

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
April 12, 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

Frank Cooley
Don Goff
Phil Lanier

Directors Absent : Larry Burneier

Staff Present: Earl Foster
Loyd Smith

Attorneys Present: Anne Stanford
Kristina Pekkala

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 update to Rate Order with drought rate.
 - Foster explained that the rate increases in the higher tiers will hopefully discourage high usage during drought conditions. The plan originally was to add \$1 to the tiers above 30K gallons, but the Finance Committee recommended going further and raising rates by \$2 over 50K gallons, \$3 over 80K gallons, and

\$4 over 100K gallons, so that is the recommendation. He added that another change is clarifying how service fees apply to previously installed grinder pumps.

- Goff asked when will the changes be effective, and will customers be notified; Foster said when combined storage of Lake Travis and Lake Buchanan reaches 900 acre feet the new rates will be activated. Foster noted that the combined storage today is around 1M acre feet, and that all customers would be notified prior to enacting the increased charges. Foster said this could happen in the June-August time frame.
- Christian asked if around 400 customers would be affected; Foster replied yes, out of almost 4,300 total water customers.
- Cooley asked about the last line showing no change to Commercial; Foster replied Commercial is different, and LMUD has few Commercial customers, and we would have to add a third rate for Commercial.
- Cooley moved to approve the Rate Order changes as presented; Goff seconded.
- General Board discussion.
- Motion passed unanimously.

5. Discussion and possible action to approve Easement Release for 815 Bermuda.

- Foster said this is just clean up from lots that were combined in the past and the easement at the back of the property wasn't released. We have no infrastructure in that area, so it is not a problem for LMUD. This is the back lot line, and all other easements remain.
- Lanier moved to approve the easement release as presented; Cooley seconded.
- General Board discussion.
- Motion passed unanimously.

6. Discussion and possible action on Quote for Raw Water B-3 Pump and Raw Water B-4 Pump.

- Foster said the B-3 pump is obsolete and cannot be repaired so a new pump is needed, and we have the motor. The B-4 pump has been in for repairs since November 2022, and the parts are supposed to be here anytime. Lead time for a new pump is 10 weeks. We need this extra pump so we can pull the other three pumps one at a time and will have 4 pumps on the barge at all times. The pumps will all need maintenance, painting, etc.
- Lanier asked if all 4 are used during the summer; Foster replied we use 3, but one is a spare. We rotate the use between the 4.
- Cooley asked if there would be any advantage to getting 2 for the open slots we have on the barge; Foster said there is no need right now but might be in the future. We just need to make sure we have 4 now.
- Goff asked if the other entities have approved; Foster replied all but Rough Hollow have approved, and they are a minor partner in B-4.
- Lanier asked about parts for the other pumps; Foster replied they are not obsolete at this point, but takes a while to get them.

- Lanier asked if the parts are manufactured in the U.S.; Foster said he didn't know but could find the answer.
 - Lanier moved to approve the B-3 pump at a cost of \$27,000 and the B-4 pump at a cost of \$55,000 plus installation costs for both pumps; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action on quote to migrate current Website content from current site to new site and add security and intrusion detection.
- Foster said he would like to thank Cooley for his comments around the website changes, and that we had looked at several solutions and Woody Creations seemed like the best solution for LMUD. Cooley said there were conflicting statements originally, so the time and material comments were removed from the quote, and Woody Creations was OK with the changes. Foster pointed out that there may still be more work needed on the site but that would be in the next budgeting cycle.
 - Goff asked if this change would improve our security; Foster replied yes and that it gives us more access so that we can do more ourselves.
 - Goff asked what the time frame was; Foster replied about 2 months.
 - Lanier asked if we would have 2 factor authorization; Foster said yes, and that our attorneys will review to see if we need a contract.
 - Stanford said we will need to add some things to the agreement, and Pekkala said there are details that need to be added.
 - Cooley moved to authorize the General Manager to finalize the agreement with Woody Creations in proper contract form; Lanier 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 the contractor is back laying lines, and there was a set back with a lead crew member sick. He said he is frustrated that the City has shut us down from cutting on the street. There are driveways, mailboxes, rock walls and other obstructions that hinder us. These are parking areas, and we can't afford to tear them up and then have to replace them. The City has denied our request to cut on Bermuda. Foster added he had a meeting the next day with the City. There was a City Council meeting in which a street cut was referred to as being one LMUD had done and it wasn't ours, but we repaired it anyway. Foster added that he didn't know if we can finish the project without street cutting. We will repair or replace any cuts we make until they are ready to overlay. Foster said he will present this to the City and may have to go to City Council but will first go through the proper channels up to the City Manager.
 - Lanier asked if this was mostly in Phase 2; Foster replied yes that we have 8 contracts with Hoover Construction to lay lines. We need to partner with the City.

