

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
April 14, 2021

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

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

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. Discussion and possible action on Capital Expenditures.

- Hietpas said the items to be discussed were not maintenance items, but rather smaller capital expenditures. He added that there are 18 items on the list, and the purpose of this discussion is to reallocate funds, not to ask for a budget change.
- Foster said the focus is on “unspent” figures which represent items that are completed but have some money left over after completion. This allows us to “clean up” and clear out completed projects.
- Sayre asked why these items are handled this way; Foster replied that these are separate capital items that the Board approves apart from the budget. The expenditures still appear on LMUD financials, but as Capital Expenditures as opposed to specific expense items.
- Hietpas said he would like to see total spending forecast on SCADA.

- Hietpas said this is a fine worksheet and there were good comments, and he believed the Board should approve the amended Capital Expenditure report.
 - Christian moved to approve the report as presented; Sayre seconded.
 - General Board discussion.
 - Motion passed unanimously.
5. Discussion and possible action Painting of piping at S-5 Water Reclamation Plant.
- Foster Explained that there is a back up control valve we need that was not included in the original scope of the project at a cost of approximately \$41K.. This painting was originally to have been done by the contractor, but we have offered to do the painting (\$13K) in exchange for the contractor installing the control valve. In addition, LMUD will handle the demolition of an old L3 lift stations (\$25K). Thus, the total cost of the work LMUD will do vs. the contractor is approximately \$38K vs. the \$41K for installing the back up control valve. Foster said it appears to be a fair trade off.
 - Hietpas repeated the back up control valve was not in the original scope of work.
 - Sayre moved to approve the painting as presented at \$13,150; Goff seconded.
 - Burmeier asked what exactly the Board is being asked to approve.
 - Hietpas said we are approving a tradeoff for more work that was not in the original scope of work.
 - Foster agreed, saying the differential in the tradeoff is in LMUD's favor.
 - General Board Discussion.
 - Motion passed unanimously.
6. Discussion and possible action on A/C and Heating Unit for W-3 office.
- Foster reminded the Board that the original W-3 building was built for LEED certification, which included Geo-Thermal A/C & Heating units; we cannot find anyone to work on these units. They are fed by water, and the lines develop leaks damaging sheetrock and other structural material. This proposal is to replace the units with conventional A/C units (2 & 5 ton units).
 - Foster added we have looked at 3 proposals and prefer the Precision quote with Lennox brand units. The lead time is about 8-10 days after order, and with hot weather approaching it is important.
 - Goff asked if the units are gas or electric; Foster replied electric.
 - Goff moved to approve the Precision bid as presented up to \$24,066; Burmeier seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action to approve Hoover Construction Pay App #1 on Project #3 OD wastewater project along Live Oak Golf Course #11 fairway.

- Foster said the majority of this project is finished and will be completed by the next BOD meeting.
 - Sayre said we are approving 90% of the job; will they send another bill?
 - Foster said yes that they are actually further along than this Pay App represents, and the balance will be presented at the next meeting.
 - Sayre moved to approve the Pay App as presented; Christian seconded.
 - General Board Discussion
 - Motion passed unanimously.
8. Discussion and possible action to approve Hoover Construction Proposal for laying 1 2-inch line down Corinthian to Dragon approximately 4,100 feet of pipe with duplex lift station.
- Foster said this work is part of Phase II, and LMUD does not have the manpower to do it. We are now allowing self-installs, and the emergency list is still one year out for newcomers to the list. This Corinthian project will allow 3 houses to connect now, with another +/- 100 to eventually connect. He added this quote does not include a lift station; we will install that later.
 - Sayre said this proposal is \$122K, and then asked if the lift station would be another \$20-30K?
 - Foster said the lift station would be about \$10K for parts and less than \$10K for installation, so the total cost should be between \$15-20K.
 - Hietpas asked if we compared pricing.
 - Foster replied that we discussed internally, and for all the in street work and street control issues this is a very competitive bid.
 - Hietpas reminded that this project is included in the original scope.
 - Sayre moved to approve the Hoover proposal as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
9. Discussion and possible action to approve Pay App #12 for Austin Engineering for Out of District Wastewater Force main, Lift Station, & S-5 WRP improvements.
- Foster stated this contract is close to the end; the lift station was started last week and is online. The job is substantially complete.
 - Sayre asked when it would be complete; Foster replied that there is a construction meeting next week, and it should be totally complete within 1-1/2 months.
 - Hietpas said this means we can start hooking up in Phase 1.
 - Hietpas asked how we will progress.
 - Foster replied we will start at hole 1 on Live Oak Golf Course and proceed with Section 1 & 2, which are being contacted now. The goal will be to average 2 new hook ups per week, and we will meet or exceed that goal on Section 2.
 - Sayre moved to approve the Pay App as presented; Christian seconded.
 - General Board discussion.

