

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
June 14, 2023

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
Don Goff
Phil Lanier

Directors Absent :

Lawrence Christian
Frank Cooley

Staff Present:

Earl Foster
Loyd Smith

Attorneys Present:

Anne Stanford

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. Michael Paule, 212 Palos Verdes, Lakeway, TX
 - Paule addressed the Board saying in early May a long black stripe appeared on Palos Verdes that ran from Duck Lake to the LMUD Recycle Facility. A neighbor reported it to Lakeway MUD and took some pictures. Paule said he reported it to Frank Cooley, LMUD BOD member. It was a diesel spill, and diesel and asphalt don't mix well together. He said no information was provided, and he doesn't know if the City of Lakeway was notified. He said the reason he came today was to make sure everyone is

aware of this and would like to know what happened and what measures are being taken to prevent something like this from happening again.

- Burmeier thanked Paule, and asked Foster to put it on the agenda for the next meeting and we would try to have some answers; Foster said it would be put on the next agenda.
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AGENDA ITEMS:

4. Discussion and possible action to approve changes to personnel policy.
 - Foster explained that the current policy as worded does not address vacation and longevity pay for employees who leave and then return to LMUD. It does not appear to be fair to existing employees for one to leave and come back with full benefits in these two areas. The proposed changes would limit the credit for past service regarding vacation to approximately 50% credit for past service after one year of re-employment and would eliminate past credit for longevity pay.
 - Lanier asked if the current policy increases vacation after 5 years; Foster replied yes.
 - Burmeier asked what the basis was for the 50%; was it arbitrary or based on what other firms do; Foster replied that we couldn't find good examples of what others do.
 - Lanier asked what the issue is; Foster replied that we have rehired some, and it doesn't sit well with employees who stayed for someone who left to be receiving so much in vacation and longevity pay benefits.
 - Goff moved that the Board approve the changes to the Personnel Policy as presented; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
5. Discussion and possible action to approve Award of Contract for installation of Sunfish Lift Station.
 - Foster said there were two bidders with the low being Prota, Inc at \$75,516. and that this is for Phase II of the ODWW project.
 - Burmeier asked if there was a reason for the large difference between bids.
 - Lanier said it looks like they bid from different specs, and asked if we had used Prota, Inc before; Foster replied no, but we checked their references, and they were good.
 - Lanier moved to approve the Award of Contract to Prota, Inc as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
6. Discussion and possible action to approve Award for S-5 WRP Equipment 1FB-1, Clarifier Mechanism.

- Foster said LMUD has two another Clarifiers with the same mechanism, and we would like to install the same equipment at S-5. This equipment is manufactured by Wawcon and will be installed by Environmental Improvements, Inc. HDR Engineering has recommended that LMUD award this bid of \$308,000.
 - Goff asked if we approve this now will the equipment just sit for a while; Foster said we are just issuing a PO now and we won't pay until it is delivered. With supply chain issues, we need to make certain we have it in time.
 - Burmeier asked how long this price is guaranteed; Foster replied that once the PO is issued and accepted it is firm.
 - Lanier asked why there were no other bids; Foster replied this is a very specific mechanism, and since we already have one, we won't have issues with interchangeable parts.
 - Burmeier asked if we had an engineer estimate; Foster replied no and asked if Burmeier would rather have one. Burmeier said he had concerns without one.
 - Foster said the estimate would have to be done without the contractor's markup.
 - Lanier noted it said installation included; Foster said his intention was to indicate that installation would be included in the bid from the contractor who gets the bid for the expansion.
 - Lanier said this item is for the equipment only; Foster replied yes and this solves the supply chain concern.
 - Burmeier asked the Board if this was enough information for them; Foster said he could get the LMUD engineer, Christianne Castleberry to come in.
 - Foster returned with Castleberry and said he had been mistaken, that we did have an engineering estimate.
 - Castleberry said we have a older estimate from HDR Engineering from early 2022, and we pushed it due to the high cost at the time hoping the prices would come down.
 - Burmeier said we should have an estimated cost; Christianne said yes, the HDR cost estimate was reasonable due to time lost and that Wawcon was very competitive and included walkways and handrails in their quote.
 - Foster added that we were at the peak of inflation, and we held off hoping for lower prices. He added prices have come down slightly.
 - Christianne said we were seeing estimates double and wanted to wait, and prices have come back down a bit.
 - Lanier moved to approve the Purchase Order for the Clarifier Mechanism to Environmental Improvements, Inc. for \$308,000 as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action to approve for S-5 WRP Equipment IFB-2, Traveling Bridge Filter Unit.

