

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
January 13, 2021

On March 13, 2020, Governor Abbott issued a disaster proclamation certifying that the novel coronavirus COVID-19 poses an imminent threat of disaster for all counties in the State of Texas. Governor Abbott also issued Executive Order GA-08 (March 19, 2020), which was extended by Executive Order GA-14 (March 31, 2020), requiring all Texans to take actions to slow the spread of COVID-19 by minimizing social gatherings and in-person contact with people who are not in the same household until April 30, 2020.

**INSTRUCTIONS FOR PUBLIC PARTICIPATION**

On March 16, 2020, Governor Abbott suspended various provisions of the Open Meetings Act that require government officials and members of the public to be physically present at a specified meeting location. Pursuant to that suspension, the Board will meet via telephone and members of the public will not be allowed to attend this meeting in person.

**PURSUANT TO THE STATEMENTS ABOVE PUBLISHED ON THE AGENDA, THIS MEETING WAS HELD VIA TELECONFERENCE.**

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

Directors Present:	Lawrence Christian Jerry Hietpas Don Goff John Sayre 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 9:33 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. Discussion and Possible Action on FY20 Financial Audit by Maxwell Locke & Ritter.
  - Foster introduced Jimmy Romell, Tara Hojnacki, and Andrea Burgard all members of the audit team with Maxwell Locke & Ritter responsible for the LMUD audit.
  - Romell said that the audit issued was an unmodified “clean” opinion, which is the highest standard for an audit, and that they had reviewed the audit with the Finance Committee.
  - Hojnacki reviewed highlights of the audit for the Board.
  - Hietpas asked if there was a need for a non-financial audit; Romell responded that this was strictly a financial audit with no additional review of key controls.
  - Hietpas asked when LMUD might need such an audit; Romell responded that the Board would identify the controls they want audited, and a proposal for such an audit could be presented. Romell also stated the frequency of such an audit is up to the Board.
  - Sayre moved to approve the audit as presented; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
  
5. Discussion and possible action to approve Pay App #8 and #9 for Austin Engineering for Out of District Wastewater Force Main, Lift Station & S-5 WRP Improvements.
  - Foster reviewed the progress of the project and noted both he and the Engineer had approved both Pay Apps.
  - Burmeier moved to approve the Pay Apps as presented; Sayre seconded.
  - General Board discussion.
  - Motion passed unanimously.
  
6. Discussion and possible action to approve Hoover Construction Pay App #1 and #2 for work on OD wastewater project along Lakeway Drive.
  - Foster reviewed the project and the Pay Apps and noted that Hoover was refunding approximately \$2K to LMUD since they did not have to lay as much pipe as was stated in the proposal. Foster noted this was highly unusual and complimented the vendor’s honesty.
  - Sayre moved to approve the Pay Apps as presented; Goff seconded.
  - General Board discussion
  - Motion passed unanimously.

7. Discussion and possible action to approve Hoover Construction bid to lay pipe along Live Oak Golf Course along hole #10 to Flying Scott, installing 8-inch, 4-inch and 3-inch in approximating 1,100 feet of trench.
- Foster explained that this portion of the project is providing the labor to lay this portion of the pipe.
  - Hietpas asked if this included the boring; Foster replied no, that LMUD would do the boring.
  - Hietpas said this was a good plan; working hand in hand to make progress.
  - Sayre asked why we weren't approving the whole thing, as this is about one third of this portion of the project.
  - Foster said Hoover was "testing the waters" to see how they came out on this portion to ensure their costs were good for the rest of the project.
  - Sayre asked why LMUD wasn't doing this part; Foster replied it would not be done as fast as he would like. LMUD would like to be setting Grinder Pumps in March, and with factors like weather, leaks, and Covid our manpower is affected.
  - Hietpas said time is money; the sooner we finish this part, the sooner we begin to get revenue from the project.
  - Sayre asked if we were doing it to get back on schedule; Foster said yes, we are a little behind.
  - Sayre asked when this part would be done; Foster said the hope was 4 weeks and we will see what Hoover wants to do after that.
  - Sayre asked when we would know; Foster said hopefully by the February BOD meeting.
  - Sayre move to approve the proposal as presented; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
8. Discussion and possible action to approve Leak Relief for 103 Highlander St.
- Foster reviewed the Leak Relief and said the customer had complied with LMUD guidelines and recommended approval.
  - Sayre moved to approve as presented; Christian seconded.
  - General Board Discussion.
  - Motion passed unanimously.
9. Discussion and possible action to approve Leak Relief for 1131 Challenger.
- Foster reviewed the Leak Relief and said the customer had complied with LMUD guidelines and recommended approval.
  - Goff moved to approve as presented; Sayre seconded.
  - General Board discussion
  - Motion passed unanimously.

