

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
February 12, 2020

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
 John Sayre

Directors Absent: Jerry Hietpas

Staff Present: Earl Foster
 Loyd Smith
 Tommy Farrell
 Raf Mendoza
 Roger Fry
 Stephanie Threinen

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 FY19 Financial Audit by Maxwell Locke & Ritter.
 - Foster introduced Jimmy Romell, CPA, with Maxwell, Locke & Ritter LLP, as the Partner in Charge of the LMUD audit for FY19.
 - Romell reviewed the highlights of the audit saying it was a clean audit with no material adjustments needed.
 - Christian complimented Romell on the presentation noting that the summary was better than detailed examination of the reports. Romell agreed, saying they have found the summary presentation was more effective for Board presentations.

- General Board discussion.
- Christian moved to approve the audit as presented; Goff seconded.
- Motion passed unanimously.

Item 5 was scheduled at 10AM with a number of visitors expected, so Items 6 & 7 were moved ahead of Item 5.

6. Discussion and Possible Action to approve Investment Policy

- Foster explained the Board is required to approve the Investment Policy annually, and that it would be done again in December. He noted there were no changes to the Policy.
- Sayres asked who the Investment Officer is; Foster replied that Christian as Treasurer is the Investment Officer, and a Committee of three (Christian, Foster, and Smith) is responsible for the placement of investments.
- Burmeier asked if everyone was clear on Investment Training; Foster replied that it has been hard to obtain, but that the Texas Municipal League was now offering training and it would be easier to comply with the 4 hours training each two year period.
- Sayre moved to approve the Investment Policy with no changes; Christian seconded.
- General Board discussion.
- Motion passed unanimously.

7. Discussion and possible action to approve quote for purchase of Parts and Media for B and C microfloc units.

- Foster showed videos of the B and C units noting the turbulence on the right side and the lack of same on the left side indicating blockage. He showed the grating pulled up that holds the beads which look like sand. This traps the floc and the water floats the beads. The video showed how labor intensive it is to clear them out.
- Sayres asked how deep the beads arc; Foster replied four feet.
- Foster then showed the crushed Zebra Mussels, which were present before chemical feeding started. The Mussels were packed tight in the 8" and 12" pipes. Chlorine kills the Mussels and breaks the shells down. Foster added the equipment also needs painting.
- Sayres asked if we need new screen; Foster replied that we can keep them out now, that they can be flushed out of the system.
- Sayre asked if this is a one-time thing; Burmeier replied that we hope so, but we will continue to monitor.
- Foster noted that this was an emergency purchase with an 8 week lead time, and approval was obtained from Hietpas due to Burmeier's absence.
- Goff moved to approve the quote as presented; Sayre seconded.
- General Board discussion.

- Motion passed unanimously.
5. Discussion and possible action on Historical Marker unveiling.
- Foster said Kay Andrews contacted him and said the Heritage Committee had voted to approve an historical marker for LMUD. He explained that after wording was approved LMUD had the marker created and installed on LMUD property just outside the front of the Administration building. He thanked Andrews and the Committee for their efforts.
 - Burmeier thanked Andrews and the Committee, and Foster, the staff, and the Board for leadership.
 - Foster recognized and thanked Tommy Farrell, Field Supervisor, Roger Fry, Wastewater Supervisor, and Raf Mendoza, Water Supervisor for their continuing efforts and leadership.
 - Andrews introduced the Heritage Committee, and recognized several individuals present for the unveiling. Andrews also stated that years ago when she was an LMUD Board member, she also was on the Lake Pac committee and recognized the need for Utilities to have a voice. She brought this concern to Foster, who created and chaired the Highland Lakes Firm Water Cooperative creating a voice for water utilities.
 - Foster added that the 2020 Water Plan has just been approved which curtails release from Lake Travis at 1M Acre Feet.
 - Steve Swan, former Lakeway Mayor, said that in past years the City of Lakeway had difficulty working with LMUD, but that Foster has done a fabulous job with LMUD in recent years and LMUD is a delight to work with now.
 - Foster read the wording of the plaque, and the meeting was taken outside for the unveiling of the plaque and picture taking.
 - No action was taken.
8. Discussion and possible action to approve quote for Palos Verdes S-4 process pump installation.
- Foster explained that the process adds dissolved oxygen and the bacteria strips it from Nitrate which reduces Nitrogen level to around 15-16. The last time we applied for a permit, our Nitrogen was around 13.6. The new process improves it to around 10, and the permit parameters require it to be below 13. He added that we first put this equipment in as a rental, and if we accept this quote the vendor will waive the rental charge.
 - Goff asked if this was a new pump; Foster replied yes.
 - Goff asked about longevity; Foster replied 2-5 years, as this pump runs constantly.
 - Sayre asked if we needed a spare; Foster replied no, that they can replace it quickly.
 - Sayre moved to approve the Elite quote as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.