- Foster said LMUD has 2 of these, and this will be the 3rd unit with the same design. This is a pre-procurement, and once the contract is awarded the installation will be done by the contractor.
- Burmeier asked if this was what MUDs 11, 12, & 13 paid us for; Foster replied that MUD 12 (on behalf of all three MUDs) paid us \$4.9M toward this expansion and we are expanding further to accommodate the ODWW volume.
- Burmeier asked if LMUD has enough money for this project; Foster replied our original estimate was \$8M, and we hope that is close.
- Burmeier asked when we would be finished; Foster replied 6-9 months.
- Burmeier said we have to get this done; Foster agreed saying we need to go out for bid by August or September. Castleberry said at least by year end.
- Lanier moved to approve the bid for equipment manufactured by EVOQUA at a cost of \$441K as presented; Goff seconded.
- General Board Discussion
- Motion passed unanimously.

8. Discussion and possible action on Hoover Construction Pay App #2, Phase 3 force main improvements on Bermuda and Pay App #1 for force main improvements on Snapper.

- Foster said Hoover has 2 pay apps to approve; pay app #2 is for the completion of the force main on Bermuda, and pay app #1 for the Snapper project. Foster also asked him to estimate a pay app for June (for payment in July). He gave me an estimate of \$40K for June work, so if he completes the work in June and I have approved it, I would like the Board to authorize payment of up to \$40K since we are not planning to have a meeting in July. This would be Pay App #1 for Biscayne not to exceed \$40.
- Lanier clarified that it was for work on Biscayne in June to be paid in July; Foster agreed and said he would bring the paperwork back to the Board at the August meeting.
- Lanier asked for confirmation that the work would be done in June; Foster confirmed and said he and the Board would sign off on it before the project is finished.
- Burmeier asked if the wording was OK on this; Stanford said we talked about it and think it will be fine if the Board is comfortable with approving up to \$40K subject to LMUD going out and looking at it and inspecting the work and then Foster approving the payment. Then you can come back in August and ratify the payment. So legally we are OK with it, it's just a matter of your comfort level.
- Goff moved to approve payment to Hoover Construction three increments; one for the work on Bermuda for \$11,487.87, one for the work on Snapper for \$48,121.29, and a third for a payment not to exceed \$40K in July for work on Biscayne; Lanier 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 8 new connections in May, and we continue to get new applications for service. We are having some issues with surfaces sinking after we have filled the septic tanks.
 - Goff asked if this could be a major expense; Foster said it could be, and the wording in the contract should specify our responsibility. He added we need to look at the wording.
 - Goff asked if we are warning customers in advance this might happen; Foster said we are now.
 - Foster said we are staying ahead of Supply Chain issues with our Grinder Pumps, and that we are having some delays if customers elect to use their own electricians.
 - Goff asked how long it takes for a customer to pay the additional fee; Foster replied 25 years.
 - General Board discussion.
 - No action was taken.
10. Discussion and possible action on “Eleventh amendment to Commercial Contract Unimproved Property” by and between the District and HSD-Lohmans Partners, LP., pertaining to the sale of land generally situated at 1829 Lohmans Crossing, Lakeway, Texas.
- Foster said that HSD has requested that the closing date for Parcel 3 be moved to Jan 31, 2024, and the closing date for Parcel 2 be moved to July 31, 2024. HSD will continue to pay \$20K per month to the District until closing.
 - Lanier asked what the reason was; Foster replied he just doesn’t want to close yet; I think they have had some slow down with Pandemic Supply, and I know they still have the defined area they have to get voted on. I think you will see the road work continues with our property on both sides.
 - Goff asked how long before they physically have to own the land; Foster replied that they can’t make any improvements on our land until they own it.
 - Goff said they don’t have to have the road finished up to the bridge by November or something like that; Foster said yes, and they own that property to finish the road.
 - Lanier moved to approve the closing dates as outlined; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
11. Discussion and possible action on GM Report, Financials, Calendar.
- Foster reviewed financials for the District, and said the District is performing well and continues to be on solid financial ground.
 - Burmeier asked about the July board meeting; Foster said it is cancelled unless a reason comes up to require a meeting in July. Foster added we will need two

meetings in August and September; those dates are August 9 & 23, and September 13 & 27.

- 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.

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

12. Approve Minutes from Regular Board meeting May 10, 2023.

ADJOURNMENT

The meeting was adjourned at 10:58 AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 9th day of August 2023.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