- Foster said we continue to add 5-7 connections each month and that we are still short two workers. Overall, we are pleased with Section 1.
 - Cooley asked if we could do each cut as a variance; Foster replied we were denied the variance by the City and that they are treating us like we are Spectrum or AT&T. We need access closer to the street.
 - Cooley said it will probably wait until after the election; Foster replied we are getting new applications for connections regularly.
 - General Board discussion.
 - No action was taken.
9. Discussion and Possible action to approve Reuse Agreement with Hurst Creek MUD.
- Foster explained that this agreement is to allow Hurst Creek MUD to send their reuse water to our pond while they replace the liner in their pond. We will be able to use their water for our irrigation under our 210 permit. Our attorneys have reviewed this, and Hurst Creek MUD has already approved.
 - Lanier asked what the 210 was; Foster replied it is a way for Utilities to use reclaimed water through the 210 permit, and it is a little less stringent than other permits.
 - Goff moved to approve the Agreement as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
10. Discussion and possible action to approve Amendment No. 1 to the HDR Engineering S-5 Water Recycling Plant Expansion Project.
- Foster said this amendment is additional work so we can go out for a bid and prepurchase the clarifier mechanism and the filter for the S-5 Expansion.
 - Lanier noted the original estimate was \$486K and this is adding \$17.9 to that for the clarifier; Foster said that is correct.
 - Lanier moved to approve Amendment No. 1 at a cost of \$17.9K; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
11. Discussion and possible action on GM Report, Financials, Calendar.
- Foster said February was an off revenue month, reviewed Revenue and Expense, and said we were off to a good start to the new fiscal year.
 - Goff asked about the financial impact of moving to once per week watering; Foster said we will see some in the summer, but there shouldn't be much impact this year. We would see more impact next year should the drought continue.
 - Foster asked if including the GM report in Boardbook was helpful; there was positive feedback from the Board.
 - Foster reviewed recent District communications to the public and talked about the Open House at the District Office in March.

- General Board Discussion
 - No action was taken.
12. Discussion and possible action on Property Damage Claim from February 12th plane incident at our Lift Station #3 and potential property damage release for payment.
- Foster said all repairs have been made to our Lift Station with a few parts still on order, but this claim covers all invoices sent to claims, and they have approved. They want to finalize this with LMUD agreeing that they have made us whole.
 - Cooley asked if this included our employee labor and overtime costs; Foster replied no.
 - Goff said the employees had to work on this rather than their other duties; Cooley agreed, saying these are legitimate costs due to the incident.
 - Foster agreed to look into the labor costs and asked to table this item.
 - General Board discussion.
 - No action was taken.
13. Discussion and possible action on Land Purchase Agreement with the City of Lakeway.
- Foster said this is the 2.92 Acres by S-5 that we have been working on since October 2021. We have agreed to purchase for \$350,400 including two easements approximately 0.27 acres. Our attorneys are going to ask if the City will pay the closing costs.
 - Goff asked the details of the closing costs; Foster replied that the agreement says each party pays ½ of the closing costs, but we are trying to get the City to pay all closing costs.
 - Cooley asked about the original intent to exchange properties; Foster replied that this went away early in the process.
 - Christian said the City is anxious to get this done before the election; Foster said this could close by the end of April or the beginning of May.
 - Cooley said it is important to us and good for both parties.
 - Cooley moved to approve the Purchase Agreement subject to finalization for the purchase of 2.92 acres at a cost of \$350,400; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.

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 noted the date on item 12 was incorrect on the Agenda; the correct date is March 8, 2023.

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

14. Approve Minutes from Regular Board meeting March 8, 2023.

ADJOURNMENT

The meeting was adjourned at 10:29 AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 10th day of May 2023.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

