

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
June 20, 2018

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

Directors Present:	Lawrence Christian Larry Burmeier Don Goff Jerry Hietpas Tom Brewer
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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 9:36 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 and presentation to Raf Mendoza for 20 Years of Service. Also, recognition of Rafael Suarez for passing his C Water and Wastewater Licenses.

- Burmeier presented Mendoza (Water Supervisor) with a 20 year service plaque and the Board thanked Mendoza for his service.
- Mendoza thanked the Board for the recognition.
- Foster introduced Rafael Suarez and commended him for passing his License tests. Foster pointed out that it took over 100 hours of study to complete and pass the tests.

- Burmeier and the Board congratulated Suarez and thanked him for his progress.
- Suarez thanked the Board for the recognition.
- No action was taken.

5. Discussion and Possible Action Identification, nomination and election procedures for Board Officers and Presentation.

- Foster stated that the guidelines for the procedures were attached to the Board Packet.
- General Board Discussion.
- No Action was taken.

6. Election of Officers

- Burmeier stated that the first Officer to be elected would be the President, and asked if there were any nominations.
- Hietpas nominated himself.
- Brewer nominated Burmeier.
- Burmeier asked if there were any other nominations; there were none. Burmeier then said the candidates were welcome to speak on behalf themselves.
- Hietpas stated that he had been on the Board for 11 years and felt it was not appropriate in prior years for him to run for President. In the past, some wore white hats and others wore black hats, and his role at times had been the black hat. This year, however, when Larry said he wasn't going to run again that prompted Hietpas to run for President. Hietpas said he has spearheaded a lot of the OOD Wastewater Project as well as other projects, and believes we should work toward Regional MUDs. LMUD could expand perhaps with MUD's 11, 12, & 13 and maybe expand into other areas. Hietpas stated he supported our budgets and projects, and has a good working relationship with the General Manager (Foster).
- Burmeier acknowledged Hietpas's accomplishments. Burmeier said he believed he had provided good leadership for any issues with the Board, the General Manager, and the Committees that have arisen during his term as President. Burmeier stated he would welcome the opportunity to continue in the President's role.
- A vote was taken, and Burmeier won with 3 votes (Burmeier, Goff, & Brewer). Hietpas received 2 votes, Christian and Hietpas.
- Goff nominated Hietpas for Vice President.
- Hietpas stated that he is committed for the next 4 years, and it might be better if a younger Director were VP.
- Burmeier asked Hietpas if he would accept the VP position.
- Hietpas said he would serve in any capacity the Board desired.
- Brewer moved to vote.
- Vote was unanimous for Hietpas as VP.
- Christian nominated Goff for Secretary; no other nominations were offered.
- Vote was unanimous for Goff as Secretary.

- Hietpas nominated Christian for Treasurer; no other nominations were offered.
- Vote was unanimous for Christian as Treasurer.

7. Discussion and possible action on Liaisons for E&O, Finance, APC, and Land Committees.

- Brewer moved that all Liaisons remain with their current committees.
- Goff seconded.
- Motion was approved unanimously.

8. Discussion and possible action on 2017 Drinking Water Quality Report, Consumer Confidence Report (CCR) that was sent out to customers.

- Foster reviewed the 2017 CCR report and noted that it had been sent to all customers, posted on the web site, and that hard copies are available in the lobby of the District Office. He noted that the report confirms that LMUD meets and/or exceeds all guidelines set by the State and Federal Agencies.
- Brewer asked when we would be going to further restrictions.
- Foster replied that there are triggers in our Drought Contingency Plan that determine when we increase restrictions. Foster is working on getting these adjusted.
- General Board Discussion
- No action was taken.

9. Discussion and possible action to approve Purchase of Water Recycling Pump at S-4.

- Foster explained that 3 pumps at S-4 are corroding, and need to be replaced. We have had to go in and do some wrap around to keep them from leaking. He proposed replacing one per year until they are all replaced. He noted the new pumps would be coated with an epoxy material that would extend the life of the pumps. He noted that the Finance Committee had reviewed the proposal and recommended it and the E&O committee would review it the following day (Thursday June 21).
- Burmeier asked what kind of coating was on the existing pumps.
- Foster said he wasn't sure, but likely some kind of primer paint.
- Brewer said he may want to revise this motion, but he moved that pending approval of the E&O Committee the General Manager is allowed to proceed with the purchase. Christian seconded the motion.
- Brewer said that if Hietpas was willing, Brewer is willing to authorize the purchase now, but that Foster said the E&O Committee meets the following day. Brewer asked Hietpas if he wanted to wait for E&O Committee approval or could we just approve it now.
- Hietpas indicated he would rather wait for the E&O Committee to review first. He indicated that if we have an atmosphere that is this aggressive, he wants to make sure we know what else could be affected out there. We are seeing the corrosion on the outside, but what about the inside and are we going to be protecting that.

