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BOARD OF DIRECTORS FOR LAKE CITIES MUNICIPAL UTILITY AUTHORITY

*Workshop and Regular Meeting Minutes*

May 23, 2022 at 5:00 PM

**WORKSHOP – 5:00 PM**

**CALL TO ORDER**

President Tom Rufer called the workshop to order at 5:07 PM.

Board Members Present: President Tom Rufer, Vice President Cecil Carter, Secretary Jennifer Gordon, Director Joe Flowers

**WORKSHOP ITEMS**

**1. Receive presentation on operational activities.**

Assistant General Manager Kate Boatler presented a slide show that included various photos and videos of LCMUA staff performing maintenance on lift stations, fire hydrant flushing, water valve replacement, leak repairs, grinder pump repairs, new hire training, and aspects of operations. General Manager Mike Fairfield also provided explanations for some of the activities.

**2. Discuss and provide direction regarding FY 23 Preliminary Budget.**

Asst. GM Boatler reviewed the first draft of the FY 23 Preliminary Budget and explained the point of this discussion was to get more direction from the Board on specific line items. Highlights included:

- Water and sewer revenue totals did not consider rate study findings. Increases in subdivision buildout have been applied conservatively.
- Personnel expenses included a flat cost of living adjustment to help those staff members combat current inflation trends. An increase in medical insurance coverage also impacted the totals. The Authority's required retirement contribution decreased as the average age of employees has decreased.
- Professional services (engineering, annual audit) costs remained flat. However, a late invoice from the company who completed the FY21 audit may impact the FY23 budget. Staff sought guidance from the Board regarding an audit overages invoice (due to unexpected extra time needed to complete audit as a result of CLA staff turnover and problems with LCMUA's current software system). The Authority plans to use CLA for the FY22 audit. Action was requested to be made during the Regular Meeting later in the evening.
- Software upgrades are needed to compensate for limitations with the current system. Staff has received 3 proposals (Tyler Technologies, Cogsdale, Edmonds GovTech) and is recommending, Cogsdale. Cogsdale offers a 100% cloud driven system which addresses the need for remote accessibility for staff. Also, the Cogsdale advanced database offers full integration between all modules. Initial costs are one-time \$500,000 for conversion, one-time \$160,000 software, and \$85,000 annual maintenance. The Authority's contracted IT group, Glacis Tech, has reviewed Cogsdale's product and is comfortable with the quality and security of their system. LCMUA management will bring additional details and associated costs and savings to future meetings for Board review. Staff would like to enter into a contract by October 2022.

- Vehicle replacement is limited to the crane truck and the camera van. Current supply issues related to capital items has resulted in slightly higher costs for these items. Staff is comparing options to get the best deal.
- Personnel & Benefits – Becky Vickers presented proposed changes to the Vacation and Sick Accruals to make our benefits more competitive with other local government agencies. The current max vacation accrual is 4 weeks for employees with 10+ years. She proposes adding two tiers for 15-20 years to receive 5 weeks and 20+ years to receive 6 weeks. The proposed Sick Accrual is to allow unlimited sick accrual instead of the max accrual of 720 hours. The point of the Sick Accrual change was to address the needs of an employee who needs to take extended medical leave as a result of a traumatic event. This would allow the injured employee to maintain employment and medical benefits during that time. The payout at retirement would remain capped at 720 hours. Action was requested to be made during the Regular Meeting later in the evening.

President Rufer closed the workshop at 6:43 PM.

## **REGULAR MEETING – 7:00 PM**

### **CALL TO ORDER**

President Tom Rufer called the regular meeting to order at 7:00 PM.

### **PUBLIC COMMENTS**

Steve Reed, 613 Lake Dr, Agenda Item 5c. – Mr. Reed wanted to know the timeline for repairs to his property once the project is complete. He also pointed out that he has a special type of grass that will need to be replaced. He complimented the actions and attitudes of the construction crew working in the area.

Noel Peterson, 614 Lake Dr, Agenda Item 5c. – Mr. Peterson is concerned about the condition of the road once the project is complete. He also asked that the road be put back in good shape.

James Bragg, 712 Lake Dr, Agenda Item 5c – Mr. Bragg is concerned about the condition of the road once the project is complete and wants to know if LCMUA is working with the City of Lake Dallas to get the road replaced instead of repaired. Mr. Bragg is concerned that heavy equipment in use today and over the years has weakened the roads beyond repair.

Jayne Potter, 615 Shore Dr, Agenda Item 5c – Ms. Potter spoke on behalf of herself and a neighbor, Madelyn. Madelyn's existing crushed gravel driveway was replaced with Quick Crete. She wanted the crushed gravel instead. Also, the construction company hit a waterline at Madelyn's house and took 3 days to repair it. Speaking for herself, Ms. Potter is concerned about the change in the drainage pattern. Water is now running straight into her driveway. The original poor drainage in the area has now been made worse as a result of the ongoing heavy equipment traffic.

Tiffanie Graves, 716 Lake Dr, Agenda Item 5c – Ms. Graves stated the area already has many issues with drainage and is concerned about new issues as a result of the current construction in the area. She is concerned about her home's foundation issues. She appreciated the work of Devin Shields, the project manager, but said it is not enough to fix the road.

