

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
March 8, 2023

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

Directors Present:	Lawrence Christian Larry Burmeier Frank Cooley Don Goff Phil Lanier
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Directors Absent :	None
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Staff Present:	Earl Foster Loyd Smith
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Attorneys Present:	Anne Stanford
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QUORUM:

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

CITIZENS

3. None

AGENDA ITEMS:

4. Discussion and possible action to approve quote for repair of E-4 water tower.
 - Foster explained this was emergency repair to E-4. There was a small leak, so E-4 was drained, but when inspected we found that there were more cracks in the bowl. Inspector recommended repairs. Electric current was applied to find hidden cracks below. Plates were then placed over the cracks and welded.
 - Cooley asked what caused the cracks; Foster replied stress.

- Cooley asked how much longer it would last; Foster replied that he didn't know, but perhaps another 10-15 years. Plates were put on both sides of the tank which are formed to the curves.
- Lanier asked what experience LMUD had with APC Metal Works; Foster said since this was an emergency, we went with the inspector's recommendation.
- Lanier said so no experience with the vendor? Foster said no, it was an emergency.
- Foster said the repairs were \$25,950 and that we would still have to paint the bottom of the tank and we need to get E-4 back in service. Foster added that he got with Christian due to the emergency and they agreed that the repair had to be done.
- Burmeier asked if it would be spot painting; Foster replied all areas that were welded would be painted plus a few other touch up areas.
- Christian asked if the painting would be additional cost; Foster replied yes, but that is something we have in Capital Expenditures that we accrue yearly.
- Lanier asked about the status of the work; Foster replied we are two weeks into it now, and the painters will start Monday and we are hoping to have it back in service by Thursday.
- Burmeier moved to approve the quote from APC Metal Works in the amount of \$25,950 as presented; Golf seconded.
- General Board discussion.
- Motion passed unanimously.

5. Discussion and possible action to approve Personnel Policy update Bad Weather Policy.

- Foster reviewed changes from what was presented at the last Board Meeting, and this policy lets people know what to expect during bad weather.
- Goff asked if we had negative comments from employees during the last freeze; Foster said very few. One negative was employees who already had vacation scheduled during the freeze were told they would need to take their vacation since it was already scheduled.
- Cooley said the update stated employees should notify their supervisor within 4 hours after their shift begins; why not before their shift begins? Foster said we could change the wording to read before their shift is scheduled to begin and eliminate the 4 hours.
- Cooley move to approve the update with the wording changed from "within 4 hours after their scheduled start time" to "before their scheduled start time"; Lanier seconded.
- General Board discussion.
- Motion passed unanimously.

6. Discussion and possible action on Quote for Electrical Proposal from Merrigan Electric on BP2 to install Generator.

- Foster said this is electric work needed to install a disconnect and a transfer switch for the generator at Booster Pump 2. We have put the pad in, and the electrician had to work with Austin Energy to develop a plan. This was installed in the 80's and did not have a disconnect so that the power comes in hot. Will have to install the disconnect, conduit, set up another pole, and install another meter. The pump will be out of service for about 4 hours. It is tough to get bids on a job this small. His proposal is \$53,285 to do this work.
- Burmeier asked about other areas where we might have the same situation; Foster replied B4 and BP2 are the ones we identified as effected by Senate Bill 3 that we have to add back up power to. I can't think of any others that we would need it on. As far as disconnects, Eagle might be the only other one, but we don't use it as a booster, just a flow through based on gravity and a disconnect might not be there. That's on the PEC side so it might be a little different.
- Goff asked if Merrigan would be doing work on the other one; Foster said yes, BP4 that was approved previously.
- Lanier asked about the 4 hours downtime; Foster said we would interconnect with WCID 17 during that time.
- Lanier asked why there was no disconnect; Foster said he wasn't sure, that maybe that's just the way they did things in the '80's.
- Burmeier asked whose specs we used; Foster said Austin Energy. Our own Electrical Engineer worked with Merrigan inside the building.
- Burmeier said that wasn't right even in the '80's; Foster agreed.
- Christian asked when the generator would be installed; Foster replied we are hoping by the end of March, and BP4 by the end of May.
- Lanier moved to approve the Merrigan Electric quote for \$53,285 as presented; Burmeier seconded.
- General Board discussion.
- Motion passed unanimously.

