

**FLYING L PUBLIC UTILITY DISTRICT
REGULAR MEETING – October 11, 2021
M I N U T E S**

CALL TO ORDER

The October 11, 2021 regular meeting, of the Flying L Public Utility District; is called to order by Board President Don Bateman at 6:30PM. Additional Board Members in attendance are Judd Ryan, Steve Childers and June Baker. Nathon Laws was absent. Also in attendance are Chad Sillers, MOC and Jay Call office coordinator.

Guest(s) in Attendance: Leslie Rector, Bob Haueter, Norm Cummings

A quorum was established.

PUBLIC COMMENT

Leslie Rector – presented a past email about the PUD having a representative on the ACC of the POA. This was back when Don Bateman resigned from ACC and after much discussion, at that time, it was determined the PUD would not have an official representative on the ACC. However, the current PUD board wishes to change that but that is how it was handled last time there was an opening on ACC

Leslie Rector – commented that since water had never been sold to an outside concern, it should have been brought up at a community meeting and not decided upon by two board members. This was in reference to selling water to H2Eco.

Leslie Rector – commented that when favors are given and granted between the Resort and the PUD, they should be paid for by whoever the favor was given. She feels like when arrangements between Resort and PUD are initiated, the community needs to be informed. She also wants to have the agreement renewed annually for the resort to use our dumpsters.

Bob Haueter – commented that he spoke to their attorney about giving sign off authority to the PUD and who advised against it and is not something POA is going to do.

MINUTES OF PREVIOUS MEETING

After a review of the September 13, 2021, regular meeting minutes a motion was made by June, 2nd by Judd to approve the Minutes from the September meeting. **Unanimous**

FINANCIAL REVIEW

Steve reported there was an improvement in revenue of \$5400 for the month. There was a negative impact to P&L due to two taps income falling into previous month but the expense falling into September. For the 1st quarter of the fiscal year, revenue was down \$49K due to lower water sales, lower tax income and the deposit of \$35K paid for the generators. Plus, sewer maintenance which was two and a half times larger than a year ago. Expenses by vendor is straight forward and noted, there were a couple of invoices paid that will fall into October. The review of financial against budget is very close except for sewer expense and the generators which is not in budget yet.

Balance sheet:

Cash on hand in the various accounts was \$563,221. Steve recommended to move \$40K from the deposit account to our checking account. Additional dollars being transferred are due to the bills that came in the first week of October and paid after September was closed.

REVIEW AND PAY BILLS

During the review, June asked what the problem was on the sink hole on Edgewood. After testing by Chad, it was determined digging down was the only way to understand what happened. The under material was not packed

properly around the manhole and in the sewer tap to resident home plus the manhole was below grade. So, water was getting under the asphalt and washing the sand down the line where the sewer tap was installed. Hector dug down 7' and refilled it 8" at a time, packing as he went, raised the manhole cover above grade and then asphalt was repaired. Motion made by Judd to transfer \$40K from Acct 266 to Acct 816 at Bandera Bank. 2nd by June. **Unanimous.**

REVIEW OF ANNUAL AUDIT BY Eric Ede

Eric Ede, the auditor presented the annual audit of operations for the fiscal year ending June 30, 2021. He stated the PUD needs to have 3 copies of the Annual Filing Affidavit on page 1, that needs to be signed to send to TCEQ and official office copies. The PUD received a modified opinion which was the best we can receive. Going through all the financial information in graph and listed formats. The largest asset the available was cash with \$648,000. Total assets were \$681,876 after the adjustments brought it to full accrual method of accounting which is required. Physical assets and depreciation, brings the total assets to \$1,689,000. He described in detail all income and expenses noted in the audit. The full audit can be seen on www.FlyingLPUD.com under the financial page. He noted the extra expense during the year was from extensive repairs. Bottom line from the audit is there was about \$50,000 more in expenses than was received due to these repairs. Motion was made by Judd to accept audit ending June 30, 2021, seconded by June. **Unanimous.**

DISCUSS OPERATIONS

Chad (MOC) presented the operator's report. After going through the gallons produced, noted the 900,000-gallon water loss that was shown, explaining it was not lost water but a defective check valve on the distribution line. Water would flow back through the meter and when pumps turned back on, water was counted again (but not when flowing backward through the check valve). Chad and Steve have been working with Odessa pump. Chad estimated, 855,000-gallons ran backwards through the meter. Judd asked about the second effluent pump at the sewer plant as being the bigger concern because there is only one running now. The impeller is the issue but not in stock at this time. Odessa Pump has always been a reliable vendor but is caught up with supply issues. All tests came back and in compliance. He also reported the new scale and auto switch over system on Chlorine is now in place.

