

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
June 10, 2020

On March 13, 2020, Governor Abbott issued a disaster proclamation certifying that the novel coronavirus COVID-19 poses an imminent threat of disaster for all counties in the State of Texas. Governor Abbott also issued Executive Order GA-08 (March 19, 2020), which was extended by Executive Order GA-14 (March 31, 2020), requiring all Texans to take actions to slow the spread of COVID-19 by minimizing social gatherings and in-person contact with people who are not in the same household until April 30, 2020.

INSTRUCTIONS FOR PUBLIC PARTICIPATION

On March 16, 2020, Governor Abbott suspended various provisions of the Open Meetings Act that require government officials and members of the public to be physically present at a specified meeting location. Pursuant to that suspension, the Board will meet via telephone and members of the public will not be allowed to attend this meeting in person.

PURSUANT TO THE STATEMENTS ABOVE PUBLISHED ON THE AGENDA, THIS MEETING WAS HELD VIA TELECONFERENCE.

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

Directors Present:	Lawrence Christian Jerry Hietpas Don Goff John Sayre Larry Burmeier
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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

AGENDA ITEMS:

4. Citizens: Items listed on the Agenda.

- Mark Pryzbylkowski, Account Manager, GovTech/Logics to available to speak during Item #9.
- Gary Sanders, Senior Consultant, GovTech/Logics available to speak during Item #9.
- Karla Swann, citizen residing at 710 Golfcrest, Lakeway, TX. Swann spoke to the request for a leak adjustment that was denied according to policy since the usage was not 30K gallons over the same prior year period. Swann explained that in Nov/Dec 2019 her bill was approximately \$650, and she called LMUD and asked for a service man to check her meter. In the spring of 2020 when yard work commenced she noticed the yard was flooded and turned the water to the sprinkler system off. She discovered a hole in the pipe near the control box at the side of the house. She had her irrigation company fix the leak and sent the repair bill to LMUD requesting a leak adjustment. The usage difference was 6,000 gallons less than the required difference for LMUD to issue a leak adjustment per LMUD policy. Swann asked the Board for an exception and requested the leak adjustment.

5. Discussion and Possible Action on 710 Golf Crest leak adjustment.

- Foster explained that staff goes by policy and this request did not meet the guidelines.
- Hietpas said the Board could consider splitting the difference.
- Christian said the issue was not the money, but conservation was the issue and the problem had existed several months.
- Burmeier said the Board might consider an adjustment of some kind.
- Sayre disagreed and stated that we should go by policy.
- Goff noted we should go by the policies the Board has established.
- Sayre moved to deny the leak adjustment request; Christian seconded.
- General Board discussion.
- Motion passed 4-1; Burmeier voted no.

6. Discussion and possible action on Pay App #2 and #3 for Austin Engineering for Out of District Wastewater Force Main, Lift Station & S-5 WRP Improvements .

- Foster explained the he and the Engineer (Castleberry) had reviewed and approved both Pay App's. Pay App #3 is an estimate that can be adjusted before being paid in July, but since we normally do not have a meeting in July Pay App #3 is being presented for approval of an "up to" amount.
- Christian noted that since most Board members are not traveling this year, and the amount of money to be approved is significant, that the Board should consider having a July meeting to approve actual completion figures.
- Christian asked how many would be available for a July Board meeting; everyone was available.

