

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
February 9, 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 Burmcier Lawrence Christian Don Goff John Sayre
Directors Absent:	None
Staff Present:	Earl Foster Loyd 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

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AGENDA ITEMS:

4. Discussion and possible action on 50 year anniversary for Lakeway MUD.

- Foster reviewed a presentation of slides celebrating the 50<sup>th</sup> anniversary of Lakeway MUD and related some ideas of other activities throughout the year in recognition of the event.
- Sayre asked if Foster planned to “take it on the road” to other groups; Foster replied yes, that could certainly be done.
- Sayre recommended the Lakeway Men’s Breakfast Club as a possible audience.
- Hietpas agreed, saying he had made a presentation to the Club earlier in the day. Charles Edwards, longtime Lakeway resident and former mayor, stood up and said “the best thing that Lakeway MUD ever did was hiring Earl Foster”.
- Hietpas replied that he could not take credit for that, as former Board President Karl Ansbach recruited and hired Foster, but thanked Edwards for the comments.

- General Board discussion.
  - No was taken.
5. Discussion and possible action on Investment Policy, annual review.
- Foster reviewed the policy, noting that investments in Stocks were not allowed, but investment in CD's such as LMUD currently holds are permitted.
  - Hietpas asked if all funds were earmarked for future projects; Foster said yes.
  - Christian moved to approve the Investment Policy as presented with no changes from prior year; Burmeier seconded.
  - Hietpas asked who had the authority to make the investments; Christian said the Investment Committee consisting of himself, Earl Foster, General Manager, and Loyd Smith, Finance/Administration Manager.
  - Hietpas asked if the Committee Members had received Investment Training; Christian said yes that his training had been in Dallas, and Foster and Smith both had on-line training.
  - Foster mentioned that the latest CD investment was 2 years at 1.25%.
  - General Board Discussion.
  - Motion passed unanimously.
6. Discussion and possible action to approve Hoover Construction Pay App #3 Flamingo to Eagle project #11 and started project #6 Comet to Dragon.
- Foster said the work covered on this Pay App has been completed, inspected, and approved by LMUD.
  - Hietpas asked if there were any extra costs included in the Pay App; Foster said no.
  - Sayre moved to approve the Pay App as presented in the amount of \$25,309.38; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
7. Discussion and possible action to increase matrix for General Manager's authorization.
- Foster explained the only change to the matrix was to increase the GM spending authority from less than \$10K to less than \$25K.
  - Hietpas noted that there have been no issues with the matrix and it has worked well.
  - Christian said this item was suggested at the last Board meeting as something that needed to be addressed.
  - Burmeier asked how long the \$10K limit had been in place; Foster replied at least 10 years.
  - Sayre moved to approve the increased limit for the G.M. and the matrix as presented; Christian seconded.

- 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.
- Foster explained that this easement runs through the middle of this lot, and it is assumed that this used to be two lots that were combined. He added that LMUD has no need for the easement, and his recommendation is to vacate the easement of 10 feet.
  - Hietpas asked why this slips through the cracks when lots are combined; Foster said he wasn't sure, that the City of Lakeway controls the combining of lots.
  - Sayre said this should be caught at closing.
  - Goff moved to approve the easement as presented; Sayer seconded.
  - General Board discussion.
  - Motion passed unanimously.
9. Discussion and possible action to approve purchase of Skid Steer loader.
- Foster said the quotes were for a new Kubota Skid Steer loader.
  - Goff asked if this is a replacement; Foster replied yes that we sold a backhoe, and are replacing it with a Skid Steer. We will replace some things on the other backhoe we have, and it will last for the immediate future. We sold some equipment for approximately \$34K and have another \$9.6K pending, so that will pay for the new Skid Steer.
  - Hietpas said the small Skids we have now won't load our trucks, and we need one that will.
  - Burmeier said we have two bids, Kubota and Bobcat; Foster replied yes
  - Sayre moved to approve the purchase of the Kubota Skid Steer for \$39,196.96; Goff seconded.
  - Hietpas asked about spare parts; Foster replied that there is a Kubota dealership close to LMUD, and we will have them do the maintenance. We are outsourcing what we can with our reduced staff.
  - Sayre asked how long they retain parts; Foster replied he didn't know, but Kubota has been good about getting us what we need.
  - General Board discussion.
  - Motion approved unanimously.
10. Discussion and possible action to approve Purchase of Generators for Rolling Green Booster Pump station and Raw Water intake to satisfy Senate Bill 3 and the Emergency Preparedness Plan.

