

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
August 10, 2022

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

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

QUORUM:

1. Determine Quorum and Call to Order  
Meeting was called to order at 9:30 AM.  
Sayre declared a quorum of Directors present.
2. Pledge of Allegiance was led by Sayre.

CITIZENS

3. None

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AGENDA ITEMS:

4. Discussion and possible action to approve Engagement Letter with Maxwell Locke & Ritter to perform FY 2022 Financial Audit.
  - Foster stated this will be our 4<sup>th</sup> year using ML&R as our auditors.
  - Sayer asked how long before we would consider a change; Foster replied there is no set rule, but generally a change would be considered between the 5<sup>th</sup> and 10<sup>th</sup> year.
  - Goff asked how much the increase in fees was; Foster replied about \$500.
  - Christian moved to approve the letter as presented; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.

5. Discussion and possible action to approve Quote for Hydro tank at S-4 Palos Verdes Treatment Facility for reuse system.
  - Foster noted this is for the Palos Verdes reuse and that we have two tanks there now. One tank is 25+ years old and we have patched and repatched them and they need to be replaced; we have two bids.
  - Goff asked if the bids were for two tanks; Foster replied they are for one tank that will replace the two old ones.
  - Sayre asked if we would lose redundancy by only having one; Foster replied that it doesn't matter; with two, if one is down the system is down.
  - Foster said he is recommending the bid submitted by Merrigan Electric.
  - Goff moved to approve the Merrigan Electric bid as presented; Lanier seconded.
  - General Board discussion.
  - Motion passed unanimously.
  
6. Discussion and possible action to approve Hoover Construction Pay App #9, Phase 2 Force Main improvements.
  - Foster explained this is for further work on Sunfish, that flowable fill would be done today and tomorrow, and then the asphalt would follow.
  - Sayer asked when this phase would be done; Foster said sometime next month.
  - Lanier moved to approve the pay app as presented; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
  
7. Discussion and possible action on status of Out of District pressure sewer system for Lakeway Phase 1 & 2 Secs. 1-17.
  - Foster reviewed progress on the project saying several leaks hampered progress, but we were still able to get 4 new connections; 3 installed by LMUD and 1 self-install.
  - Sayre asked how much extra a self-install costs; Foster replied \$10-15K plus the \$4.25K charge from LMUD.
  - Christian asked about the total years on the project; Foster said we have been into the project about 3 years now, and installs have been happening for about 1 year. He added that Live Oak should be complete by the end of 2023, and that the rest of the project would take another 6-7 years.
  - Lanier mentioned that the chart shows project ending in 2030; Foster replied that was just an estimate.
  - Lanier said we are having a high rate of participation; Foster said it is in the high 90's percentile range, that nearly everyone is opting to connect when we get to them.
  - General Board Discussion
  - No action was taken.

8. Discussion and possible action to approve adding a credit card fee to the billing to cover the costs that are incurred by using credit cards.
  - Foster said this item was to see if the Board wanted Staff to investigate the possibility of charging a fee for the use of credit cards as some other utilities and municipalities have implemented.
  - Goff said we would need a good communication piece if we did it.
  - Sayer said we needed to define what we needed from Foster in order to decide such as how much is it costing LMUD now to use credit cards and how would we bill it.
  - Lanier asked if our billing software could handle the charges; Foster replied yes.
  - Sayre asked if the Finance Committee had considered this; Foster replied the committee recommended that the Board consider it.
  - Lanier moved to direct Staff to investigate charging for credit card and to report back to the Board; Christian seconded.
  - General Board discussion.
  - Motion passed unanimously.
  
9. Discussion and possible action to approve Tax Rate for 2022 and Public Hearing.
  - Foster proposed \$0.0631/\$100 evaluation, representing a 23.24% decrease in the Tax Rate. He added that this is the rate that cannot be exceeded when the final rate is determined in September, and that Public Hearing date needs to be set for September 14 at 9:30AM.
  - Christian moved to approve the Tax Rate for 2022 at \$0.0631/\$100 and set the date for the Public Hearing September 14, 2022, at 9:30AM and publish to the public; Goff seconded.
  - General Board discussion.
  - Motion passed unanimously.
  
10. Discussion and possible action to approve moving to Stage 3 of our Drought Contingency Plan due to the Extraordinary Drought.
  - Foster said the need to move to Stage 3 sooner than the Plan indicates since there are no inflows at this time. It is time to do our part and notify our customers by September 1. He added he had a meeting with other Firm customers this afternoon and would propose the same to them.
  - Christian asked if Stage 3 reduced the use of water; Foster replied yes, but not by half.
  - Goff asked if it hurts to water twice; Foster said it actually helps.
  - Goff asked when we would start communicating to customers; Foster said immediately to be effective Sept 1.
  - Goff asked when it would end; Foster replied that it could be as long as 1-2 years.

- Lanier said it is wise to be proactive; Foster agreed saying Austin has been on once per week for a while.
  - Goff said we should talk to the City of Lakeway and get them to start approving artificial lawns.
  - Sayre asked about refilling pools; Foster replied it depends on the reason for filling, that we would look at each instance. Foster added there would be no new pools filled during Stage 3.
  - Lanier moved to authorize the General Manager to move to Stage 3; Christian seconded.
  - General Board discussion.
  - Motion passed unanimously.
11. Discussion and possible action on FY 22 Draft Revenue/Expense Budget.
- Foster reviewed the draft budget and noted \$2 addition to base charge for water and wastewater, 4% merit increases, 10% Health insurance increase, and overall expense increase 8.84% are all assumptions built into the draft budget.
  - Sayre noted that we need to insure that Stage 3 water schedule is taken into account and noted that 4% merit may not be enough in this environment.
  - Foster reviewed multiple line items of the revenue and expense draft budget.
  - General Board discussion.
  - No action was taken.
12. Discussion and possible action on Financials, Calendar.
- Foster reviewed financials saying the District continues to be on sound financial footing in both Revenues and Expenses.
  - 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; Lanier seconded. Motion passed unanimously.**

13. Approve Minutes from Regular Board meeting June 8, 2022.
14. Approve Minutes from Special Board meeting July 13, 2022.
15. Approve letter of Resignation from Board Member.

John Sayre announced he was moving out of Lakeway and therefore was required to resign his position on the Board effective immediately. Several Board members thanked him for his service and wished him well.

ADJOURNMENT

The meeting was adjourned at 10:49 AM.



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Loyd Smith, Finance/Administration Manager

Minutes approved on the 14th day of September 2022.



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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

Treasurer

