



**STATE OF THE LLANO COUNTY MUD #1**  
**FY 2017 - Ending September 30, 2017**

**Governmental Revenues:**

These revenues are generated within the District (LCMUD #1) each year through the collection of property taxes (ad valorem taxes), which are determined using the Llano County Appraisal District (LCAD) published annual tax rolls of property values in the District. The LCMUD #1 then applies its board-set tax rate against the LCAD tax roll figure to determine its tax revenue. For example, in 2016, the total tax roll figure for LCMUD #1 was \$146,492,621 and the tax rate was .2934 per \$100 valuation. The result was a tax collection of \$429,809 for LCMUD #1. For the current year, 2017, the tax roll figure is \$151,341,466, an increase of 3.3% over 2016. Approximately \$850,000 of this increase is attributable to new property being added to the tax rolls.

At the Board of Directors meeting held on September 26, 2017, the Board approved a tax rate increase of 0.9%, or .0027 cents per \$100 valuation. Long range planning factors, which indicate an

increase in future service costs, led to this decision. This takes the tax rate from .2934 to .2961 and gives the LCMUD #1 a 2017 tax collection of \$448,152, an increase of \$18,843 over last year. A breakdown of where this tax money goes (estimated) is shown in the table below.

| Governmental Service       | Rate         | Taxes            |
|----------------------------|--------------|------------------|
| Debt Service Payments      | .1170        | \$177,081        |
| General Operations & Mtc.  | .0674        | \$102,011        |
| Fire Fighting Services     | .1000        | \$151,351        |
| Street & Light Expense     | .0117        | \$ 17,708        |
| <b>Total 2017 Tax Rate</b> | <b>.2961</b> | <b>\$448,152</b> |

**Enterprise Revenues:**

Total annual income for the enterprise services of wastewater treatment, trash collection and water distribution is currently an estimated \$496,000. The rate for such services has not changed since 2012. An aging infrastructure, increased conservation requirements, and growing operating costs mandate a nominal increase in water rates at this time. The MUD Board has set January 1, 2018, as the target date for this change. For the average district water user, this will result in a monthly increase of \$2.76. Other information on the matter is found further in this newsletter, or one may go to the [bluelaketx.org](http://bluelaketx.org) website, under the services tab, for more.

**Improvements:**

Over the past year, the MUD Board has devoted significant time and effort to programs designed to provide enhancement of the community's overall infrastructure. In a joint effort, the MUD and POA

worked to update our website to provide better service to members and residents. The website now offers an updated directory that can be printed upon request; a "frequently asked questions" section; agendas, minutes, financial transparency documents; and building permit applications and instructions.

Following the completion of the street/roadway rehabilitation program in July 2016, the Board addressed other issues, such as additional drainage; right-of-way concerns; tree trimming; future preventative maintenance such as seal-coating; and street sign up-grade. These programs have already been set in motion.

Improvements to the District's sewage disposal system include continuing to replace/repair air release valves and the installation of aerators at the Deerhaven and Sandy Harbor lift stations. Properly operating release valves reduce problems in sewer lines by lowering the pressure within the lines. Such pressure reduction also enhances service reliability of grinder pumps. Lift station aerators work to break down solids, or "flock", within the system, which substantially reduces the work required of the pumps. Extended reliability and service life is the result. (Note: the City of Horseshoe Bay has now adopted the use of such aerators after observing their effectiveness in the MUD's program). Finally, the six-float fluid control system at each lift-station has been replaced with a new rod type sensing system with no moving parts. The result is greater efficiency and reduced maintenance costs.

At the water treatment plant atop Blue Ridge Trail, a regular sludge removal program has been implemented for the decant tank and clarifiers. This lowers chemical costs and helps increase plant capacity, especially during high-usage periods. The addition of a skimmer in the decant tank helps reduce settling time and the chance of overflows. During its regular inspection of our water plant operation in April 2017, the Texas Commission on Environmental Quality (TCEQ) determined no infrastructure violations and issued a statement that, considering its age, the plant operation was quite satisfactory.

**Future Actions:**

The MUD Board has set in motion a 3 year water treatment plant study to determine our capacity to meet growing current and future needs. A number of engineering firms have already been engaged to make studies, offer suggested changes, and share costing information with us. Major areas of concern are regulation changes; filtration system enhancement; and various upgrades needed to increase plant efficiency and reliability.

Initial findings indicate a major capital outlay over the next several years will be needed to complete a number of needed water plant up-grade projects. Funding for such would/could be by using existing water fund reserves; through government grants; and by acquiring a long-term loan. The latter being the major funding source.