9. Discussion and possible action to approve an Order of Election calling the May 2, 2020 general election for the purpose of electing three directors to the District's Board of Directors.
 - Foster reviewed the Order of Election for the May 2, 2020 election.
 - Sayre moved to approve the order; Christian seconded.
 - General Board discussion.
 - Motions passed unanimously.

10. Discussion and possible action on authorizing and directing the General Manager and the District's legal counsel to commence negotiations on water service contracts with Travis County Municipal Utility Districts No. 11, 12 and/or 13.
 - Foster explained that this request is to obtain the Board's approval to move in the direction of LMUD furnishing Water and Wastewater services and to assume responsibility for the Operations and Maintenance of Mud's 11, 12 and 13.
 - Christian asked how many people LMUD would need to add to staff; Foster replied one for service initially.
 - Sayres asked about maintenance; Foster replied that since these were relatively new systems, there should be little maintenance over the next 5 years.
 - Goff asked if this would be a major expense in terms of legal fees; Foster replied that we could ask MUD 12 to pay. Foster pointed out that the three attorneys involved have been talking.
 - Sayre pointed out that this is to benefit MUDs 11, 12 and 13 so LMUD should not have to pay legal fees; Foster stated he believed they would pay.
 - Goff moved to approve authorizing the General Manager to commence negotiations; Sayre seconded.
 - General Board discussion.
 - Motion passed unanimously.

11. Discussion and possible action on Progress of Out of District pressure sewer system for the first 17 sections of Lakeway Phase 1.
 - Foster updated the Board on the ODWW project saying the plans are to put the Force Main and Lift Station out for bid on February 20 and have bid opening on Tuesday, March 10, and that the plans have been submitted to the City.
 - Sayre asked about any changes; Foster said they would be minor, and it wouldn't delay putting the job out for bid.
 - Foster noted we are still waiting on the easement on the golf course for electrical.
 - Foster also noted that a 10" bore under Lakeway Dr. would be included in the bid, that our equipment isn't good enough for that bore.
 - Foster said we continue to deal with emergencies, and are working with LCRA to obtain variances; he complimented Stephanie Threinen, LMUD Public Information Liaison for her excellent communication with the ODWW citizens.

- General Board discussion.
- No action was taken.

12. Discussion and possible action on Financials, Calendar

- Foster reviewed financials and said we are off to a good start in FY20 with strong revenue.
- Burmeier stated that the March meeting would be moved back to March 11, and that Hietpas would chair the meeting.
- 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.

Sayre moved to approve the consent agenda; Goff seconded. Motion passed unanimously.

- 13. Approve Minutes of Regular Meeting on January 8, 2020.
- 14. Approve Expenditures over \$25K.

ADJOURNMENT


The meeting was adjourned at 10:50AM



 Loyd Smith, Finance/Administration Manager


Minutes approved on the 11th day of March 2020.





 Jerry Hietpas, Vice President, Board of Directors

ATTEST:



 Don Goff, Secretary, Board of Directors