

LLANO COUNTY MUD #1
BOARD OF DIRECTORS WORKSHOP 6/06/2017

The Llano County Municipal Utility District #1 Board of Directors held a Workshop Meeting on June 6, 2017 at 10:26 a.m., at the District Office.

Board member(s) present: Rod Bond, Warner Tweed, and John Walters

Board member(s) absent: Bruce Lomax and L.D. Stewart

Also present were General Manager, Angela Thomas; Tim Webb, TNA Operations & Management

1. IDENTIFY THE OBJECTIVES AND GOALS OF THE WATER TREATMENT PLANT CAPITAL IMPROVEMENTS

The goals were defined as follows:

- Meet current Texas Commission on Environmental Quality (TCEQ) current and future regulations.
- Maintain capacity requirements
- Obtain maximum efficiency of the water treatment plant to provide quality and capacity.

Rod Bond discussed defining possibilities for the District on a ten year timeline. One of those possibilities being annexation from the City of Horseshoe Bay. What would that require? Would they be able to provide the capacity? Rod suggests making a list of questions residents will have regarding the current and future needs, and funding.

After discussions about issues at the water treatment plant, three items were determined to be priorities in the order listed:

- Decant – Capacity of the decant and settling time is impacting the capacity of the plant. A skimmer is being installed to assist with the settling time. The capacity of the decant has not been addressed. Options are to remove the cylindrical decant and put in a square/rectangle tank. Or remove part of the building housing pumps and dialers to increase the diameter of the decant.
- Clarifiers – The clarifiers cannot handle more than 1,000 NTU (turbidity). Surface water during the summer and in rainy times increases in turbidity and staying within the regulated allowance is difficult. Determine if the clarifiers need to be increased in size and what updates would be required to lower the NTU. The recommended upgraded media package plant has an additional clarifier. With that installation the District would have 3 clarifiers in place, which would help tremendously.
- Filters – upgrade the system to filter more efficiently and allow for greater capacity. During normal use the current filters meets the needs of the demand. The filters cannot currently keep up with high demands and either causes problems at the plant or requires the interconnection with Horseshoe Bay to meet the needs of the demand.
- Storage – determine if there is a need for more water storage

2. REVIEW AND DISCUSS THE OPTIONS, COST AND FINANCING AVAILABLE FOR THE WATER TREATMENT PLANT CAPITAL IMPROVEMENTS

Comparisons were discussed about the membrane filtration vs. media filtration. Larry Wilke with Willis Engineering is suggesting the upgraded media filtration system for this District. The membrane filtration would require more space for sludge waste and the cost of operations and maintenance would be higher due to removing sludge more often and using more chemicals. The recommended media filtration package plant was installed in Ridge Harbor and will be available for a site visit in September 2017. The Board requested Angela Thomas contact Ridge Harbor to see how they funded the upgrade, and what made them decide on the media filtration plant.

Several options were discussed for financing capital improvements for the water treatment plant. Those being rate increases, bonds, reserves, and grants.

- Rate Increases-look at revenue increases obtained by various increases. Verify what the guidelines are and who governs them.
- Bonds-Research requirements and regulations for utility bonds and low interest loans.
- Reserves-Decide when the updates would be done and how much would be available in reserves at that time. May need to increase rates to build reserve or we have the capability of doing an internal loan between funds.
- Grants-deadlines for applications, must meet certain requirements, and requires a commitment date, usually 3 years, to implement project. Research available grants from the Texas Water Development Board, LCRA and look for other entities that offer grants.

3. SET OUTLINE/GUIDELINES TO MAKE AN INFORMED AND RESPONSIBLE DECISION REGARDING THE WATER TREATMENT PLANT CAPITAL IMPROVEMENTS

The main points of this meeting were to pursue funding options and fix issues with capacity and turbidity.

Items to be put on future Agenda are to Implement and commit to a 3 year plan.

4. SET DATE AND TIME FOR NEXT WORKSHOP

An item will be added to the Agenda for 06/27/17 meeting to require a motion to make a schedule/plan for the Capital Improvements at the water treatment plant.



Respectfully Submitted,

Angela Thomas
Angela Thomas, General Manager

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