

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
September 14, 2022

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

Directors Present:

Larry Burmeier
Lawrence Christian
Phil Lanier

Directors Absent :

Don Goff

Staff Present:

Earl Foster
Loyd Smith

QUORUM:

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

CITIZENS

3. None
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AGENDA ITEMS:

4. Public Hearing on 2022 Proposed Tax Rate.
 - Foster stated that the proposed tax rate for 2022 is 0.0631/100 and that it has been published as required.
 - Burmeier said that since there were no citizens asking to speak, the hearing was closed.
 - No action was taken.
5. Discussion and possible action on Health Insurance.
 - Foster said he had met with Board Member Goff, Liaison to the HR Committee, and reviewed the proposed 9.2% increase. He pointed out that the District had large savings by switching to the All Savers program offered by United Health

Care last year. He added that other organizations are facing as much as a 50% increase in their premiums. He noted the District is \$6K under the expected expenditures, and that will turn into a \$3K rebate in December if the District maintains these results. Foster recommended staying with All Savers.

- Lanier asked if the coverage was changing; Foster replied no, it would be the same coverage with All Savers as this year.
- Lanier asked if it was the best solution for LMUD; Foster replied yes that we stayed under the max claims and will likely get a \$3K rebate.
- Lanier asked if the co pay is different; Foster said it is the same as last year as are the deductibles.
- Christian noted there is something to be said for not changing and disrupting employees; Foster agreed.
- Lanier moved to approve the All Savers proposal as presented; Christian seconded.
- General Board discussion.
- Motion passed unanimously.

6. Discussion and possible action to approve Cola, Merit increase and Salary ranges.

- Foster said originally 4% merit was put in the budget, but after meeting with Goff and reviewing Mercer, it was changed to 2% Cola and 4% Merit (6%Max). Foster added he was seeing this in the industry.
- Christian moved to approve the 2% COLA and 4% Merit with a maximum of 6%; Lanier seconded.
- General Board discussion.
- Motion passed unanimously.

7. Discussion and possible action on FY23 Draft Revenue/Expense Budget.

- Foster presented the budget numbers, saying revenue is budgeted at .4% increase over FY22, and this revenue is very difficult to predict based on weather conditions next year. Expenses are in line with revenues in the budget projections. Details of the various expense increases were discussed. He added there were small Water and Wastewater rate increases included in the calculations.
- Christian said the Finance Committee spent quite some time in reviewing line items in the budget and were satisfied with the numbers presented.
- Christian moved to approve the budget as presented; Lanier seconded.
- General Board Discussion
- Motion passed unanimously.

8. Discussion and possible action to approve Hoover Construction Pay App #10, Phase 2 force main improvements.

- Foster said the work up to 808 Sunfish was complete and added that we are almost complete with this section.

- Lanier asked if this was Phase 2 work; Foster replied yes that this is off of the golf course.
 - Lanier ask where we go next; Foster said we are bidding 7 streets now, and likely will go to Eagle next. Bermuda requires a lot of boring, and several properties there need it due to failing septic tanks.
 - Lanier moved to approve Pay App #10 as presented; Christian seconded.
 - General Board discussion.
 - Motion passed unanimously.
9. Discussion and possible action on status of Out of District pressure sewer system for Lakeway Phase 1 & 2 Secs. 1-17.
- Foster said there were 11 installs in July: 7 by LMUD crews and 4 self-installs. There are 298 installs total. Foster reviewed the project budget and actual to date.
 - Burmeier asked if we were close to finishing Phase 1; Foster replied we are about 25% complete with Phase 1 and there are 5 sections left to complete. He added we continue to get calls regularly from citizens wanting to connect.
 - Burmeier asked if the new connections were performing as expected; Foster replied yes for the most part; we have had to replace a couple of the units due to capacitors failing, but those are under warranty. We also have problems with people flushing items that stop up the pumps.
 - Lanier asked if most new connections were happy; Foster replied yes, but some customers are not happy with the charges. We are doing a better job of explaining what the customer is responsible for up front. The site assessments we complete now clearly define customer responsibilities.
 - Burmeier asked how long the warranty lasts for the capacitors; Foster replied one year, but the life expectancy is 20-25 years.
 - Lanier asked if lightening could cause damage to the units; Foster replied yes.
 - General Board discussion.
 - No action was taken.
10. Discussion and possible action to approve transferring \$21,500 from budget line Item 7105 to Capital Expenditure 14-08 to Re-paint Elevated Storage tanks.
- Foster said this is something we do every year to ensure we have funds available when tanks need to be repainted, which will be in 5-6 years. It is our way of accumulating the funds rather than pay a yearly fee to an outside maintenance contractor.
 - Burmeier said so it is just setting money aside for the future project; Foster replied yes.
 - Christian moved to approve the transfer as presented; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
11. Discussion and possible action to approve Quote for purchase of Vactron.