In the immediate future, projects to be pursued are:

- 1) Detailing a disaster recovery plan to help minimize the effect of any disaster or emergency on our water supply.
- 2) Complete the treatment plant study and finalize any decision to move forward, to include financing.
- 3) Further update our website to provide easier access to community information/activities, updates, forms, etc.

Overall, all indications are that the health and financial strength of the District remain strong. This is substantiated by the favorable review and findings in our recent external audit report. A copy of this report may be found on our website at [bluelaketx.org](http://bluelaketx.org).



There will be a Llano County Municipal Utility District #1 Board of Directors Election on May 5, 2018, for the purpose of electing three (3) Directors to the District.

Three Directors of the five member board will be elected to serve four-year terms. Directors whose terms are ending are Rodney Bond, Bruce Lomax, and Warner Tweed. Directors L.D. Stewart and John Walters terms remain through 2020.

**Candidate requirements are:**

- (1) A minimum age of 18 and
- (2) a resident citizen of the State of Texas
- (3) either own land subject to taxation in the district or be a qualified voter within the District.

The Directors are responsible for the oversight of the district. They also manage and control the financial management, employment, and purchasing needs of the district. Directors establish policies to manage this process. Each board member has the civic responsibility to attend board meetings, be informed on the issues, vote in board meetings, always act in the best interest of the district and its residents, have an overall view of the system, make timely decisions at board meetings, provide friendly counsel to residents, and to review consultant performance annually.

**Candidate Forms:**

<https://www.sos.state.tx.us/elections/candidates/guide/local.shtml>

<http://bluelaketx.org/llano-county-mud-1/administration/elections/>

**Candidate Filing Dates:**

First day to file for a place on the General Election Ballot is Wednesday, January 17, 2018.

Last day to file for a place on the General Election Ballot is Friday, February 16, 2018 at 5 pm.

If you are interested in serving on the Llano County MUD #1 Board of Directors and are a qualified candidate, please contact Angela Thomas, General Manager at the MUD office at (830) 598-5460.



New rates for water services will go into effect on January 1, 2018. The rates are expected to increase the utility bill for the average user of 8,000 gallons per month by \$2.76 per month. The rate adjustments will help ensure the reliability and affordability of basic water services, support replacement of aging infrastructure and encourage conservation.

New Water Volume Tier Structure:

| Gallons          | Current Rate | New Rate |
|------------------|--------------|----------|
| Up to 3,000      | 37.13        | 38.99    |
| 3,001 to 10,000  | 3.00         | 3.18     |
| 10,001 to 20,000 | 3.10         | 3.35     |
| 20,001 to 30,000 | 3.20         | 3.52     |
| 30,001 to 40,000 | 3.30         | 3.70     |
| 40,001 & Over    | 3.40         | 3.88     |

The Board of Directors reviewed the rates from the last increase in 2012, analyzed the funds needed for aging infrastructure, reviewed conservation incentive requirements from Lower Colorado River Authority (LCRA), and analyzed the current level of

net operating income before deciding to approve a rate increase at the November 28, 2017 meeting.

The Schedule of Services and Rates can be viewed on our website at [bluelaketx.org](http://bluelaketx.org) under the services and water tab. If you have questions about the rate changes, please contact the office at (830) 598-5460.



We are happy to announce the Subdivision Directory update has been accomplished. The program we implemented was designed to interact with the website for quick reference and ease of updating.

The directory is available online at [www.bluelaketx.org](http://www.bluelaketx.org) under the tab Blue Lake Directory. Hard copies are also available upon request at the MUD/POA Office.

If you need to update your information, please use the form enclosed and return it to the office.



Llano County MUD #1 provides an online payment service through Payclix! This service allows you to view your current bill and make payments online.

We encourage you to sign up by choosing “opt-out of receiving postal mailed notifications” and receiving your bill online. You will begin receiving your bill through email or by logging in to the website.

1. Log on to [payclix.com/LlanoCountyMUD1](http://payclix.com/LlanoCountyMUD1) and view your utility bill.
2. Log on to [payclix.com/LlanoCountyMUD1/](http://payclix.com/LlanoCountyMUD1/) and pay your utility bill using a credit, debit card or echeck. (Cost is disclosed on the website).

**Both of these options require that you visit the website and set up a username and password.**

This saves the District mailing and printing costs and provides you with online services. If you do not sign up for Payclix, you will continue to receive your bill in the mail.

Please visit our website at [bluelaketx.org](http://bluelaketx.org) for the link to Payclix.



Llano County MUD #1 and Blue Lake Estates POA use Constant Contact to send weekly newsletters and important updates. We encourage you to visit the website at [bluelaketx.org](http://bluelaketx.org), go to contact and newsletter to sign up!

If you have any questions or concerns about the information provided in this newsletter, please contact us at (830) 598-5460.

2018

*DISTRICT*

*UPDATE*

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