

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
January 12, 2022

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:	None
Staff Present:	Earl Foster Lloyd Smith

QUORUM:

1. Determine Quorum and Call to Order

Meeting was called to order at 9:34 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 FY 21 Audit by Maxwell Locke & Ridder.

- Presentation of the FY 21 audit was done by Jimmy Romell and Andrea Burgard, both of Maxwell Locke & Ritter, LLP.
- It was noted that the opinion issued by ML&R is the highest quality opinion they can issue.
- It was noted that GASB 87 and GASB 96 could have some impact in future years on the manner in which LMUD financials are stated in regard to leases and agreements for services.
- Christian moved to accept the FY 21 audit as presented; Goff seconded.
- General Board discussion.
- Motion passed unanimously.

5. Discussion and possible action on Approval of 6 LUE's for Linden Equities, LLC, under the Wholesale Wastewater Agreement with WCID #17.
- Foster explained that these LUE's are the first to come from the signed agreement between LMUD and WCID #17 that was approved in November 2021, and asked if the Board wanted to approve each instance of LUE's that fall under this agreement. Foster added that this is a 10K square foot commercial building that requires 6 LUE's for Wastewater.
  - Hietpas said the Board may not need to approve each instance if it falls under the agreement.
  - Foster said he could put it under the Consent Agenda each time LUE's are added. He also stated that LMUD might build a package plant to serve these wastewater customers.
  - Sayre asked if the Board needs to know when we are getting close to the maximum LUE's on the agreement; Foster said he would work with the GM at WCID #17 to track the numbers.
  - Sayre asked how we would pay for a package plant; Foster replied that LMUD would use the LUE money to build it.
  - Burmeier asked what effect inflation might have; Foster replied LMUD would raise the LUE rate if needed for inflation.
  - Sayre asked if WCID #17 could build a plant; Foster replied that they are not interested.
  - Burmeier said he would like to see additional LUE's on the Consent Agenda.
  - Sayre moved to report additional LUE's from the WCID #17 agreement on the Consent Agenda; Burmeier seconded.
  - General Board Discussion.
  - Motion passed unanimously.
6. Discussion and possible action to approve Hoover Construction Pay App #1&2 on Project 9 OD Wastewater project along Malabar to Dragon and Firebird for December work on project.
- Foster said the work covered on these Pay Apps has been completed.
  - Hietpas asked if there were any additional charges; Foster replied no that they came in a little less than quoted.
  - Hietpas noted these payments are for laying main lines in the streets and asked how far we are on Phase 2.
  - Foster replied we are approximately 50% complete.
  - Sayre asked if the goal is to get to 80%; Foster replied yes and we should be there by year end.
  - Sayre asked if we continue to get more emergency hook ups; Foster said yes.
  - Goff moved to approve the Pay Apps as presented; Burmeier seconded.
  - General Board discussion.
  - Motion passed unanimously.

7. Discussion and possible action on approval of Quote from Hoover Construction Flamingo, Dasher & Eagle.
  - Foster said this work has been completed due to an emergency.
  - Goff moved to approve the quote up to \$26,423.05; Burmeier seconded.
  - Burmeier said it doesn't feel right for the work to be complete and then the Board approve.
  - Foster replied that this was an emergency on Eagle.
  - Sayre said this shouldn't happen; should we give the GM more spending authority?
  - Hietpas said this is outside of the agenda; Sayre said it should be put on next month's agenda.
  - General Board Discussion
  - Motion passed unanimously.
  
8. Discussion and possible action to approve Easement release Lakeway Section 20 Lot 2157 A at 423 Dasher, Lakeway, TX.
  - This item was pulled from the agenda.
  
9. Discussion and possible action to approve invoice for new water meters installation for our fixed network.
  - Foster said this is the invoice for the installation of the meters. It is complete with the exception of a few meters LMUD will install, and the project went well with very few issues.
  - Hietpas asked how it is working
  - Foster replied we have 99% connectivity, and we will be installing more antennas to improve that. There are 240 meters we need to take a look at.
  - Goff asked if it communicates with the customers; Foster said not yet, but sometime after April it will.
  - Christian asked what is used to replace lids; Foster replied with a composite material, but some old Austin Water meters will require replacing the whole box.
  - Sayer moved to approve the invoice as presented in the amount of \$237,080; Christian seconded.
  - General Board discussion.
  - Motion approved unanimously.
  
10. Discussion and possible action on report from General Manager about May 7, 2022 Regular Election.

- General Board discussion.
  - No action was taken.
14. Discussion and action to approve Discussion and possible action on Petition to Annex Land into the District.
- This item was pulled from the agenda.
15. Discussion and possible action to approve Petition to the City of Lakeway, TX for Consent to Annex Land into the District.
- This item was pulled from the agenda.
16. Discussion and possible action to authorize GM to prepare an application to the TCEQ to amend District's boundary water and wastewater CCN's to include additional land.
- This item was pulled from the agenda
17. Discussion and possible action on LMUD Personnel Matters with General Manager. Board discussion could be held in Executive Session Under Texas Government Code, Section 551.074.
- Foster noted that there would not be Executive Session in this meeting. He said there have been two employees leave recently to go to work for other utilities, and other utilities are approaching our employees regularly. Our trained Operators are valuable.
  - Goff asked if it was salaries that need to be adjusted; Foster replied there may be other factors as well.
  - Burmeier asked if we are not paying employees enough, what can we do; Foster replied we have 11 of 26 employees that make \$21 per hour or less. If we looked at everyone below Supervisors, an 8% increase would be covered by the expense of those who left.
  - Sayre said we need to be around the 75% percentile.
  - Hietpas said we need to rethink everything we do around employees.
  - Goff said that the surveys we did do not take into account what is happening now.
  - Foster said he would look at everything and bring it back to the Board by next meeting, or perhaps even a Special Meeting.
  - No action was taken.
18. Discussion and possible action on Financials, Calendar.
- Foster reviewed the November Financials and said the District is in good financial shape for the beginning of FY 22 with a good revenue stream and reasonable expenses.

**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.**

- 19. Approve Minutes of Regular Board meeting November 10, 2021.

ADJOURNMENT

The meeting was adjourned at 10:54AM



  
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Loyd Smith, Finance/Administration Manager

Minutes approved on the 9th day of February 2022.

  
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Gerald J. Hietpas, President, Board of Directors

ATTEST:

  
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Don Goff, Secretary, Board of Directors