

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
October 9, 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

Directors Absent: None

Staff Present: Earl Foster
Loyd Smith

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. Public Hearing on 2019 Proposed Tax Rate.

- Burmeier announced the Public Hearing on proposed tax rate was open.
- Foster announced the proposed rate was .1058/\$100, down from .1158 the previous year. Foster also commented that the rates had been published in the local newspaper and posted on the LMUD website.
- Hearing no requests for comment, Burmeier closed the Public Hearing.

5. Discussion and Possible Action to approve 2019 Tax Rate.

- Hietpas moved to approve the 2019 Tax Rate of .0158/\$100, comprised of \$.0911 Debt Service and \$.0147 Maintenance and Operations; Goff seconded.
- Motion passed unanimously.

6. Discussion and possible action to approve Leak Relief request for 717 Cutlass.
 - Foster explained there were two systems installed in the house at 717 Cutlass; one for irrigation that used lake water, and one for all other water supplied to the house that was connected to LMUD. The pump bringing water from the lake to irrigate the lawn malfunctioned and caused thousands of gallons of LMUD water to be dumped into the lake. Foster noted that the owner, Frank Russo, was completely cooperative and did everything LMUD requested of him to get the problem resolved. Foster recommended allowing the Leak Relief.
 - Frank Russo, owner of 717 Cutlass, addressed the Board and said he knew nothing about the lake pump when he bought the house, and the pump was a problem from the very beginning. He later found out his irrigation service was not familiar with the system either. He was quick to act on any suggestions from LMUD to get the situation resolved.
 - Hietpas stated this problem is unique to those who live on the lake and use lake water for irrigation.
 - Foster remarked that if a citizen is using lake water to irrigate, there must be a physical disconnect between the lake water and LMUD water.
 - Goff asked how many others might be like this; Foster replied that most homes on the lake use lake water to irrigate.
 - Foster said those citizens do pay LCRA an annual fee for irrigation; Hietpas said a list of those customers of LCRA might be helpful.
 - Hietpas moved to approve the leak relief request in the amount of \$4,322.71; Christian seconded.
 - General Board discussion.
 - Motion passed unanimously.

7. Discussion and possible action to approve HDR proposal for Reclaimed Water Storage Pond Evaluation.
 - Foster noted that the feasibility study was to determine the gallon volume we could get from a pond at this location and he believes we can get in excess of 20M gallons. If the study shows less than that, we can stop the study at the end of Task 2.1 at a cost of approximately \$16K.
 - Hietpas asked if the E&O Committee had reviewed the proposal; Foster said he just received the proposal last Thursday and didn't have time to present it to the Committee, but they were aware it was coming.
 - Sayre said there is a good probability we will get over 15M gallons there; Foster agreed.
 - Foster said it was an ideal location; right by E3, and would be useful in the expansion of S5 and the new customers coming on board.
 - Sayres asked if the cost estimates would be by different volumes; Foster said yes.
 - Hietpas moved that the Board approve \$100K for a proposal for construction of a new water storage pond at I-5; Sayre seconded.

- Christian asked if some of this was regarding land not owned by LMUD.
 - Foster said most of the work in the feasibility study would be on our land, but that he would make sure the City is OK with any work that might be done on their land.
 - Burmeier asked if it was up to the General Manager to decide whether to stop at Task 2.1; Foster said yes and that we need a total of 40M gallons additional storage.
 - Hietpas asked how much time the study would take; Foster said around 60 days to tell us if it is feasible (Task 2.1) and 3-5 months for the entire study.
 - Motion passed unanimously.
8. Discussion and possible action to approve FY 20 Revised Revenue Budget.
- Foster explained there was an adjustment needed in the revenue budget; that some of the revenue originally put in the budget was actually funded through Bond Construction.
 - Christian moved to approve the adjusted revenue budget as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
9. Discussion and possible action on Discussion and possible action to approve LOI with the City of Lakeway for Land purchase/swap.
- Foster explained he needed the Board's approval to continue working with the City around ideas he has to resolve any issues, and the LOI document will accomplish that. He stated he believes the City wants to work with us.
 - Sayre moved to approve the LOI with the idea to move forward with the City to Purchase/Swap the land needed for the pond; Christian seconded.
 - General Board discussion.
 - Motion passed unanimously.
10. Discussion and possible action on Progress of Out of District pressure sewer system for the first 17 sections of Lakeway Phase 1.
- Foster reviewed progress and noted over 10K feet of the main line have been laid. He noted that November 8 is the target to complete structural and electrical engineering and be ready to go out for bid. We are building external headworks that will help us with the expansion of the plant, but did cause some delay from October to November. We plan to start connecting customers in Phase 1 in the May-June 2020 time frame. We will be using three crews during that time. We may look at some outside contracting to speed the process up; we would pay them by the day to assist us.

Christian left the meeting due to personal business.

The Board went into Executive Session in accordance with the Texas Open Meetings Act Section 551.074 (Deliberation Regarding Personnel Matters) at 10:30AM.

The Board returned to Open Session in accordance with the Texas Open Meetings Act Section 551.074 (Deliberation Regarding Personnel Matters) at 11:21AM.

11. Discussion and possible action on General Manager’s Salary/Benefits.

- Goff moved the General Managers Merit Increase be 4.43% effective October 1, 2019; Sayre seconded.
- Motion passed unanimously.

12. Discussion and possible action on Financials, Calendar.

- Foster reviewed financials, and stated LMUD will finish the year very close to 100% of budgeted revenue, and around 5% below budgeted expenses.
- Foster brought up the calendar, and noted that November 19 is the date set for the annual Committee/Board/Staff luncheon to be held at S5 on Palos Verdes.
- 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.

Hietpas moved to approve the Consent Agenda; Sayre seconded. Motion passed unanimously.

13. Approve Minutes of Regular meeting on September 11, 2019.

ADJOURNMENT

The meeting was adjourned at 11:28AM



 Loyd Smith, Finance/Administration Manager



Minutes approved on the 13th day of November, 2019.



 Larry Burmeier, President, Board of Directors

ATTEST:



 Don Goff, Secretary, Board of Directors