7. Discussion and possible action on Schooner Cove Villas request for refund.

- Foster said Schooner Villas Time Share consists of 18 units that were served by a 2" meter. In July of 2021, we increased them to 18 LUE's because they are residential and need to pay accordingly. Oberg Properties, who manages the property, has requested a refund of the increased charges, and they were right. I worked with our attorney on it. Out Rate Order states that we can't charge more than the 4" meter now installed. It may be that with the 4" meter we could charge for 9 LUE's. This is unique because their wastewater comes right to our Lift Station and it's metered so we know exactly how much to charge for wastewater. It's the base charge that I'm looking at. Foster added that any refunds over \$2K have to be approved by the Board.
- Golf asked if this would be a refund or a credit to their account; Foster replied they have asked for a refund. I know they are not doing very well. Occupancy went from 90% to only 60%, so this is a hardship on them. I would support the refund because it was my fault.

- Cooley asked how far back do our tariffs say we can go for a refund; Foster said he brought this up with the attorneys but we felt like it was better to refund the entire amount because it was my fault.
 - Cooley said if it was accidental, how far back do our tariffs go; Stanford said I don't know what the Water Code says, but it's not in a tariff. I actually don't know of a time limit unless it would be a time limit the law states- 2 years for tort and 4 years for other things. If we go by our Rate Order and our Rate Order doesn't have a time limit, our attitude has been to go ahead and refund if it was not billed properly.
 - Cooley said it could be the other way around too where we undercharge; Stanford said I don't think there is a tariff that applies to that; she said let me look it up and see if there is a time frame.
 - Cooley said if it is a big number, it could affect our finances. There would be some comfort if the tariff or whatever said it would be X amount of time.
 - Foster said we might want to put something in there that would help us.
 - Cooley said it's been done that way for years and it may be practice, but for our comfort as well as the customers we should have something in there.
 - Burmeier said they have been there for 30-40 years; Foster said yes in fact most of the owners are in their 90's.
 - Cooley said if they went back to the 80's that could be a large number; Foster agreed.
 - Foster said it was clearly conflicting between the Rate Order and the way we are billing. We would have to go back and make sure the Rate Order said the same thing all of those years.
 - Cooley said we need a certainty on how far back the customers can go for huge refunds back to the '80's.
 - Stanford said it is a good suggestion; let me look into what the law will allow us to put in the Rate Order.
 - Christian said as far as this item we are probably going to go ahead with it; Cooley said he agreed.
 - Lanier moved to approve the refund to Schooner Cove Villas in the amount of \$7,020.40 as presented; Goff seconded.
 - General Board Discussion
 - Motion passed unanimously.
8. 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 5 installations in February plus a lot of leaks and other repairs due to weather. Phase 2 connections completed on Rocket and Finn. Hoover will resume work in April. We will soon be ready to go out for bids on the Lift Station at the City; this will be the last Lift Station of the project. Threinen continues to do a great job with customers keeping them informed about the project.

- Christian asked if we are getting many complaints; Foster replied some around cost, boring in front of houses, and some emergency hookups want it sooner. But, overall, very few complaints.
- Lanier asked what kind of participation we are seeing; Foster replied that we are in the high 90 percentile, and have even had some wanting us to come back and hook them up after we have passed them.
- Lanier said that is good news; Foster agreed and added that our assessments shared with the homeowner before beginning are much improved now.
- Christian thanked Foster for a good report.
- General Board discussion.
- No action was taken.

9. Discussion and Possible action on February Bills that were mailed.

- Foster revealed that there was a delay in many of the bills mailed out January 31. We had multiple calls on February 17th saying they just got their bill and the payment was due on the 20th. We waived late fees for those that notified us that it had happened to them. We had about 30 customers that said I just got my bill and we waived those fees.
- Lanier said he had one person contact him saying he was really unhappy, but after calling the office he was pleased with the results.
- Burmeier said some people may have not noticed they even had a late fee; Foster said again the upsetting thing was it was due in two days and our office was closed on Monday due to holiday.
- Board discussion.
- No action was taken.

10. Discussion and possible action on GM Report, Financials, Calendar.

- Foster said Revenue is close to where it needs to be year to date, and expenses are a bit over due to early expense in Treatment Plants, Building and Grounds, and Lift Stations, but overall, we are in good shape financially.
- Cooley asked about going to monthly billing; Foster said we have looked at that but it is not financially viable at this time.
- Lanier asked about the commercial water revenue being down vs. last year; Foster replied due to colder weather this year plus one day per week irrigation are both part of the cause.
- Foster pointed out the GM Report detailing the previous months activities.
- 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.

Cooley moved to approve the consent agenda; Lanier seconded. Motion passed unanimously.

11. Approve Minutes from Regular Board meeting February 8, 2023.
12. Approve Bad Debt Write-Offs.

ADJOURNMENT

The meeting was adjourned at 10:32 AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 12th day of April 2023.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