- Foster said this equipment is used frequently to pump out septic tanks, storage tanks, etc. This unit is to replace the Ring-O-Matic unit we have. There is no longer local service for the Ring-O-Matic, and repairs are difficult. Ditch Witch is the lowest price of the three bids, and we have a lot of Ditch Witch equipment and are happy with their local service. Ditch Witch is the recommended choice.
 - Christian asked if there was an advantage to having both of our Vactrons the same brand; Foster replied that Ditch Witch service is more responsive, and we can get this unit fast without supply chain issues.
 - Lanier asked if this was new equipment; Foster replied yes.
 - Lanier moved to approve the Ditch Witch purchase for an amount not to exceed \$67,915.69; Christian seconded.
 - General Board discussion.
 - Motion passed unanimously.
12. Discussion and possible action to ratify approval of letter of Retainer Agreement with Allen Boon Humphries Robinson, LLP.
- Foster said this item is just for approving the letter of agreement for one current incident only.
 - Christian moved to approve the letter as presented; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
13. Discussion and possible action to seek advice of its attorney regarding pending or contemplated litigation. Board discussion will be held in Executive Session under Texas Government Code 551.071.

The Board went into Executive Session in accordance with the Texas Open Meetings Act Section 551.071 (Consultation with Attorney) at 10:02AM.

The Board returned to Open Session in accordance with the Texas Open Meetings Act Section 551.071 (Consultation with Attorney) at 10:22AM.

- Burmeier called the meeting back to order.
 - No action was taken.
14. Discussion and possible action to Consider approval of Allen Boone Humphries Robinson, LLP as General Counsel.
- Foster introduced Ann Stanford and Christina Pekkala, attorneys with the firm of Allen Boone, Humphries Robinson, LLP.
 - Stanford introduced the firm saying there are 30 attorneys supporting ~300 utilities from offices in Austin, Dallas, and Houston for the past 40 years. Stanford specializes in construction, while Pekkala's specialty is website

compliance. These two individuals will be the main contacts for LMUD if a General Council Retainer is established and the firm offers many other attorney resources as needed.

- Burmeier asked if we were talking contracts; Foster replied yes, and we will present our recommendation at the September 28 Special Meeting.
- Christian moved to approve the GM’s authority to negotiate terms of a General Council Retainer with Allen Boone Humphries Robinson, LLP; Lanier seconded.
- Christian said we could gain a lot from this law firms expertise; Burmeier agreed.
- General Board discussion.
- Motion passed unanimously.

15. Discussion and possible action on Financials, Calendar

- Foster reviewed financial results through July and said the District continues to be in good shape both in Revenue and Expense.
- Foster said there will be a Special Board Meeting September 28 to approve 2022 tax rate, review potential General Council Retainer, and appoint Board Member to open position.
- 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.

16. Approve Minutes from Regular Board meeting August 10, 2022.

17. Approve Bad Debt write-offs.

ADJOURNMENT

The meeting was adjourned at 10:35 AM.

Loyd Smith, Finance/Administration Manager

Minutes approved on the 12th day of October 2022.

Vice President, Board of Directors

ATTEST:

Secretary, Board of Directors
VP

