**FLYING L PUBLIC UTILITY DISTRICT**

**REGULAR MEETING – JANUARY 13, 2020**

**M I N U T E S**

**CALL TO ORDER:** The January 13, 2020 regular meeting, of the Flying L Public Utility District; is called to order by President Patrick Raab at 6:37 PM. Additional Board Members in attendance are Don Bateman, June Baker, and Austin Christensen. Steve Childers is absent. Also, in attendance are Recording Secretary Leslie Rector, Field & Office Administrator Janet Williams, and Water and Wastewater Operator Jerry Hefley.

**A quorum was established.**

**Guest(s) in Attendance:** Bob Williams, Terry Peek, Diane Segura, Rick & Nancy Rowton, and Bob Haueter.

**PUBLIC COMMENT:** None

**MINUTES OF PREVIOUS MEETING:** After a review of the December 2019 Regular Meeting minutes, **a** **motion** was made by Christensen, 2nd by Bateman to approve the minutes from the December Meeting. **Unanimous**

**REVIEW AND PAY BILLS:** After reviewing the monthly financial report, dated January 13, 2020 **a motion** was made by Christensen, 2nd by Bateman to accept the report and pay the bills totaling $31,806.77 with a transfer of $31,900 from M&O #266 to Bandera Bank #816. **Unanimous**

**Bandera Bank & Hondo Bank: $401,753.57**

 **Savings & CDs at Randolph Brooks FCU: $217,475.66**

 **FUND BALANCE: $619,229.23**

**REPORT OF MONTHLY WORK PROJECTS AND OPERATION:** Jerry Hefley reported the water level at Well #1 is 198.66’. He obtained a price to fix or replace three fire hydrants. Gilbert Perez with Fire Hyddrant Repair & Service Co, will replace all of the interior parts in two of them and the one on Airport Drive will need to be replaced. If it can’t be turned off to remove the old hydrant, then a water tap into the main will be necessary. That will be verified tomorrow and he will give the pricing to Janet as well. The brush will need to be removed from around the hydrants before the work is started.

On the wastewater side: Steve Beavers, from S&S Controls; will have the new controls at 100% this week. Both effluent pumps are on the appropriate controls. If one pump does not come on or if it can’t keep up with the demand, the other one will come on once it hits the floats. It wasn’t set up that way in the past and it should have been. Steve will give us a price on a new control panel at Lift Station B. Currently it’s running on 240 volts and it should be a 480-volt panel. This discrepancy caused a fire at Lift Station A. Everything was melted inside. Steve set up the panel to run more efficiently and our electric costs should show a significant reduction.

Jerry said the price on a gas powered power washer is a little under $400. This will be used to clean the wastewater plant, and the bottom of the effluent tanks. This will make it easier to keep the wastewater plant clean.

**Janet Answers the Questions From Last Month’s Meeting:** Janet addressed Terry Peak regarding his questions about a $63,000 net position at the end of the year and an increase in water rates. The positive difference was due to the difference between the revenue and expenses in the 2018-2019 annual audit. That indicates a positive cash flow for that fiscal year and our Board doing their due diligence with cost effective spending. The Fund Balance has no bearing on any rate increase. The fund is used for needed repairs and future unknowns such as paying for main water lines for new construction, legal fees, replace old items, and comply with new legislation. If the PUD did not have funds available in the bank to cover large expenses the District could be in serious trouble. We cannot go to the bank and get a loan. Our process is to go through the Texas Water Development Board and obtain Bonds to meet expenses. This application process can take from 2 to 2 ½ years and by that time, the project cost most likely has increased with inflation. Example: when it was determined a new water storage plant was needed, there wasn’t enough in reserve to do the project. The application process was started in order to get $400,000 in Bonds to pay for the new tanks and system. By the time the funds were received the cost of project jumped to $600,000. The Bonds were issued for a term of 20 years. Fortunately, the bonds were paid off early and saved the District $68,000. When it was necessary to get a new sewer system at the cost of $350,000, the Board had the money in the Fund balance to pay cash for the project. If a new Water Well is needed today, the cost of a public water supply Well would be any where from $400,000 to $450,000. This is why the District has the fund balance that it does. The water rates did not increase in the fiscal year 2018/2019, they increased the year before in 2017/2018. This was the first time in 11 years that they were increased and that was because the water service revenue was not meeting expenses by $49,000. Even though the rates went up that year, we still had the lowest rates in the area, which includes Kerrville, Bandera, and Boerne. Janet asked Terry Peek if this answered his questions. He said “Yes ma’am it did, thank you”.