- Hietpas moved to approve Pay App #2 for \$275,956; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action to approve L-1 pump repair and update on blockage in L-1 pressure line.
- Foster said this was a \$12K repair that has already been done; the pump was removed, repaired, and re-installed. A blow off valve was also installed. This line will be rerouted in the future; it was an old line that ran from the treatment plant to the holding pond.
 - Burmeier asked if this was a water line; Foster replied that it was an effluent line and is now Wastewater.
 - Foster added that the repairs have been done, but payment has not been issued as of this date.
 - Hietpas moved to approve expense of \$12,228 to Xylem for L1 lift station repairs.
 - General Board discussion
 - Motion passed unanimously.
8. Discussion and possible action to declare 1989 boat surplus
- Foster described the boat as a 1989 twin engine government surplus military boat that LMUD no longer has any use for. One engine works and the other does not. Staff would like for the boat to be declared as surplus so it can be sold.
 - Hietpas asked if there was any chance of LMUD being accused of a “sweetheart deal” regarding the sale of this boat; Foster replied no.
 - Sayre asked how the boat would be sold if it was declared surplus.
 - Foster said it would be sold to the highest bidder.
 - Sayre noted in that case LMUD has protection from a “sweetheart deal”.
 - Foster said LMUD would establish a value for the boat, and that would be the sale price.
 - Hietpas asked if LMUD had a bidder in mind; Foster said no, that there was someone with interest, but no longer interested.
 - Sayre moved to declare the boat surplus; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
9. Discussion and possible action on Edmonds GovTech/Logics Billing Software.
- Foster described serious issues LMUD has experienced with the current vender, CUSI, and said this proposal with Edmonds GovTech/Logics (Logics) would prove whether Logics could provide the reporting LMUD needs before LMUD agrees to a complete conversion to Logics. This proposal for the preliminary reports will cost \$25.4K.
 - Sayre what the total cost of conversion would be; Foster said \$61K.

- Sayre asked about the ongoing fees; Foster said they would be about the same as LMUD has been paying.
- Hietpas ask if Logics can handle the increased volume LMUD is expecting.
- Burmeier said if the reports don't work, LMUD is out the money.
- Mark Pryzbylkowski, Account Manager-Logics said "We are confident we can handle increased volume; our volume prices are fixed for three years".
- Hietpas said if Logics can't do the reports, LMUD shouldn't have to pay full price.
- Pryzbylkowski noted there is significant work for Logics to produce proof of reporting. There is an investment of 3-4 months of work involving many resources at Logics.
- Hietpas said LMUD would still like some consideration.
- Foster said the cost could be reduced by using "dummy data", but then the results may not be exact so we prefer to use our real LMUD data which involves total conversion of the master file.
- Hietpas noted both sides want this to work and asked if Logics would be willing to reduce our fee by 25% if it didn't work.
- Pryzbylkowski said he would investigate it.
- Sayre asked how CUSI was selected over Logics initially; Foster replied cost and CUSI's use of Crystal Reports.
- Gary Sanders, Senior Consultant with Logics, stated he had just texted the CFO of Logics and requested a 25% refund to LMUD if the reports did not work; the CFO approved it if LMUD signs the agreement this week.
- Hietpas said "Now that's what I call action".
- Sayre moved to approve the \$25.4K expenditure with the 25% refund if the reports do not work; Goff seconded.
- General Board Discussion.
- Motion passed unanimously.

10. Discussion and possible action on PUC Docket No. 50181-Final map and consent form.

- Foster explained that the final consent was obtained in August and Foster signed it. This allows LMUD to deliver Wastewater service to the specified area of Brookshollow through our CCN.
- Sayre asked how we would obtain Wastewater averages; Foster replied we could go to WCID 17 for the information, but that we would probably develop it ourselves.
- Hietpas asked if the new customers would pay a hook up fee and if they have a choice to use the LMUD system; Foster replied they would pay tap fees plus taxes to lay the lines.
- Hietpas noted their taxes will change, and may go down.
- Foster noted most are on septic, although there are a couple of homes on our sewer system now.

- Hietpas asked if the residents had a choice whether to use LMUD; Foster said we could force them to change, but won't do that. As their septic fail, they will want to hook up with LMUD.
 - Hietpas moved to approve the Final map and consent form as presented; Sayre seconded.
 - General Board discussion.
 - Motion passed unanimously
11. Discussion and action on update of purchase of Land 7.622 acres from City of Lakeway.
- Foster said the City had not accepted LMUD's offer to pay for the land over time; that the City would prefer payment at closing.
 - Burmeier asked if Foster had reminded them of LMUD selling the City property below value years ago.
 - Hietpas asked if we agree to pay up front, has the City approved the sale.
 - Foster replied that he was not sure, but his sense is that they have approved.
 - Christian asked about the price per the appraisal: \$476,375, or \$62,500 per acre.
 - Hietpas asked if we know it will take care of our needs; Foster replied that he showed the plans at the last BOD meeting, and we do have a lot of flexibility and options. Hietpas asked if that were a yes or a no; Foster said yes.
 - Burmeier asked if we needed to have it appraised again, and stated if we don't have the land we can't do the project.
 - Earl noted it is hard to get another appraisal.
 - Christian said we should have our own appraisal for our due diligence.
 - Hietpas disagreed saying the Board should let the President and General Manager handle it.
 - Goff asked if we could buy the land; Foster said he has not seen it declared surplus.
 - Burmeier said we need to know if the City will sell it; it's not worth LMUD spending \$10K for an appraisal unless we know. Has City Council approved?
 - Hietpas said it puts the ball in their court if we make an offer.
 - Hietpas moved to authorize LMUD to offer to purchase 7.622 acres from the City of Lakeway up to the appraised value of \$476,375 for the land payable upon closing; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
12. Discussion and possible action on Review of Engineers Contract.
- Foster pulled this item saying he had discussed with the Finance Committee and needed further information before bringing to the Board.
13. Discussion and possible action on status of Out of District pressure sewer system for Lakeway Phase 1, Secs. 1-17.

