

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
September 11, 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
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Directors Absent:	Larry Burmeier
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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. Public Hearing on 2019 Proposed Tax Rate.

- Hietpas announced the Public Hearing for the 2019 Tax Rate was open.
- Foster noted the rate had been posted in the newspaper and on the LMUD website and the proposed rate is .1058/100.
- Hietpas asked if there were any citizens who wished to speak; hearing none, he declared the Public Hearing closed.
- Foster said the Board would vote on final approval on October 9.
- No action was taken.

5. Discussion and Possible Action to approve Jose Perez Construction contract for concrete work on OD wastewater project.

- Foster said that Jose Perez Construction is the firm the golf course uses for its concrete repair work. LMUD damaged some areas of the cart path and would like to use this vendor to make repairs as the course is opening on September 13.
  - Hietpas noted this was a definite amount for a specific repair and that there may be more in the future that this does not cover; Foster concurred saying we will get bids for future work.
  - Sayres asked why we tore it up; Foster responded that it was more cost effective to bust it up than try to go under it, and that we would plan to use this contractor again for future repairs.
  - Hietpas asked how we know that this price is competitive.
  - Foster said that Keith at the golf course uses this contractor a lot and recommends them saying they are always the low bidder. Foster also pointed out this is ~\$11 per square foot.
  - Sayers noted that \$11 is a good price.
  - Sayres moved to approve the contract as presented; Christian seconded.
  - General Board discussion.
  - Motion passed unanimously.
6. Discussion and possible action to approve purchase of Hydromatic Pump for Lift Station #6.
- Foster presented 2 options for a solution; there are two pumps at Lift Station #6 and one is in for repair leaving us vulnerable. Foster recommended Option 2 which is to purchase another pump. He noted these are specific pumps for this Lift Station.
  - Hietpas said Option 2 gives us a spare pump at this Lift Station.
  - Foster said we have built our inventories based on a spare pump at each location.
  - Sayres asked if both run at the same time; Foster replied that they alternate, and an amber light tells us if a Lag pump was due to level in Lift Station rising.
  - Goff asked about the longevity of the pumps; Foster said these are ~13 years old and have definitely reached their service life.
  - Hietpas noted it would be embarrassing not to have back up.
  - Goff moved to approve \$15K for the pump; Sayre seconded.
  - General Board discussion.
  - Motion passed unanimously.
7. Discussion and possible action to approve Rate Order.
- Foster noted that charges for grinder pump service were no longer optional, but would be added to the base charge. He also said the existing grinder pumps would be included in the service plan at full service, explaining it is too difficult to try to allocate charges to the older pumps. LMUD will be replacing floats in the older ones to extend life.
  - Hietpas asked why it was now mandatory.

- Foster said he had checked with other utilities that have the program, and there are too many people that will try to go on and off the plan to take advantage; he noted that there is 100% participation in the ODWW customers hooked up so far.
  - Goff asked if there was any additional liability; Foster replied no.
  - Foster noted another change reducing wholesale reuse rates to \$1.50 per thousand gallons, and that affects one customer.
  - Hietpas asked if the other reuse customers' rates would change; Foster replied no.
  - Christian moved to approve the rates as presented; Sayre seconded.
  - Sayre offered a friendly amendment to change the minimum as presented in A3B to 10K gallons per billing; Christian accepted the friendly amendment.
  - General Board discussion.
  - Motion passed unanimously.
8. Discussion and possible action to approve transferring \$21,500 from Budget line item 7105 to Capital Expenditure 14-08 to Re-paint Elevated Storage Tanks.
- Foster explained this is an annual accrual for future painting, and that we move this money every year to our fund for maintenance painting.
  - Sayre asked if there was a risk since we don't know how much or when the money will be needed.
  - Foster explained we base this on 10 years of history and we are comfortable that this accrual is sufficient.
  - Sayre moved to approve the transfer as presented; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
9. Discussion and possible action on Progress of Out of District pressure sewer system for the first 17 sections of Lakeway Phase 1.
- Foster reviewed some recent hookups and said we have now installed ~10K feet of pipe in Phase 1.
  - Christian said he had driven the golf course with Hietpas, and was very impressed with the LMUD crew and the work; that it appeared clean and neat for all the work going on.
  - Goff asked if we are on track time-wise; Foster replied yes, he was happy with the progress. He noted the new employees that were hired are now trained and that is a big help.
  - Goff asked when an update would be made to the Public; Foster replied after we are past Hole 8.
  - Christian said he saw our equipment and saw our crews cutting stone and saw the innovation our crews and Hietpas had shown in developing a new tool to help.
  - Hietpas said the improvement in process is evident, but now we will have golfers to contend with and wondered what they might complain about.
  - Foster said the biggest complaint is about the noise and the dust.

- Hietpas said we don't want golfers driving through mud, and noted it would be good for LMUD to have a presence at the LMGA on Friday mornings to educate the golfers and be available for questions.
  - Stephanie Threinen, LMUD Public Information Liaison, reviewed some of the communications currently being employed.
  - Foster said we want to make sure our crews are not working on tournament days.
  - Hietpas said we are looking for Project Cost and Progress; Foster responded he hoped to have that by October.
  - Hietpas asked for a broad picture of emergency hook-ups.
  - Foster replied that we have ~20 installed, another ~20 waiting, and another ~20 who have inquired but no action to date.
  - Hietpas said we need to weed out those that aren't truly emergencies.
  - Foster said the LCRA and TCEQ have allowed us to do some septic tank repair, but we cannot repair cinder block.
  - No Action was taken.
10. Discussion and possible action on Financials, Calendar.
- Foster reviewed Financials and noted August water sales were 113M gallons.
  - Foster also noted we will be looking at needs in September to purchase equipment in this year's budget, so September expenses will go up. We will be well below expense budget for the year.
  - General Board Discussion
  - No action was taken.

**Christian asked to pull Item 11 Bad Debt Write-Offs from the Consent Agenda.**


12. Approve Minutes of Regular Meeting on August 14th, 2019.
13. Approve Minutes of Special Meeting on August 28, 2019
- Goff moved to approve Items 12 & 13 on the Consent Agenda; Christian seconded.
  - Motion passed unanimously.
11. Bad Debt Write-Offs.
- Christian asked about some specific accounts on the report and procedures.
  - Smith reviewed the procedures, noting that Bad Debt Write-Offs are approximately one third in number of accounts and dollars compared to 10 years ago.
  - Sayre moved to approve Bad Debt Write-Offs as presented; Christian seconded.
  - General Board Discussion
  - Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 10:54AM

  
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Loyd Smith, Finance/Administration Manager

Minutes approved on the 9th day of October, 2019.

  
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Larry Burmeier, President, Board of Directors

ATTEST:

  
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Don Goff, Secretary, Board of Directors