**OLD BUSINESS (Discuss and Consider)**

**Drought Restrictions:** Bandera County increased the drought monitor to Severe Water Restrictions. The level we are currently on would meet that requirement if everyone will abide by it. **A motion** was made by Baker, 2nd by Christensen to leave the drought restrictions where they are. **Unanimous**

**Social Media Policy:** Janet handed out the draft copy from the lawyer. A draft was drawn up by the Board and submitted to their lawyer after last months meeting. The lawyer made a few revisions. After the attending Board Members reviewed the draft, **a motion** was made by Christensen, 2nd by Bateman to accept the social media policy drafted by our attorney. **Unanimous**

While the Board was reviewing the Social Media Policy Draft, another question was asked by a guest regarding transparency. The proposed Social Media Policy, they were reviewing, would only apply to PUD Board Members and its employees. Even though the guest was assured, by the Board; that they are transparent he responded he wasn’t too sure.

*(The Flying L Public Utility District is a governmental business, governed by its Board of Directors functioning under the laws, rules, and regulation of the state of Texas. PUD’s official records are subject to the Open Records Act and if not excepted from disclosure, are available to the public upon request.)* [this was added to further clarify the Board’s responsibility and practice regarding transparency]

**Electronic Payments and PUD Website:** Janet gave each attending Board Member information she compiled from their current software provider, RVS. This is to be reviewed and brought back next month when all members are present. This decision will be tabled until then. **Tabled**

**Fire Hydrant Repairs:** Jerry presented information in the monthly report section and the motion to repair the hydrants was made at the last meeting.

**NEW BUSINESS** **(Consider for Action and Review):**

Patrick suggests a second bid on a web setup for comparison. **A motion** was made by Christensen, 2nd by Baker to obtain a second bid on this project. **Unanimous**

**BISD Sewer Contract Review:** Any increase to their current rate is determined by the electricity cost and reviewed annually. The cost of electricity in 2018 was $14,573.75 and in 2019 was $13,660.09. Since there was no increase in the electricity cost **a motion** was made by Bateman, 2nd by Christensen to keep the monthly charges as previous. **Unanimous**

**Repair to the Sewer Main Near 464 Oak Hill:** Janet stated that the plumber, who first looked at the problem; determined there is a dip in the line located about 100 feet from the manhole. This causes paper and sludge to collect and then the sewer backs up into the residence. She obtained two estimates for this project, one from RGB and the other from Gray Construction. She even had the Public Works Manager from Bandera come out and give some suggestions. But he wasn’t sure his suggestions would clear up the problem. After review of the two bids, **a motion** was made by Bateman, 2nd by Christensen to accept the bid from Gray Construction. **Unanimous**

**Cement Two Corporation Values and One Water Valve:** Janet reports there is a need to secure these valves with cement. There is a corp valve on Brown Saddle in soft ground. If someone runs over it, it could push down into the main and cause a ruptured water line. The other corp valve is on Spanish Grant by the new house. The valve is located close to the road and if a vehicle would ride off the road it could cause a water line rupture. The other is a main valve on Edgewood. It has been run over and the sleeve is damaged. The sleeve needs to be replaced and reinforced with cement. Jerry will make sure it is working before any work is done around it. It supplies water to Section 17 along Whartons Dock. **A motion** was made by Christensen, 2nd by Baker for RGB to cement the two corp values and the main water valve once Jerry makes sure the main valve is working. **Unanimous**

**Executive Session – Job Applicants for Field and Office Administrator Position:** The Board suspended the open meeting to enter into Executive Session at 7:24 PM. The meeting was reconvened at approximately 7:40 PM. They reviewed two applications and no decision was made. Patrick plans on meeting with one of the applicants this week.

**Next Meeting:** The next month’s regular meeting date for the Flying LPUD is scheduled for Monday, February 10, 2020 at 6:30 PM.

**Adjourn:** Having no further business, President Patrick Raab adjourned the meeting at 7:42 PM

Presented for review and approval,

Leslie L. Rector, Recording Secretary

for the Flying L Public Utility District