- Foster reviewed the progress of the project regarding the pipeline, a bore under Lakeway Blvd, and the continuing work on Seawind and Electra. He noted weekend work has resumed, and clean up is in progress around the Live Oak area.
 - Hietpas asked about staffing changes and progress on the easement at the golf course; Foster replied that the golf course has not been responding and that Keith at the golf course said he will put pressure on them.
 - Hietpas noted that Keith told him that he thought it had been approved; Foster said he hasn't heard anything.
 - Hietpas said we have had two people quit; Foster said two new people have been hired, and there is an interview next week with an experienced individual. Foster noted that WCID 17 is still coming after our people.
 - Christian said this discussion should be held in Executive Session; Burmeier agreed.
 - Burmeier asked how we are doing against budget since we still have no Gantt Chart; Foster replied he should be able to provide full financials in August. Foster also noted we may be able to have outside help to set Grinder Pump tanks.
 - Christian said we need total picture; Burmeier said he had heartburn with an open check book.
 - Foster noted that the original figure presented for Phase 1 was \$8M, and inflation has caused overages from that original estimate.
 - No action was taken.
- 14, Discussion and possible action on a proposed "Seventh amendment to Commercial Contract-Unimproved Property" by and between the District and HSD-Holdings, Ltd., pertaining to the sale of land generally situated at 1829 Lohmans Crossing, Lakeway, Texas.
- Foster noted that Zapco has reviewed and approved the zoning for the property, and that HSD is asking for an extension of 6 months and a reduction in the monthly payments from \$35K to \$20K.
 - Hietpas asked if this is just a repeat of requests around amendment #6; that it seems non responsive to our amendment #6 response.
 - Christian said this is 6 more months after July.
 - Hietpas stated he had no problem with the 6 months, but why the reduction?
 - Sayer said why wouldn't they ask?
 - Goff asked if we approve the extension, is it still monthly; Foster replied yes.
 - Sayre said we need to decide what we want to do and authorize Foster and Savage (attorney) to work on it.
 - Burmeier said he preferred to leave the payments at \$35K and approve the 6 month extension.
 - Burmeier asked if HSD had talked about a closing date; Foster replied they had not.
 - Hietpas moved to agree to the 6 month extension and leave the payment at \$35K; Sayre seconded.
 - General Board discussion.
 - Motion passed unanimously.

15. Discussion and possible action on Financials, Calendar.

- Foster reviewed the financials noting LMUD is in good financial shape in regard to budgeted revenues and expenses.
- Hietpas asked about the CD's and money markets vs. Texpool; Foster replied the Investment Committee looks at maturing CD's and makes decisions on the best investments.
- It was agreed to leave the July BOD meeting on the calendar.


CONSENT AGENDA- The following consent items may be approved by one Board vote. Any Director may pull consent items from the consent agenda for discussion.

Sayre moved to approve the consent agenda; Goff seconded. Motion passed unanimously.

- 14. Approve Minutes of Regular meeting May 13, 2020.
- 15. Approve Minutes of Special meeting May19, 2020.
- 15. Approve Expenditures over \$25,000 April 2020.

ADJOURNMENT

The meeting was adjourned at 11:50AM



 Loyd Smith, Finance/Administration Manager


Minutes approved on the 8th day of July 2020.





 Larry Burmeier, President, Board of Directors

ATTEST:



 Don Goff, Secretary, Board of Directors