether the Legends' engineer and KMUD's engineer had any communications as requested at the November Board meeting. She also advised that James Miertschin, the District's engineer that had applied for the renewal of wastewater permit from Texas Commission on Environmental Quality, commented that he has worked with applicants for wanting to use the wastewater effluent for irrigation; however, has not had any experience with applicants wanting to use the bed and banks for transportation.

Tony Corbett, legal counsel, suggested that he would contact the Lower Colorado River Authority concerning its position on using the bed and banks for transportation of effluent and also about using the effluent for irrigation.

The Board took no formal action; however, requested that Tony contact the Lower Colorado River Authority and additional discussion be tabled until the Board meeting on January 27, 2020.

Item No. 10 Next considered was approval of an order calling a general election to be held in the District on May 2, 2020, for the election of directors of the District.

Frank moved that an order be adopted calling for the general election for Places 1 and 2 to be held on May 2, 2020. The motion was seconded by Larry, which carried unanimously.

Item No. 11 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) Approve the selection of an independent architect to act as the District's representative for the duration of the construction project.

c) 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.

11(a) The Committee had no new information. Larry did inquire whether the metal in the structure and the slab would be reusable. Response was that would have to be determined when the design/build contractor has been designated and plans formulated.

11(b) Lorean moved that the MRB Group be employed as the District's representative for the duration of the construction project. The motion was seconded by Frank, which carried unanimously.

Lorean then moved that a special meeting be scheduled on January 9, 2020, at 9:00 a.m., to select the design/build contractor for the project. The motion was seconded by Frank, which carried unanimously.

11(c) 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.

There was no formal action required at this time.

Item No. 12 The Board then considered approval of payment for non-recurring bills.

Invoices for payment had been received from (1) Jones Heroy and Associates in the amount of \$210.00 for engineering services; and (2) McLean & Howard in the amount of \$3,060.00 for legal services.

Frank then moved that invoices from Jones Heroy in the amount of \$210.00; and McLean & Howard in the amount of \$3,060.00 be approved for payment. The motion was seconded by Larry, which carried unanimously.

Item No. 13 The Board then considered payment of invoices exceeding \$10,000.00.

There were no invoices to be acted upon.

Item No. 14 Next considered was approval of payment of the General Manager's expense reimbursement requests.

There were no requests.

- Item No. 15 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. 16 The Board then considered approval of requests from Board members and General Manager to attend educational seminars.

There was one request by Tom Stewart, March 1-4, 2020 in Corpus Christi on Calculations; cost would be \$275.00 for the course, plus motel accommodations and the request to use his personal vehicle.

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

- Item No. 17 Consideration was then given to the delinquent accounts report.

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

- Item No. 18 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.

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

- Item No. 19 Consideration was then given to the monthly written report by the General Manager.

Frank and Larry will be attending the December 18, 2019 safety meeting.

Anita requested PTO for December 26 and 27, and December 31, 2019.

Anita and Tom responded to questions concerning the office generator which either needs to be replaced entirely or replace the motor.

Estimated cost for replacement would come from plant maintenance. The two cost estimates were Waukesha in the amount of \$23,246.00 and Austin Generators in the amount of \$30,978.00. Tom also indicated that a trade-in would be allowed with Austin Generators.

Ken then moved that the staff be authorized to purchase the generator from Austin Generators for \$30,978.00. The motion was seconded by Larry, which carried by a vote of four “ayes” and Frank voting “no.”

An additional item discussed involved the Carpenters’ complaint on Elkhorn Street in Kingsland which was considered at the November 2019 meeting; however, the Carpenters were not in attendance. Tony Corbett, legal counsel, had previously prepared a letter to the Carpenters responding to their complaint after the November Board meeting; however, heard nothing from the Carpenters until their attorney called Tony on Friday November 8, 2019, requesting that any further action by the District be delayed until the January 27, 2020 Board meeting. Tony will advise the Carpenters’ attorney of the date and time.

Larry then moved that the General Manager’s report be approved including Anita’s request for PTO and all additional items acted upon. The motion was seconded by Frank, which carried unanimously.

Item No. 20 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.

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

Items No. 21
and No. 22 The Board then gave consideration to the Administration and Operation Report and the Budget Expenditures.

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

Item No. 23 Larry moved to adjourn at 10:25 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