

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
September 9, 2020

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

Directors Present:	Lawrence Christian Jerry Hietpas Don Goff John Sayre Larry Burmeier
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Staff Present:	Earl Foster Lloyd Smith Stephanie Threinen
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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

AGENDA ITEMS:

4. Public Hearing on 2020 Proposed Tax Rate

- Hietpas declared the Hearing open.
- Foster explained the rate of \$0.1058/\$100 approved in the August 12 meeting was the maximum rate the Board could adopt; because of the maximum 3.5% growth calculation, this rate was reduced to \$0.1030/\$100.
- Christian asked why the Board was looking at 0.1058 before since the data behind that rate was reviewed before; Foster replied that this is a new calculation this year, and when completed revealed that \$0.1030/\$100 was the maximum allowed under the new calculations. Foster also said the new rate was reflected in the new budget numbers, and that the debt portion of the tax rate remained the same (only the M&O rate was affected).
- Hietpas asked if anyone else wished to speak.
- Hietpas declared the Hearing closed.

5. Discussion and possible action to recognize Pauli Delgado for 30 years of service with LMUD.
 - Foster said that Pauli Delgado was on vacation and was going to retire at the end of this year.
 - Hietpas noted Delgado was a fine employee and will be missed.
 - No action was taken.
6. Discussion and possible action to Recognize Vanessa Farrell for 10 years of service with LMUD.
 - Hietpas said there had been quite a change since the management change in Administration, and that Farrell had been through a billing system conversion with no complaints.
 - Foster added that Farrell may go through another billing conversion, and not many people go through two major conversions during their career. He added that Farrell's contributions have been invaluable to the District.
 - Hietpas presented Farrell with a plaque and congratulated her.
 - No action was taken.
7. Discussion and possible action on presentation of Pilot program for a Fixed Network Residential water meter upgrade.
 - Foster introduced Greg Broyles with Master Meter who was present to answer questions and assist Foster with the presentation.
 - Foster reviewed the pilot program and noted the success of detecting leaks in the pilot.
 - Foster said the meters have a metal antenna and LMUD would utilize Harmony Software. Sayre asked if the antennas might be mowed off; Foster replied no, that they fit through the lid and lay flat.
 - Goff asked about weed eaters; Broyles replied the antennas lay flat.
 - Foster noted that the meters and the billing system would both be evaluated; which would get pushed out?
 - Sayre asked if the Watersmart app is wireless; Foster replied yes, it is accessible from an iPad, iPhone, etc.
 - Hietpas asked how much the system costs; Foster replied about \$1.5M.
 - Hietpas said we needed to vacate the current meters because support was going away; Foster agreed.
 - Hietpas asked about missed reads and if they would cause missed billing; Broyles replied any missed would be caught the next day.
 - Sayre asked how many days the meter could store; Broyles said at least 22 days, and that drive by readings will always be available if needed.
 - Sayre asked if the meters operated off of a battery; Broyles said yes, 2 'C' batteries that have a 10 year warranty.

- Broyles said emails could be sent from the D.O. directly from the software for any suspected leaks or other information.
 - Hietpas asked how many hours per day are needed to monitor reports; Broyles said probably 15-20 minutes per day.
 - Broyles said immediate reads can be done from the D.O. for terminating customers.
 - Hietpas asked about other customers; Broyles mentioned Round Rock, Eagle Pass, and Horseshoe Bay, and noted that Horseshoe Bay was very similar to LMUD.
 - Broyles said Master Meter would handle installation of meters using sub-contractors; Sayres asked how long it would take. Broyles replied 6-8 weeks.
 - Christian asked if the billing during conversion would be a nightmare; Broyles said no, that there would be an old meter beginning and ending read, and a new meter beginning and ending read. The two would be summed on the bill.
 - Sayre asked if the meters would all be read at the same time; Broyles said yes, and that would save two days of drive time reading the old meters.
 - Hietpas said this discussion is around potable water; are we considering reuse? Foster said when we begin to hook up homes on Live Oak for reuse, they would have separate meters for reuse.
 - Sayre asked about the life of the meters; Broyles replied 20 years with the first 10 years under full warranty and the second 10 under prorated warranty.
 - Foster said replacement for existing meters is ongoing; when a meter reaches 1M to 1.5M gallons, we replace.
 - General Board discussion.
 - No action was taken.
8. Discussion and possible action to approve FY 21 Revenue/Expense Budget.
- Foster reviewed the Budget, and said it had been reviewed by the Finance Committee (twice) and the HR Committee. Both committees recommended 3% merit raise and staying with United Healthcare for Medical at a 7.1% increase (net 5.4% with this year's rebate). The tax rate is reduced to \$0.1030, and all other rates remain the same as FY 20. Revenue is \$220K less than expenses due to ODWW labor.
 - Sayre asked about the Capital Projects done in house; Hietpas said it was in the Capital presentation. Foster said he would provide the Revenue and Expense for in house Capital Projects.
 - Sayre said he was glad to see the 3% merit, that it was a good idea and showed support for our employees.
 - Sayre moved to approve the FY 21 Budget as presented; Christian seconded.
 - General Board Discussion.
 - Motion passed unanimously.
9. Discussion and possible action to approve License agreement for 116 Coldwater Lane to install sport court in LMUD easement.