- Motion passed unanimously.
10. Discussion and possible action on approval of HDR start Engineering on Phase 1 of S-5 Water Reclamation Plant.
- Foster said the Preliminary Engineering was done in house and shows how we will expand. The Engineering of the expansion is too large for us to do in house. HDR is familiar with our District, and we want to go out for bid before the end of the year. HDR thinks they can have us ready by October to go out for bid.
 - Hietpas asked why we needed the expansion.
 - Foster replied that MUD 12 paid LMUD \$4.9M to expand by another 400K gallons. We will have another expansion for another 400K gallons within the next 10 years.
 - Hietpas asked why we are doing it in two steps.
 - Foster replied it saves capital for now, and that the guideline is to start engineering at 75% capacity and begin construction at 90%.
 - Goff asked if there were separate numbers for engineering and construction.
 - Foster replied that it is \$495K for engineering, \$6.9M for construction.
 - Burmeier asked what the original estimate was for construction.
 - Foster replied the original estimate was \$7.4M, and now it is \$6.9M.
 - Burmeier asked if we were spending \$5M to expand S-5 for Rough Hollow.
 - Foster said we're adding ODWW to the original estimate; we did not know about ODWW when we agreed to expand for Mud 12 at \$4.9M.
 - Sayre asked why we would need the second phase of expansion.
 - Foster said it satisfies MUD 12, but we may need other capacity.
 - Hietpas said there is land beyond Bee Creek Road that may come into play.
 - Sayre asked if we could go back to MUD 11, 12 & 13 if they exceed the 400K gallons?
 - Foster said yes, we can go back if they exceed.
 - Sayre moved to approve the HDR agreement as presented; Burmeier seconded.
 - General Board discussion.
 - No Action was taken.
11. Discussion and possible action on Castleberry Engineering and Consulting to start Engineering on W-3 Recovery Tank.
- Foster said this is the start of engineering on the Water Plant. After the Preliminary Engineering, we will be ready to design the build out of W-3 next year. This work will be done by Castleberry and Glazier.
 - Hietpas asked if we know the future demand on W-3.
 - Foster said we are still learning a lot. We were not able to get the A plant up and running during the blizzard week; 2/3 capacity was our max that week.
 - Hietpas said Rough Hollow may want water someday, and we need to plan for possible expansion.

- Burmeier said we can't spend the money without knowing.
 - Foster said we need the preliminary engineering regardless; we have to decide whether to improve the A plant or to put in Microfloc.
 - Sayre asked if the plan was to take down the A plant and build a new Microfloc.
 - Foster said there are several options, and the PER will define the best option.
 - Burmeier said we don't want to spend money based on MUD 11, 12 & 13.
 - Foster said we are not, that we need this information regardless.
 - Goff asked what the cost will be for the PER.
 - Foster replied we will get the cost, but don't have it now.
 - Sayre moved to start the preliminary engineering to replace the recovery tank with Castleberry Engineering at a cost not to exceed \$100K; Burmeier seconded.
 - General Board discussion.
 - Motion passed unanimously.
12. Discussion and possible action on approval of purchase of Vactron trailer unit.
- Foster said this purchase is to replace our 2006 Vactron which we will auction off for whatever we can get. He added that this will replace the Fire Hydrants we now have on the Capital Expenditure list and we will fund the hydrants through the budget as we get to them.
 - Sayre asked if the Vactron was diesel; Foster replied yes.
 - Hietpas asked why we needed two; Foster replied that we have to constantly move the equipment and need them for emergency calls so it doesn't interrupt our ongoing jobs.
 - Goff asked how much we will get for the old Vactron; Foster said it will be low-probably \$5-10K.
 - Sayre moved to approve the purchase from Vermeer as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
13. Discussion and possible action on approval of updated Plumbing Code.
- Foster pulled the item from the agenda.
14. Discussion and possible action on approval of fence quote by Empire Fence for New Lift Station.
- Foster said this is the fence that is already built around the lift station on Lakeway Dr.
 - Burmeier moved to approve the fence at a cost of \$10,355; Sayre seconded.
 - General Board discussion.
 - Motion passed unanimously.
15. Discussion and possible action on status of Out of District pressure sewer system for Lakeway Phase 1, Secs. 1017.

- Foster said the new Lift Station is operational and online as of last week. We can now install grinder pumps for new hookups. We will start installing next week on Live Oak.
- Hietpas asked if we are contacting the customers ahead of time; Foster said yes, that Threinen is contacting each customer and asking them to sign a contract if they want the service. Sections 1&2 have already been contacted.
- Burmeier asked when we would be able to connect Reuse on Live Oak; Foster replied possibly next year.
- Hietpas said Board members shouldn't try to answer detail questions around Phase 1; that they should refer question to the GM. Foster agreed and said tell them to call me. If they are not satisfied with my answers, they can bring it to the Board.
- Burmeier asked how much we have spent, and how much to finish the project.
- Foster replied that he has presented it to the Board, and can present it again and send it to Burmeier.
- General Board discussion.
- No action was taken.

16. Discussion and possible action on Financials, Calendar.

- Foster reviewed the financials and stated the District is in good shape. He pointed out that some forecasters are comparing this year to 2011, so we may be in for a very hot summer and high water use.
- Hietpas and Burmeier will both be out of town the week of May 9th; it was agreed that Goff could sign the agenda on May 6 for the May 12 BOD regular meeting.
- General Board discussion.
- 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; Goff seconded. Motion passed unanimously.

17. Approve Minutes of Regular meeting March 10, 2021.
18. Approve Minutes of Special meeting March 25, 2021
19. Approve Expenditures over \$25,000.

ADJOURNMENT

The meeting was adjourned at 11:47AM



Loyd Smith, Finance/Administration Manager

Minutes approved on the 12th day of May 2021.



Jerry Hietpas, President, Board of Director

ATTEST:

LARRY BURMEER, VICE



Don Goff, Secretary, Board of Directors