Steve reported the auto dialers are all in place and working. There was a valve project completed behind the 19th hole. The big issue is very few of the water mains are where the maps show them to be. At Chad's suggestion, the main was found off the meter at the Coronal's Quarters and traced back to a valve near Flying L Dr. The valve was good and did not need to be replaced. However, it was a 3" line and it was determined to be a dead-end running back to Shady Oak which resulted in needing to paint the hydrant black. Plus, on the 3" main, many slip joints and couplings were found and part of the line was put in with sewer pipe rather than water line. The main running down Flying L Dr. was never found. Hydrant annual inspection is due in Nov. In reference to the all-weather road needed at Lift Station B, the brush was cleared. There was a manhole discovered near Bottle Springs but was full of water indicating a blockage which has to be cleared before the road is put in. Steve will be building a new page on the website with contact information of board members, 3 years of audits as well as budget information. This is a requirement by the state. Three new water taps were done in September. The ranch lost their bill last month and did not pay. They requested the board to wave the late fees and Jay asked how the board wanted to handle it. No decision was made.

OLD BUSINESS

All weather road to Lift Station B – this was covered during the operations portion. Brush has been cleared but the line to the lift station needs to be cleared before the road is put in. Currently, it is unknown what the problem is.

Information was given to the board on a 10-year lease for Backup Power. Total payment per year would be \$21,853 per year paid quarterly with a \$1 buyout at the end of the 10 years. A motion was made by Steve and Judd seconded.

Unanimous.

PUD Rate changes – Steve presented 4 options to charge per meter, per connection or by water and sewer connection. Jay suggested a post card mailing explaining the lease service fee increase. Steve made a motion to implement an \$8 per connection, per month lease service fee starting January 1, 2022 along with a post card mailing to everyone with an explanation. Seconded by Judd. **Unanimous.**

NEW BUSINESS

Bank account access – Steve made a motion to remove Austin Christensen from all bank accounts. Seconded by Judd. **Unanimous.** Judd made a motion to add Steve Childers to all bank accounts. Seconded by June **Unanimous.**

Bob and Leslie left the meeting

Tasks and responsibilities of board members – Steve suggested to spread responsibilities of various projects and report back to the board at each meeting. Two programs that need to be implemented was the development of an Emergency Preparedness Plan and a backflow program. During a discussion on backflow, Chad mentioned MOC has a program to help the PUD manage the process but the coordination with our resident and commercial customer inspections is needed. The PUD would be responsible should there be an issue and there is no notification of inspection needs. Don volunteered to coordinator the backflow program with the help of Chad. June would handle the EPP. Letter from TCEQ was given to June to get started on EPP. Chad stated MOC has a lot of the information needed and Jay volunteered to help as well.

Consider providing water to General Dollar – DG is requesting 2 - 1” meters. Annual revenue would be approximately \$4000. Line would run from hydrant on Edgewood between Flying L property and a private owner’s property in PUD easement. Meter would be on Flying L side of Wharton Dock Road. DG would be responsible for expenses from meter to the store. Motion was made by Steve to provide water to Dollar General, charge a \$30,000 impact fee, DG to pay all expenses from meter to store. Seconded by Judd. Steve, Don, and Judd voted to approve, and June voted no.

Meter install procedures – since POA will not give PUD sign off authority on new construction and remodel applications. Steve recommended adjusting PUD service agreement to require survey with house placement and approved septic plan before meter is installed. Backflow and CSI are already part of service agreement. Steve made a motion to adjust service agreement to require survey with house plans and approved septic plan if needed before meter is installed. Seconded by Judd. **Unanimous.**

Next Meeting: The next month’s regular meeting date for the Flying L PUD is scheduled for November 8, 2021 at 6:30 PM.

Adjourn: Meeting adjourned at 8:40 PM.

Presented for review and approval,
Nathon Laws
Secretary, Flying L PUD