

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
August 11, 2021

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

Directors Present:	Jerry Hietpas Larry Burmeier Lawrence Christian Don Goff John Sayre
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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.  
Hietpas declared a quorum of Directors present.

2. Pledge of Allegiance was led by Hietpas.

CITIZENS

3. None

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AGENDA ITEMS:

4. Discussion and possible action to approve Second Amendment to the Agreement for Wholesale Wastewater Servicer Between Lakeway Municipal Utility District and Travis County Water Control and Improvement District No. 17.

- Foster said this item is pulled and will be readdressed at a later meeting.
- General Board discussion.
- No action was taken.

5. Discussion and possible action to approve Private Street agreement with Lake Chandon.

- Foster explained that this is a private street and this agreement confirms that Lake Chandon is responsible for any repairs to the street are needed after LMUD does any utility work on or around the street.

- Burmeier moved to approve the agreement as presented; Christian seconded.
  - General Board Discussion.
  - Motion passed unanimously.
6. Discussion and possible action to approve Engagement Letter with Maxwell Locke & Ritter to perform FY2021 Financial Audit.
- Foster presented the letter and said this was the third year this firm will perform the LMUD audit.
  - Christian moved to approve the letter as presented; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
7. Discussion and possible action to approve Tax Rate for 2021 and Public Hearing.
- Foster said the new proposed tax rate is 0.0822/\$100 vs. last years rate of 0.1030/\$100 last year (~20% reduction). He noted the proposed rate will be published in the local newspaper twice. He added that the rate will be finalized in late September, and the final approved rate cannot be more than 0.0822.
  - Goff asked why we were reducing by 20%; Foster replied that we don't need more than that to pay our debt.
  - Christian said the Finance Committee had completely reviewed the proposed rate and approves of it.
  - Foster said the savings to the average taxpayer will be \$57.12, and the Public Hearing will be September 8.
  - Sayre asked if the rate included M&O; Foster replied yes, at the maximum we can set M&O rates.
  - Hietpas mentioned that the fix costs get distributed to a larger group due to the Out of District Waste Water project, and this budget confirms the value of the project.
  - Burmeier said that costs have been consistently reduced over the last 10 years and that the staff has done a good job maintaining the reductions.
  - Sayre asked if LMUD is still good with the Capital Plan with this rate. Foster replied yes, that we are still looking at FY2028 and may possibly have to add \$1.00 to the base rate depending on next summer. He added that it could be a combination of a new bond package plus the rate increase if necessary.
  - Christian moved to approve the tax rate of 0.0822/\$100 and the Public Hearing date of September 8, 2021; Burmeier seconded.
  - General Board Discussion
  - Motion passed unanimously.
8. Discussion and possible action to approve Pay App #15 for Austin Engineering for Out of District Wastewater Force Main, Lift Station & S-5 WRPP Improvements.

- Foster said this payment was the final payment other than retainage, and that Austin Engineering's work was completed except for a punch list they will be working on.
  - Hietpas asked how many change orders there were in the project; Foster replied there were none, that the original contract amount is the same as the final.
  - Sayre moved to approve the Pay App as presented; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
9. Discussion and possible action to approve Hoover Construction Pay App #1 on Project #4 OD Wastewater project along Corinthian and Highlander.
- Foster said this contract was to lay 4100 feet of pipe, and it will take another 2 months to finish.
  - Sayre asked when this line is finished, will hook ups for homes along the line still be emergencies; Foster replied yes, until the project reaches them they will still be considered emergencies.
  - Foster added that since Roger Fry took over the supervision of the project, we have 9 installs in one month.
  - Hietpas noted that our top field Supervisor left, and Fry took over the project. We plan to use contactors for ditches along the streets.
  - Sayre moved to approve Pay App #14 as presented; Goff seconded.
  - General Board discussion.
  - Motion approved unanimously.
10. Discussion and possible action to approve quote for Barrier and Buoy system on Lake Travis for B-3 and B-4.
- Foster proposed putting a barrier of buoys 125 feet from the barges with 5 solar lights that will blink at night. Boats are coming dangerously close to our barges, and we cannot afford for one of them to actually hit a barge. Foster added that Hurst Creek MUD was in agreement with the purchase.
  - Goff asked if we would have to go under water to adjust; Foster replied yes.
  - Goff asked how much to adjust; Foster replied likely under \$5K.
  - Burmeier asked if we are looking at 29 buoys; Foster replied yes.
  - Burmeier asked what the cost would be; Foster replied 59% of \$24,762.20.
  - Sayre said we have to do something; that there is no option to do nothing.
  - Burmeier said it is a great move, that he has seen boats beached on the lake.
  - Christian pointed out that these are the barges that were damaged from the parade last year.
  - Sayre moved to approve the quote as presented; Burmeier seconded.
  - General Board discussion.
  - Motion passed unanimously.

