

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
August 14, 2019

The Board of Directors met in REGULAR session at 9:30AM at 1097 Lohmans Crossing, Lakeway, Texas, with the following:

Directors Present:	Lawrence Christian Jerry Hietpas Don Goff John Sayre Larry Burmeier
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Directors Absent:	None
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Staff Present:	Earl Foster Loyd Smith
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QUORUM

1. Determine Quorum and Call to Order

Meeting was called to order at 9:30 AM.  
Burmeier declared a quorum of Directors present.

2. Pledge of Allegiance was led by Burmeier.

CITIZENS

3. None

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AGENDA ITEMS:

4. Discussion and Possible Action on 2019 Tax Rate and set Public Hearing Date.

- Foster recommended the new tax rate of .1058, a .01 reduction from the 2018 rate. Foster also recommended that the Board set the Public Hearing for Sept 11, and set the meeting to adopt the tax rate for Sept 25. Foster also reviewed the Notice of Public Hearing on Tax Rate to be published in the Lake Travis View on Aug 22, 2019.
- Hietpas asked in lieu of the tax reduction if there was a need to pay off bonds early.
- Christian explained that there are call dates on the bonds; that we paid off some last year.
- Hietpas said that the taxpayers should be satisfied that we are paying off bonds as soon as we can.

- Hietpas noted that dealing with emergencies is sound financially and strengthens LMUD goodwill, and mentioned that we are running into a lot of “dead” wire and pipe that would have been extra charge if we were using a contractor.
  - Foster mentioned that the Golf Course has been very cooperative and a pleasure to work with.
  - General Board discussion.
  - No action was taken.
7. Discussion and possible action on Boil Water Notice that was sent out August 4<sup>th</sup> and rescinded August 5<sup>th</sup> on the E-3 Pressure Plane.
- Foster noted the Boil Water notices are a precaution and required by law. He explained that our first focus is making sure we have quality water in the system, test the water, and get samples to the lab for further testing. During this Boil Water event, our robo call and email system failed and we had to manually generate emails and door hangar notices. We will be switching to an automated system through our billing software to prevent this in the future.
  - Burmeier asked what the root cause was.
  - Foster replied that it was an I/O card malfunction that froze the images on the screens that show the levels in each tank. He noted that it only took 20 minutes for E-3 to get to low levels; the E-3 tank is too small.
  - Burmeier asked how we prevent this in the future.
  - Foster said we have many latches in the logic of the program, and we have a lot of redundancy. This was a highly unusual event.
  - Hietpas suggest periodic system checks.
  - Foster replied that quarterly checks will be in place.
  - General Board discussion.
  - No action was taken.
8. Discussion and possible action on Agent authorization request from Legends Communities to allow Carlson, Brigance and Doering, Inc. to submit rezoning on 1931 Lohmans Crossing.
- Foster explained that Legends is authorizing Carlson, Brigance, and Doering, Inc. (CBD) to go before ZAPCO and request zoning change from GUI to C-1, R-1, and R-2. CBD is representing Legends, but LMUD still owns the land under contract so the Boards consent is needed.
  - Hietpas asked about a PUD; Foster replied they cannot do that.
  - Burmeier asked if LMUD’s attorney had any issues with this.
  - Foster replied that the attorney’s only concern was if the sale did not close.
  - Foster explained that LMUD would just get the zoning changed back if that happened.
  - Hietpas asked if there were any tax consequences to LMUD; Foster replied no, that LMUD is exempt.

- Sayre moved to approve the letter as presented; Christian seconded.
  - General Board discussion.
  - Motion passed unanimously.
- 9, Discussion and possible action on the “Fifth Amendment to Commercial Contract Unimproved Property by and between the District and HSD-Lakeway Holdings, Ltd.” pertaining to the sale of the land generally situated at 1931 Lohmans Crossing, Lakeway, Texas.

