

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
August 28, 2019

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

Directors Present:	Lawrence Christian Larry Burmeier Don Goff Jerry Hietpas
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Directors Absent:	John Sayre
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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. Discussion and Possible Action on Agreement with Travis County Water Control and Improvement District #17 to seek approval from the Public Utility Commission (PUC) to transfer a portion of District 17's Wastewater CCN to Lakeway MUD (along the North side of Brooks Hollow Road).

- Foster said there are customers in this area wanting wastewater service and WCID 17 is willing to relieve it's CCN in order to let Lakeway MUD serve and direct bill these customers.

- Hietpas noted it will cost LMUD \$10-15K to do this; Foster said we will pick up 10-15 new wastewater customers.
 - Hietpas asked if our East Wastewater Plant was near capacity; Foster replied that it is, and that we are looking at ways to increase capacity.
 - Hietpas noted that is something we would need to do anyway, regardless of this project; Foster agreed.
 - Christian asked what the revenue potential was of this project; Foster said he was unsure this early in the process.
 - Hietpas noted that this small project goes along with our program to replace septics wherever possible.
 - Goff asked if this was a permanent arrangement; Foster confirmed that it is.
 - Goff asked about a time frame; Foster replied that the first hook up is new home construction, so likely 10-12 months.
 - Hietpas moved to enter into the agreement as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
5. Discussion and Possible Action on wording for the Historic Marker to be placed on LMUD property.
- Foster reviewed the suggested wording on the marker.
 - Goff asked what size the marker would be; Foster replied 12-18" mounted on a rock similar to the one at Lakeway Blvd and Lohmans Crossing.
 - Hietpas said it should be large enough to read the message.
 - Foster said he would go through Stokes Signs and ensure the plaque was large enough.
 - Goff moved that we approve the wording as presented; Christian seconded.
 - General Board discussion.
 - Motion passed unanimously.
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6. Discussion and possible action on Engagement Letter from Maxwell Locke & Ritter.
- Foster reviewed the letter and stated the cost would be \$19K.
 - Hietpas asked if the Finance Committee had reviewed.
 - Christian said yes, the Finance Committee was in agreement and this is around the recommended time for us to make a change.
 - Foster noted we were able to negotiate the price.
 - Christian moved to approve the Engagement Letter as presented; Goff seconded.
 - General Board Discussion.
 - Motion passed unanimously.
7. Discussion and Possible action to approve Merit Increase for FY20 Budget.
- Foster recommended the average Merit Increase of 3% and that the Finance and HR Committee's had reviewed and agreed with the recommendation. He also

noted there was not a quorum present at the HR Committee meeting, but that we are working on ways to fill open positions on that committee.

- Hietpas questioned the average; Foster noted that we had done away with automatic increases in the past, and the Merit Increase is based on individual performance with the overall average limited to 3%.
- Goff moved to accept the 3% Merit Increase; Christian seconded.
- General Board discussion
- Motion passed unanimously.

8. Discussion and possible action to approve Health Insurance for FY 20.

- Foster reviewed United Health Care and MetLife saying there is no increase for FY20.
- Goff noted that there was a very small increase in United that amounted to less than \$1 per employee per month; Foster agreed saying it was an extremely small increase, and there is no increase in Metlife.
- Goff moved to maintain current Health coverage; Christian seconded.
- General Board Discussion.
- Motion passed unanimously.

9. Discussion and possible action on FY 20 Revenue and Expense Budget.

- Foster reviewed the FY20 Budget numbers.
- Burmeier noted that the 4% increase in expenses was higher than usual.
- Foster replied that we have added people, and most of the increase is in Wastewater.
- Goff noted that future revenues will offset the costs we are incurring now for the ODWW project.
- Hietpas said he would prefer to see that labor accounted for differently, but that he would bow to others on this and it was being handled properly from an accounting standpoint. He said he would like to see an Excel report showing revenue and expense, and asked if Foster was committed to preparing one.
- Foster agreed that he would have something in the near future.
- Hietpas moved to approved the Budget as presented; Christian seconded.
- General Board discussion.
- Motion passed unanimously.

Burmeier stated that since Item #10 will be discussed in closed session per the Texas Open Meetings Act Section 551.072 (Deliberation Regarding Real Property), it would be moved to the end of the agenda.

11. Discussion and possible action on LMUD Inspection Service Agreement.

- Foster reviewed the agreement with IO Inspections and explained that Troy Gray left McComis Inspections and started his own business and LMUD moved their

inspections to his operation. LMUD had never formalized an agreement with IO and this resolved that need.

- Burmeier asked why we needed this.
- Foster replied that Inspections are required under the Plumbing Code, and we have chosen to use an independent company rather than our own employees since Licensing is required for Inspectors.
- Goff asked if such an agreement protects LMUD; Foster said it did.
- Hietpas asked if other water utilities in Lakeway performed inspections; Foster replied yes, that it is a requirement for all water utilities.
- Hietpas moved to approve the agreement as presented; Goff seconded.
- General Board discussion.
- Motion passed unanimously.

10. Discussion and possible action on the “Fifth Amendment to Commercial Contract Unimproved Property by and between the District and HSD-Lakeway Holdings, Ltd.” pertaining to the sale of the land generally situated at 1931 Lohmans Crossing, Lakeway, TX. (This item may be discussed in Executive session as authorized by Texas Open Meetings Act 551.072).

The Board went into Executive Session in accordance with the Texas Open Meetings Act Section 551.072 (Deliberation Regarding Real Property) at 10:18AM.

The Board returned to Open Session in accordance with the Texas Open Meetings Act Section 551.072 (Deliberation Regarding Real Property) at 10:39AM.

- Hietpas moved to approve the latest version of the “Fifth Amendment” as presented subject to our Attorney’s input; Christian seconded.
- Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 10:40AM



Loyd Smith, Finance/Administration Manager

Minutes approved on the 11th day of September, 2019.



Jerry Hietpas, Vice President, Board of Directors

ATTEST:



Don Goff, Secretary, Board of Directors

