

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
November 14, 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
--------------------	---

Directors Absent:	None
-------------------	------

Staff Present:	Earl Foster Loyd Smith Raf Mendoza Kyle Wilds II
----------------	---

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. Discussion and Possible Action to fill a vacancy on the District's Board of Directors

- Burmeier asked if the Board had read the procedures for filling a vacancy and received positive responses.
- Foster noted that one Board member's resignation was accepted by the Board in October, and that the Board had 60 days to fill the vacancy. Nominations are to be taken from any Board member, and then voted on verbally or by hand. He also noted that if the Board voted a new member in, they could be sworn in today.
- Hietpas nominated John Sayre and noted that Sayre has served on the E&O Committee during the past year. Hietpas said if appropriate Sayre could speak to the Board about his qualifications.

- Sayre stepped to the podium and Foster reviewed his qualifications. Foster stated that Sayre met the qualifications to serve on the Board.
 - Sayre said he was a Chemical Engineer for about 30 years doing a variety of things related to National Defense. He was in management a good part of the time responsible for large budgets, up to \$184M. He noted he was interested in Lakeway, and in particular the Water supply and utilizing reuse water.
 - Burmeier asked if there were any other nominations and received none.
 - Burmeier asked for a show of hands of all those in favor of electing Sayre; the vote was unanimous.
 - Sayre was sworn in by Smith, and took his seat with the Board.
5. Discussion and Possible Action to Recognize Raf Mendoza and Kyle Wilds II for going above and beyond during the October 16 Flood event on Lake Travis.
- Foster reviewed the recent flood, stating it was the worst flood in this area since 1935, and noted we are still seeing the effects of it throughout the Highland Lakes.
 - Foster said he would like to recognize Raf Mendoza and Kyle Wilds II for going above and beyond during the flood. While the lake was rising about 4 feet per hour, Mendoza and Wilds were taking the boat out to the barges and releasing cables as needed. It was dark and dangerous, and at one point they had to take a dingy out to the boat to get to it. They did this throughout the night. In addition, they were constantly monitoring the Water Plant to ensure the turbidity was not approaching unacceptable levels. As a result of their hard work and dedication, we were able to avoid issuing a Boil Water Notice.
 - Burmeier and Foster presented Mendoza and Wilds with Plaques recognizing their efforts and results.
 - The Board thanked and congratulated Mendoza and Wilds.
 - No Action was taken.
6. Discussion and Possible Action to approve release of 10-foot Public Utility Easement running across Southeastern portion of lot 1376-A, Lakeway, Section 16-B, which was original dividing line between lots 1375 and 1376, Lakeway, Section 16-B, Travis County, Texas, be abandoned and released in full; address 106 Kite Street.
- Foster reviewed the release and indicated the customer needed the release in order to build on the property. PEC and other utilities have already released their easements.
 - Hietpas moved to approve the release; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action on Progress of new Website for LMUD.
- Foster introduced Stephanie Therinen, Marketing Consultant with Beyond Green Media, and Leslie Lawson, Webmaster for LMUD.

- Therinen and Lawson reviewed the new website and compared the new with the old.
 - General Board discussion.
 - No action was taken.
8. Discussion and possible action on term sheet for RH HOA Existing Raw Water Irrigation System along Highlands Blvd and Rough Hollow Drive.
- Foster reviewed the term sheet and noted that LMUD had done a Water Model on RH HOA system showing how we could utilize S-4 to feed their system, and found some improvements that need to be made to their system. This led to the term sheet you see today.
 - Burmeier noted that this term sheet is for information only, not to take any action today, but to ensure the Board is OK with pursuing. This is merely an update.
 - Foster noted this sheet is what he has sent to RH HOA after they prepared the original sheet.
 - Hietpas stated that recently we had a meeting with the developer of that area, and were looking for a holistic agreement about how they get service. The result is that two things need to happen: 1) We need to update the existing WW Service agreement with Rough Hollow HOA, which is what this term sheet is about.
 - Sayre asked that we start at the beginning for his information, and asked where Rough Hollow got their water.
 - Foster replied that on this side of the bridge, they get their water from LMUD. On the other side of the bridge (Highlands), they get their water from West Travis County PUA. He said LMUD has an agreement to service all of Rough Hollow with Waste Water. Foster stated he had approached Rough Hollow with the idea of LMUD serving the whole area with Water as well as Wastewater. From that, we approved a term sheet in October of 2017 which would allow us to serve Water to the Highlands section of Rough Hollow contingent on them getting out of their contract with West Travis County PUA.
 - Foster went on to say that Rough Hollow owns their irrigation system and it needs improvement; we could use it for reuse. We would like to operate it now; Potable, Waste Water, and Irrigation. Then we could afford to spend money on their irrigation system. Foster stated he doesn't want to take it over; MUD'S 11, 12, & 13 can continue to exist. All he wants to do is run their entire system. That's what this term sheet is moving toward.
 - Burmeier said when a developer begins a project, they are responsible for providing Water and Wastewater; as the development matures (around 70%), the developer eventually gives that up. We have had feedback from their customers that they are paying too much for water; we believe we can do better. This is where we are, and should we continue with these discussions or does the Board feel we don't want any part of it. We are trying to get some options that would be beneficial for everybody.
 - Goff asked if we had gotten any reaction from Rough Hollow HOA on this sheet, because we know they are wanting us to pick up the tab.

- Foster replied he is waiting to hear back from their General Manager, and he believes there is room to negotiate.
- Hietpas stated this is the first of two term sheets; it is a good thing for our community. We are not giving any LMUD assets away, but are participating in shared costs.
- Foster noted we would still be billing them for reuse.
- Goff asked if this would interfere with OOD WW Phase I & II.
- Foster replied no, that the Rough Hollow work would be contracted out.
- No action was taken.

9. Discussion and possible action on Progress of Out of District pressure sewer system for the first 17 sections of Lakeway Phase 1.

- Foster stated that the Airpark survey was completed and that we are finalizing easements for the golf course. There was a demo yesterday for the directional bore which is used to go under driveways, rock walls, etc. It took only ½ day to complete the task the demo was presented with.
- Foster is working on a Gant Chart for the project.
- General Board discussion.
- No action was taken.

10. Discussion and Possible action on Financials, Calendar

- Foster reviewed the financials and stated that LMUD will finished the Fiscal Year considerably ahead of revenue budget and very close to expense budget; a very good year financially.
- General Board Discussion
- No Action was taken.

CONSENT AGENDA:

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

11. Approve Minutes of Regular Meeting on October 10, 2018.
12. Approve Minutes of Special meeting on October 30, 2018.
13. Approve expenditure over \$25,000

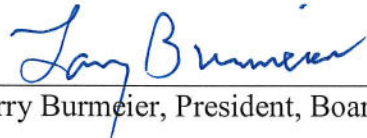
ADJOURNMENT

The meeting was adjourned at 11:03 AM



Loyd Smith, Finance/Administration Manager

Minutes approved on the 12th day of December, 2018.



Larry Burmeier, President, Board of Directors

ATTEST:



Don Goff, Secretary, Board of Directors