- Foster said that the interior was not at risk for corrosion.
- Hietpas said the approval should be just for the pump and not the motor.
- Burmeier stated that the way he understood it if we make a motion that is waiting for one of our Committees to approve it that changes the game in regard to what we have to do. This could cause a precedent we really don't want. We can always approve this, and if the E&O Committee comes back with something different we can change it.
- Brewer stated that he has always recognized the importance of the Committees, and feels that all issues should be taken to the Committee before they come to the Board.
- Foster said that there was a ruling that when Committees make decisions for the Board they have to posted as an open meeting. Tomorrow's meeting is not posted as an open meeting.
- Brewer said he would revise the motion to "Pending discussion of the E&O committee, the General Manager is authorized to proceed with the purchase of the pump".
- Foster said as long as you are not depending on the E&O Committee to approve it, because what happens is if you push things to Committees, things get done behind doors; that's the assumption people make. These decisions should be made in public. If we want to do that, I would have to start posting agendas for committee meetings and follow the agendas to the "T". I don't think that is the intention here.
- Hietpas asked if it was true that we could wait on this.
- Foster said yes, but we are six weeks out on the order and have band aids on one and getting ready to have band aids on the other two.
- Christian said that would mean we could not replace until the middle of October.
- Burmeier said he believed we were OK with the revised motion; Foster agreed as long as we are not depending on the E&O Committee for approval.
- Foster asked Brewer to restate the motion.
- Brewer said pending the discussion of the E&O Committee, the General Manager is approved to purchase the S-4 pump. Christian seconded.
- Motion passed unanimously.

10. Discussion and possible action on Progress of Out of District pressure sewer system for the first 17 sections of Lakeway.

- Foster updated the Board on progress. He stated that we have driven the golf course and taken multiple pictures. We will need some easement permission from the golf course. There are some places we will not be able to put the sewer in the easement, and will have to go to the front in those cases. We are also working on plans for the moving of the lift station and the piping to S-4. There is a possibility that we will be able to lay the pipe at the airpark closer to the runway, which will be easier since the ground is much flatter there. This job will be contracted out, and we will be taking bids on it.

- Foster also stated that we are hoping to start Phase I as early as August. We have completed a pilot project on Lakeway Drive (6 customers) and are doing some on Explorer, Medalist, and Electra (who are paying the \$3,300 and will pay the monthly debt service).
- Burmeier asked if the pilot project on Lakeway Drive proved the cost models for the project; Foster replied that they had proven the model to be accurate.
- Foster also mentioned that he has made a presentation at two public meetings at the Activity Center, one at Keller Williams and Men's Breakfast, and has plans to have a public meeting in July at the Activity Center.
- Hietpas stated that we need to know if the golf course is going to work with us; Foster said we are working on an agreement with them and he believes we will find a middle ground that will work for both of us.
- Burmeier stated we need to put as much as possible on the golf course easement to avoid street construction wherever possible.
- General Board Discussion.
- No action was taken.

#### 11. Discussion and possible action on Refunding of 2009 Bond

- Foster presented a plan to pay down \$1.2M of the 2009 Bond, saving the District \$495K over the next 10 years.
- Hietpas asked if we have identified the money available to do this; Foster replied yes.
- Christian moved that we approve the partial refunding of the 2009 Bond in the amount of \$1.2M as presented; Goff seconded.
- General Board discussion.
- Motion was approved unanimously.

#### 12. Discussion and possible action on Engagement Agreement for Special Counsel by and between Law Offices of Patricia Erlinger Carls and Lakeway Municipal Utility District.

- Foster explained that the current firm Carls was a partner in was changing ownership (partners) and that Carls has formed her own firm. He explained she would still have access to resources at her previous firm as needed, but that our agreement needed to be redone between Carls and LMUD.
- Brewer said he preferred to work with a partnership, not a single attorney firm.
- Christian pointed out that in Section C of the agreement Carl's name was different in the body than in the heading.
- Hietpas moved that the agreement be approved pending the name changes and General Manager's review of the changes; Christian seconded.
- General Board Discussion.
- Motion passed 4-1; Brewer voted against.

#### 13. Discussion and Possible action on Financials, Calendar

- Foster reviewed the financials and stated that LMUD continued to be in good financial standing
- Foster reminded the Board that the July meeting has been cancelled and the next meeting will be August 8.

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Hietpas left the meeting at 11:04AM

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Christian moved to approve the Consent Agenda; Goff Seconded. Motion passed unanimously (4 Yeas, 0 Nays).

**CONSENT AGENDA:**

14. Approve Minutes of Regular Meeting on May 9, 2018.
  15. Approve Expenses over \$25K (LCRA-\$26,378.93)
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**ADJOURNMENT**

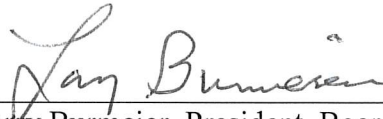
The meeting was adjourned at 11:06AM




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Loyd Smith, Finance/Administration Manager

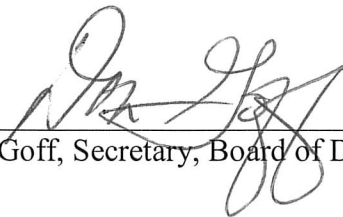
Minutes approved on the 8th day of August, 2018.




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Larry Burmeier, President, Board of Directors

ATTEST:




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Don Goff, Secretary, Board of Directors