11. Discussion and possible action on status of Out of District pressure sewer system for Lakeway Phase 1, Secs. 1-17.
  - Foster said 9 new OOD customers have been connected over the last 4-5 weeks. Assessments have been tightened up to avoid having to fix/repair so many little things. We are not replacing sod at this point; that is the customer's responsibility. The goal is to complete each job and not have to return.
  - Sayre asked if the customer was responsible for demolition of the septic on self-installs; Foster replied yes.
  - Foster noted that our goal is for the contractor to do all of the mains going forward.
  - Burmeier said that we have ~1000 homes of which 800+ want to connect and asked if we could plot that so the Board could see progress; Foster described a progress board at the S-4 plant and said we could do something similar for the Board.
  - General Board discussion.
  - No action was taken.
  
12. Discussion and possible action on sale of property to Texas Department of Transportation, approximately 0.4194 acres at 702 N. Ranch Road 620, Lakeway Texas 78730.
  - Foster noted that this transaction was approved by the Board in January, but since then two items have come up that were not included. LMUD will have to remove trees at a cost of approximately \$14K and move electrical at a cost of approximately \$6.8K. The original price was \$333,625 plus \$25K for LMUD to move quickly. It was TxDot that delayed the transaction, not LMUD.
  - Hietpas said there was no leeway on the \$25K, that LMUD should not back off.
  - Sayre noted we found the tree and electrical expense after the fact.
  - Sayre moved to authorize Foster and/or Hietpas as signers to execute the sale at a price of \$358,625; Christian seconded.
  - General Board discussion
  - Motion passed unanimously.
  
13. Discussion and possible action on emergency purchase because of lightning strike on July 29<sup>th</sup> at Water Plant and TML Insurance claim.
  - Foster said lightning struck on July 29 and knocked out SCADA, Cards, Transducers, and the Radio Network at the Water plant.
  - Burmeier asked if we could keep it grounded so it doesn't happen again; Foster replied that we are working on it.
  - Sayre moved to approve up to \$30K to replace the radio network; Burmeier seconded.
  - General Board Discussion.
  - Motion passed unanimously.

14. Discussion and possible action on FY22 Draft Revenue/Expense Budget.
  - Foster presented the draft budget showing revenue decreasing by 1.42% and expenses increasing by 4.93%. Part of the expense increase is due to increased number of employees.
  - Burmeier asked if the budget draft presentation could contain less data that would be easier to read; Foster displayed a condensed version of the budget numbers.
  - Sayre suggested showing actual 2021, budget 2021, and budget 2022.
  - General Board Discussion.
  - No action was taken.
  
15. Discussion and possible action on purchase of F-150 and F-350 per Vehicle Replacement Plan.
  - Foster said the lead time for ordering new trucks is now 10 months, and we need to get two trucks on order. This will be for a Diesel F350 with a service bed (not dump); we are planning to replace 2 dump trucks with F350's and only keep one dump truck. The other truck we will order now is an F150.
  - Sayre moved to approve the F350 and the F150 at a total cost not to exceed \$78K; Goff seconded.
  - General Board Discussion.
  - Motion passed unanimously.
  
16. Discussion and possible action on Financials, Calendar, Board Development.
  - Foster reviewed financials stating the District continues to be in good financial shape.
  - Two meetings were scheduled for September; one on Sept 8 and one on Sept 29.
  - Hietpas ask what development LMUD should be doing for Board members. He said Facilitators familiar with water utilities are difficult to find, but that Foster would continue to look. The AWBD does have some development activities, and maybe Board members should attend.
  - Burmeier said that any of the LMUD BOD members could teach the courses.
  - Sayre asked what deficits do we have? How can we improve on them? If we could determine that, then we could see if there are courses that help our deficits.
  - Hietpas said the Board should have a better idea of what's going on around the community, perhaps a more global perception of community needs.
  - Foster asked what more do you want from me?
  - General Board Discussion.
  - No action was taken.

**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.**

- 17. Approve Minutes of Regular meeting June 9, 2021.
- 18. Approve Expenditures over \$25,000.

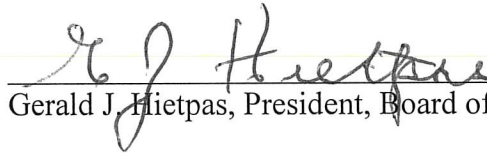
ADJOURNMENT

The meeting was adjourned at 11:42AM



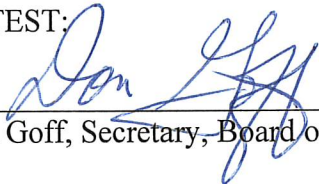
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Loyd Smith, Finance/Administration Manager

Minutes approved on the 29th day of September 2021.



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Gerald J. Hietpas, President, Board of Directors

ATTEST:



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Don Goff, Secretary, Board of Directors