**Burmeier stated that Item 9 would be discussed in Closed Section per the Texas Open Meetings Act Section 551.072 Deliberation Regarding Real Property.**

**The Board adjourned to closed session at 10:32AM.**

**The Board returned to open session at 10:56AM.**

- Burmeier directed Foster to take the document back to the attorney for revisions.
  - No Action was taken.
10. Discussion and possible action on Purchase of 24-inch meter for Water Plant.
- Foster explained there is a 22 year old meter that is failing that will cost \$18,809 to purchase and install.
  - Burmeier asked when it would be done; Foster replied in October.
  - Sayre asked where the meter was; Foster replied at the Clearwell.
  - Hietpas asked what experience we have had with the vendor; Foster replied good.
  - Burmeier asked if this was a bid item; Foster replied no, it is a specialty item.
  - Hietpas moved to approve the purchase and installation at a cost not to exceed \$20K; Christian seconded.
  - General Board discussion.
  - Motion passed unanimously
11. Discussion and possible action on IT strategy for Windows 10 conversion and SCADA Server Project from Univista.
- Foster explained that we are nearing the time when Windows 7 will no longer be supported and that we need to plan now to upgrade to Windows 10. The cost will be \$58,103 including the server and 7 computer replacements and moving SCADA off of an individual computer to a server. This will allow a firewall between the server and the users to block any virus. The server will be backed up to the cloud.
  - Sayre ask what happens when the SCADA server goes down; Foster replied that the processors continue to function.

- Hietpas moved to approve Windows 10 upgrade and SCADA server up to \$60K; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
12. Discussion and possible action on Easement release for lot line between 407 and 409 Sunfish.
- Foster described the need for a release to allow citizens to install a pool.
  - Sayre moved to approve; Christian seconded.
  - Motion passed unanimously.
13. Discussion and possible action on Financial Auditor for FY19.
- Foster noted that the Finance Committee had recommended Maxwell, Locke & Ritter.
  - Goff moved to authorize Foster to contact Maxwell, Locke, & Ritter and secure an Engagement Letter and pricing for the FY19 audit; Sayre seconded.
  - General Board discussion.
  - Motion passed unanimously.
14. Discussion and possible action on FY20 Revenue and Expense Budget.
- Foster reviewed the budget, noting that the \$.01 tax decrease, a 3% Merit increase, and no increase in Medical Insurance are all included in the calculations. He noted the decrease in Water labor and benefits, and the increase in same for Waste Water is due to the ODWW Project.
  - Christian moved to accept the 2019 Tax Rate of \$.1058 as presented in Item 4, to set the Public Hearing Date at September 11, 2019, and schedule the meeting date of September 25 to set the Tax Rate for 2019.
  - General Board Discussion.
  - Motion passed unanimously.
15. Discussion and possible action on Future Capital Improvement Plan.
- Foster reviewed future capital needs citing E-3 Water Tank as an example noting its capacity is only 1/2M Gal. Future meter replacements with the ability for customers to view their usage was also discussed; with this system, LMUD could run profiles from the DO without having to visit the individual meters. He reviewed succession planning for the staff noting possible retirements/turnover by department.
  - Burmeier noted he would like to see a 5 year plan with dates.
  - General Board discussion.
  - No action was taken.

16. Discussion and possible action on Financials, Calendar.

- Foster reviewed Financials and noted water usage is up due to extreme heat and that will help revenue in August and September.
- Calendar was discussed noting August 28 meeting to approve budget, Sept 11 Public Hearing, Sept 25 Adopt Tax Rate, and Oct 9 for GM Performance Review.
- General Board Discussion
- No action was taken.

**CONSENT AGENDA**

**Hietpas moved to approve all items on the Consent Agenda as presented; Christian seconded. Motion passed unanimously.**

- 17. Approve Minutes of Regular Meeting on June 5th, 2019.
- 18. Approve expenditures over \$25,000.

**ADJOURNMENT**

The meeting was adjourned at 11:56AM

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Loyd Smith, Finance/Administration Manager

Minutes approved on the 11th day of September, 2019.

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Jerry Hietpas, Vice President, Board of Directors

ATTEST:

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Don Goff, Secretary, Board of Directors