- Foster explained the owner wanted to put a sport court over a wastewater line LMUD has underground; that there is a manhole on both sides of the line and should not be a problem.
 - Christian said LMUD is not responsible for any repairs to the sport court; Foster agreed.
 - Foster said if the Board approved the agreement, he will work out the license.
 - Burmeier said he had a similar situation at his house with a fence years ago under a similar arrangement and understood he would be responsible for any future repairs.
 - Hietpas said there is no history of things that would cause us problems in the future; Foster agreed.
 - Sayre said he felt like this was a reasonable request, and moved to approve the agreement as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
10. 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 entry we make to fund our Capital Expenditure for painting tanks; it began when we had a contract for this amount, and now that we do it ourselves we have continued to accrue the money.
 - Hietpas asked how much was in the fund now; Foster said he would check.
 - Sayre asked if it was smart, that we could have a surplus.
 - Hietpas said we are in control this way-not a contractor.
 - Sayre asked how much to paint a tank; Foster said it varies, that it was \$70K for the outside of the Rolling Green Tank.
 - Christian move to approve the transfer as presented; Goff seconded.
 - General Board Discussion
 - Motion passed unanimously.
11. Discussion and possible action to approve changes to Rate Order.
- Foster said the changes were needed to qualify the Grinder Pump Service Fee, and to apply proration to In District Grinder Pumps.
 - Hietpas said there are very few In District Grinder Pumps; Foster said we find new ones occasionally we didn't know about.
 - Burmeier asked for qualification on the In District fees; Foster said the \$5 monthly charge would apply as a credit to the parts cost, that LMUD would provide labor at no charge.
 - Hietpas said we got into it with our ODWW program; Foster said it didn't make sense for us not to service the Grinder Pumps when we were requiring them.
 - Sayre said by doing this we know the pumps are getting serviced.
 - Foster agreed, saying the floats are the weak link and if they are not replaced they will cause problems.

- Sayre moved to approve the changes with clarification at the next meeting around recourse for customers failing to follow guidelines about what is flushed into the system; Christian seconded.
- General Board discussion
- Motion passed unanimously

12. Discussion and possible action on Financials, Calendar

- Foster reviewed the financials and stated again the District is in good shape. He reminded the Board that the revenue overage is due to the very dry start we had to FY 20 causing a lot more revenue at the beginning of the year than expected. With a wet start to FY 21, we won't expect that overage this year.
- It was agreed to move the Special Meeting to adopt the FY 21 tax rate to September 16th at 9:30AM since several BOD members will be out of town the following week.
- 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.

Burmeier moved to approve the consent agenda; Christian seconded. Motion passed unanimously.

13. Approve Minutes of Regular meeting August 12, 2020.

14. Approve Minutes of Special meeting August 26, 2020.

ADJOURNMENT

The meeting was adjourned at 11:30AM

Loyd Smith, Finance/Administration Manager

Minutes approved on the 14th day of October 2020.

Jerry Hietpas, President, Board of Director

ATTEST:

Don Goff, Secretary, Board of Directors