- Foster said this item is in response to Senate Bill 3 requiring all utilities to accomplish certain goals related to energy. The first part of our response has already been Board approved, the secondary electric feed to the water plant. If that should fail, we have Texwarm that would bring in an emergency generator. The long term plan for the water plant is to purchase generators at a later date.
- Foster added that the quotes he is recommending are for BP2, 350KW W&P for \$79,739 and for B4 800KW Holt for \$210,000.
- Hietpas asked why we needed all pumps running.
- Sayre replied during last freeze, many customers dripped faucets to prevent frozen pipes..
- Foster agreed, saying we had summer usage during the blizzard last year due to customers leaving water dripping.
- Foster said he did not feel comfortable giving engineers any less than full load for their studies and recommendations.
- Hietpas said we have some equipment now from both vendors, but this is the first time we have used them for potable water.
- Sayre moved to approve 2 generator quotes, WP for \$79,730 and Holt for \$210,000; Goff seconded.
- Christian asked if we need to approve installation costs now; Foster replied no, we are still waiting for other cost estimates to finalize.
- Sayre asked if the fuel capacity was for 24 hours; Foster replied yes, but we figure 2-3 days.
- Sayre asked how we refill fuel; Foster said with 5 gallon buckets until the fuel carrier is able to get here.
- Sayre asked about having a fuel tank on one of our trucks; Foster said there are licensing issues with that.
- General Board discussion.
- Motion passed unanimously.

11. Discussion and possible action to approve Quote to rehab Lift Station #7.

- Foster displayed pictures of the failed liner at Lift Station #7.
- Burmeier asked where the Lift Station was located; Foster replied on Robindale in the Brooks Hollow area.
- Foster said Fuquay is the recommended quote for \$23,898,
- Hietpas said we have had good experience with Fuquay.
- Goff asked if just the lower section is sprayed, or all of it; Foster replied the whole thing is sprayed.
- Sayre moved to approve the Fuquay quote of \$23,898; Burmeier seconded.
- General Board discussion.
- Motion passed unanimously.

12. Discussion and possible action to approve an Election Order calling an election to be held May 7, 2022, for the purpose of electing two directors to the District's Board of Directors.
- Foster said the terms of Hietpas and Burmeier will end in May, and these two positions will be up for election. Feb 18 is the deadline for applications for a place on the ballot.
  - Hietpas noted that if only 2 candidates apply, the election would be cancelled.
  - Sayre moved to approve the Order as presented; Goff seconded.
  - General Board Discussion.
  - Motion passed unanimously.
13. Discussion and possible action on Discussion and possible action on Financials, Calendar.
- Foster reported good financial results through December for the District. He added that our Capital projections show us running out of money in 2025.
  - Hietpas asked if we had any problems with our current financial results; Foster replied no.
  - Burmeier asked what we were going to do about running out of money; Foster replied he is looking into some things including some Federal money we are in process of applying for.
  - Hietpas asked how much we are paying for the "Take or Pay" program with LCRA; Foster replied it was about \$40K this year for about 600 acre feet not used.
  - Burmeier asked how we control how much we need; Foster replied that even in 2011, the bad drought year, we didn't hit our max. He added that he thinks most utilities are about the same as LMUD; if we go over our max, it is very expensive.
  - Hietpas said if we use 2/3 of our allotted water, it costs us about \$40K per year.
  - Burmeier asked if the demand was going down; Foster said he doesn't see it.
  - Sayre said the LCRA can only contract out the total capacity they have; Foster agreed.
  - Burmeier asked if 2011 was the closest LCRA came to maxing; Foster replied yes, they let a lot of water out to the rice farmers.
  - Burmeier said it won't happen again; Foster agreed, saying they are more limited now in what they can release.
  - Christian asked about growth; Foster said we are only averaging about 12 new customers per year for water.
  - Foster moved to the calendar section of the item.
  - Hietpas stated this was an appropriate place to announce that he has sold his home and will close on February 25 and that he has to resign before then as he will no longer be a resident of Lakeway. He advised the Board to talk with Foster and let him know if they had a preference as to when he resigns. He said it's been a good run, and he is very happy to have been a part of this group.

- Burmeier said Hietpas has put a lot of time and effort into LMUD; Hietpas agreed and said it was a part of the joy of being part of Lakeway. Foster said 18 years of service to the Board; Hietpas agreed.
- 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; Burmeier seconded. Motion passed unanimously.**

19. Approve Minutes of Regular Board meeting January 12, 2022.

ADJOURNMENT

The meeting was adjourned at 10:48AM



*Lloyd Smith*

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Lloyd Smith, Finance/Administration Manager

Minutes approved on the 9th day of March 2022.

*Gerald J. Hietpas*

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Gerald J. Hietpas, President, Board of Directors

ATTEST:

*Don Goff*

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Don Goff, Secretary, Board of Directors