10. Discussion and possible action to approve Easement Release on 206 Dasher, Lots 2235 & 2236.
- Foster reviewed the Release and stated LMUD had no problem complying.
  - Sayre moved to approve the Release as presented; Christian seconded.
  - General Board Discussion
  - Motion passed unanimously.
11. Discussion and possible action to approve Easement release on 723 Rolling Green, Lots 2680 & 2681A.
- Foster reviewed the Release and stated LMUD had no problem complying.
  - Sayre moved to approve the Release as presented; Goff seconded.
  - General Board Discussion.
  - Motion passed unanimously.

**Hietpas said that items 12 & 15 would be moved to the end of the agenda, as those two items would be discussed in closed session.**

13. Discussion and possible action Discussion and possible action on “Seventh amendment to Commercial Contract Unimproved Property” by and between the District and HSD-Holdings, Ltd., pertaining to the sale of land generally situated at 1829 Lohmans Crossing, Lakeway, Texas.
- Foster reviewed the Seventh Amendment asking for a 30-day extension and indicated that LMUD had changed that to 60 days and noted the extension fees were not affected by this change.
  - Hietpas said it just means we will get a closing check in March instead of January.
  - Hietpas asked if getting the check in March would hurt our cash flow; Foster said no.
  - Hietpas said the request seems reasonable.
  - Sayre moved to approve the extension of the closing date to no later than March 31, 2021; Christian seconded.
  - General Board discussion.
  - Motion passed unanimously.
14. Discussion and possible action of Purchase Agreement between City of Lakeway and Lakeway MUD
- Foster noted that LMUD sold this land to the City sometime in the past and put restrictions on the land, and that there is no need to remove restrictions now. The City is asking for an Easement for a walking path to the Canyon Lands, and LMUD has no problem with that. The agreement calls for the buyer to furnish insurance, and that needs to be changed to the Seller. Also included is a period of 270 days for the City to remedy the bathroom that is partially on LMUD land.

- Hietpas asked if there is a motion needed today; Foster replied that a motion to allow the President, General Manager, and LMUD Attorney to move forward with the City so the City can move forward with the City Counsel.
- Hietpas said now is the time to deal with the bathroom on LMUD property; we don't want their bathroom on our property.
- Sayre moved to authorize the President, General Manager, and LMUD Attorney to move forward with the City regarding the Purchase Agreement to include the 270 days to remedy the bathroom on LMUD property and other amendments as presented; Goff seconded.
- General Board discussion.
- Motion passed unanimously.

16. Discussion and possible action on Financials, Calendar.

- Foster reviewed the Financials and stated LMUD is in solid financial condition.
- Regarding the calendar, Hietpas stated the next BOD meeting should also be remote; Sayre agreed.
- 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.

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

17. Approve Minutes of Regular meeting November 18, 2020.

18. Approve Expenditures over \$25,000 November & December 2020.

**Hietpas stated the Board would move to Executive Session for Item #12 under Texas Government Code Section 551.072 and Item #15 under Texas Government Code Section 551.074.**

**Board went into Executive Session at 11:09AM**

**Board returned from Executive Session at 11:59AM.**

12. Discussion and possible action Real Estate Appraisal Report from Texas Department of Transportation for Property along Steward Road and fronting on 620.

- No action was taken.

15. Discussion and possible action LMUD Personnel Matters with General Manager.

- No action was taken.

ADJOURNMENT

The meeting was adjourned at 12:01PM




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Loyd Smith, Finance/Administration Manager

Minutes approved on the 10th day of February 2021.



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Jerry Hietpas, President, Board of Directors

ATTEST:



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Don Goff, Secretary, Board of Directors