## **INDIVIDUAL ITEMS**

- 5 c. Update on Shores Sewer Rehabilitation Project** – *President Rufer requested this agenda item be presented out of order to accommodate the residents who attended the meeting to provide public comment.*

Development Coordinator, Devin Shields, presented a map that detailed the progress of the three phases of the project. The first phase, Lake Dr and a small segment north of Lake Dr, has seen all pipe laid in the ground – cleanup work is still pending. Phase two, Shore Dr is in progress with pipe still being laid. Phase three, an area south of Maddie Ln and west of Lakeview Dr, has not yet started. Mr. Shields will work with the contractor to ensure all the clean-up (paving, lawn repair, driveway repair, etc.) for phases one and two is completed before moving on to phase three. The road surfaces that have been disrupted during the project will be repaired. It is not the intent of the Authority to replace the entirety of the roads. He asked that residents who think their concerns have not been addressed during the cleanup process contact him directly. GM Fairfield advised the group that he intends to meet with the City of Lake Dallas soon to discuss the progress of the project.

- 3. Consider approval of the minutes for the Workshop and Regular Meeting on March 21, 2022.**

Vice President Cecil Carter made a motion to approve the minutes. Director Joe Flowers seconded the motion and the motion passed unanimously.

- 4. Consider approval of the minutes for the Special Called Meeting on May 18, 2022.**

Vice President Carter made a motion to approve the minutes. Secretary Jennifer Gordon seconded the motion and the motion passed unanimously.

- 5. Consider report from the General Manager on the following items:**

**a. Shady Shores waterline upgrade on Brown Terrace**

LCMUA is a few weeks away from getting started on installing an 8” waterline and fire hydrant. LCMUA is coordinating with the Town of Shady Shores to ensure optimum alignment with current and future rights of way.

**b. Update on Harbor Grove Fire Protection Extension in conjunction with Town of Hickory Creek**

GM Fairfield is working with the Town of Hickory Creek to negotiate an agreement to install additional waterlines to enhance fire protection in the Harbor Grove neighborhood. The Town has a budget of \$500,000 for the project and Mr. Fairfield stated that amount would not be enough based on recent material costs. Staff is amendable to complete the segments that would come within the Town’s budget and then possibly finish the project when the Town has more funds available.

- 6. Discuss, consider, and act on Resolution 2022-02 approving a revised Employee Handbook; providing a repealer clause; and providing an effective date.**

Vice President Carter made a motion to approve Resolution 2022-02. Director Joe Flowers seconded the motion and the motion passed unanimously.

- 7. Discuss, consider, and act on ratifying an Emergency Purchase of the Upper Trinity Regional Water District for repair and rehabilitation of the Hickory Creek Wastewater Lift Station and providing reimbursement to Upper Trinity Regional Water District for an amount not to exceed \$308,488.77.**

LCMUA has been asked by UTRWD to pay for the recent repairs to the failing lift station located on Turbeville Rd in Hickory Creek. UTRWD maintains 100% operational control of the station because of the direct flow to their facilities. Staff questioned why the costs to rehab it are the responsibility of LCMUA. LCMUA does pay for the flow volumes on a monthly basis as well as facilities and capital charges. Other cities who use lift stations operated by UTRWD have also been charged for recent rehab of the stations and UTRWD maintains there is precedence for the fiscal responsible to LCMUA. LCMUA has not found the documentation to be specific in nature as to direct fiscal responsibility. Vice President Carter made a motion to approve the General Manager to negotiate a Memorandum of Understanding with UTRWD for repair and rehabilitation of the Hickory Creek Wastewater Lift Station to be presented to the Board for review at a future meeting. Secretary Gordon seconded the motion and the motion passed unanimously.

- 8. Discuss, consider, and act on request for additional payments to CLA, LLP regarding overages in time and efforts on the LCMUA Fiscal Year 2021 Audit Engagement and Financial Report.**

Director Flowers made a motion to approve a payment of \$7,000 (half of the requested amount) to CLA as a gesture of good faith. Vice President Carter seconded the motion and the motion passed unanimously.

President Rufer closed the regular session at 8:30 PM.

#### **EXECUTIVE SESSION**

President Rufer opened the executive session at 8:30 PM.

- 9. Deliberation regarding pending or contemplated litigation or a settlement offer under Texas Government Code Section 551.071 involving acquisition of property related to the Shady Shores Road Reconstruction Project.**

President Rufer closed executive session and reconvened regular session at 8:35 PM.

#### **RECONVENE INTO REGULAR SESSION**

- 10. Discuss, consider, and act on items from Executive Session.**

No actions taken.

- 11. Discuss announcements, activities, and agenda items for future Board meetings.**

Future meeting dates:

Monday, June 13, 2022	5:00 PM	Budget Workshop
Monday, July 18, 2022	6:30 PM	Budget Workshop and Meeting (Budget Approval)
Monday, September 19, 2022	7:00 PM	Regular Meeting.

#### **ADJOURNMENT**

President Rufer adjourned the meeting at 8:37 PM.

**To be approved by the LCMUA Board of Directors June 13, 2022.**

SIGNATURE ON ORIGINAL

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**Tom Rufer, President**

SIGNATURE ON ORIGINAL

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**Jennifer Gordon, Secretary**

