

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
December 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 Larry Burmeier
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Directors Absent:	None
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Staff Present:	Earl Foster Lloyd 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 to approve purchase of 2 F-150 Trucks and 1 F-450 per Vehicle Replacement Plan

- Foster explained the Truck Replacement Plan whereby trucks are replaced when reaching 10 years of age and/or 100K miles, and that all 3 trucks meet or exceed guidelines for replacement.
- Hietpas asked why the diesel was chosen for the F-450.
- Tommy Farrell, LMUD Field Supervisor explained that the diesels have proven much more reliable and powerful pulling the large loads on the steep hills.
- Goff asked if we would trade the old trucks in; Foster confirmed we would.
- Hietpas moved to approve the Johnson-Sewell bid with staff trying to negotiate a better price; Christian seconded.
- General Board Discussion

7. Discussion and possible action to approve Easement for Multi-Family lot next to Police Station.
- Foster reviewed the request from HSD-Lakeway Holdings, LLC for Lakeway MUD to grant an easement in order for a lift station to be placed in this location providing wastewater services to the area.
 - Hayes explained the need to provide these services to the new neighborhood.
 - Foster asked what would happen if HSD walked away from the deal after LMUD granted the easement.
 - Hayes replied that the new developer that took the project would still benefit from the easement and the lift station.
 - Hietpas asked what the benefit to LMUD would be; Hayes replied that the project is stalled until the easement is granted.
 - Hietpas said if we did not do this, it could hinder the sale of the land.
 - Hayes agreed, saying that once the lift station is there, sewer service would be available to the area; Foster agreed, saying the benefit to LMUD is the sale of additional land.
 - Burmeier said the land in question is valued at \$168K, and that LMUD needs protection on this.
 - Hayes said LMUD's protection is having the lift station available to other developers.
 - Burmeier asked when HSD expects to close on the rest of the land; Hayes responded around July 2020.
 - Earl asked when the drop dead date for the easement might be; would the Jan 8 BOD meeting work?
 - Hayes said he would have to go back and ask if that would suffice.
 - Burmeier asked if LMUD could grant the easement with the understanding that if HSD did not close in July 2020, they would pay the \$168K.
 - Foster said our attorney would say LMUD cannot make HSD pay at that point.
 - Burmeier asked if LMUD could grant the easement with the \$168K due in July 2020.
 - Foster said he would have to ask the attorney.
 - Burmeier said he wanted to table the easement until the January 8, 2020 BOD meeting, adding that LMUD does not want to give up the land for nothing.
 - General Board discussion.
 - No action was taken.
8. Discussion and possible action on Progress of Out of District pressure sewer system for the first 17 sections of Lakeway Phase 1.
- Foster reviewed the progress noting that ~12K feet of the sewer main had been laid on Live Oak Golf Course, with ~30K more to be laid.

- Goff asked what the original cost estimate was; Foster replied \$8M, and the project is running ~\$.5K over estimate noting the lift station bid could come in around \$3M.
- Foster added that bidders are not showing up due to the booming economy, and that we may not be able to get more than one bid. He added that the plan is to be able to go out for bid in early January, 2020.
- Burmeier asked if we had the expertise to do this job ourselves; Foster replied we do not.
- Goff asked if that meant we will be over by \$1M-\$1.5M; Foster replied that we could be, but that we will still be recouping costs from new customers.
- Goff asked about the next phase; Foster replied that the Phase 2 is already in these numbers, and that we already have some lines laid in the Phase 2 geography.
- Hietpas noted that if the bid comes in high, we could delay; Foster noted that would also delay hook ups and revenue as we cannot begin hook ups until the lift station is ready.
- Hietpas said we could hook up some people once we have the lift station and haul of the sewage.
- Sayre said we need to establish a maximum for the bid(s)... \$2.5M...\$3M?
- Burmeier said that it didn't surprise him that we are a little over; we need to think about alternatives; perhaps Phase II.
- Goff asked when the project would start; Foster said perhaps 6 months.
- Sayre asked if that was the end of August; Foster said hopefully sooner.
- Sayre asked if we wanted a Plan B; Hietpas said to wait until the bid(s) come in.
- No action was taken.

9. Discussion and possible action on Financials, Calendar

- Foster reviewed financials and noted a change in documents presented whereby each CD and Texpool Statement will be included in the packet at each meeting to be signed by the Treasurer (or other BOD member in his absence) to comply with the investment strategy as established for the Public Funds Investment Act (Chapter 2459, amending Chapter 2256); and investment policy and strategies set forth by the district.
- Hietpas noted LMUD has a plan for spending the funds held.
- Burmeier asked to move the March BOD meeting to March 4, 2020; no objections were noted.

10. Discussion and possible action to set date for Historical Marker placement.

- Foster said the Historical Marker is in place and that an unveiling ceremony would take place during the BOD meeting at 10AM on February 12, 2020. Foster noted City of Lakeway officials would also be invited.
- Hietpas said perhaps past BOD members should be invited as well.
- No action was taken.

11. Discussion and possible action to approve purchase of pump for Sludge Belt Press.

- Foster explained the existing pump has been in service since 1995 and has totally failed; this expenditure will come out of the wastewater plant budget.
- Sayre moved to approve the purchase as presented; Goff seconded.
- General Board discussion.
- Motion passed unanimously

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; Christian seconded. Motion passed unanimously.

12. Approve Minutes of Regular Meeting on November 13, 2019.

13. Approve Expenditures over \$25K.

ADJOURNMENT

The meeting was adjourned at 11:18AM



 Loyd Smith, Finance/Administration Manager

Minutes approved on the 8th day of January 2020.



 Jerry Hietpas, Vice President, Board of Directors

ATTEST:



 Don Goff, Secretary, Board of Directors

