

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
September 13, 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
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Directors Absent :	Larry Burmeier
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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. Public Hearing on 2023 Proposed Tax Rate.
 - Foster stated the proposed tax rate for 2023 is .0531 which is one cent below last year's rate; he added that LMUD has published the notice as required. He added that this will be \$27 savings to the average homeowner in the District.
 - No Citizens were present to speak.
 - Lanier moved to approve the proposed rate of .0531; Cooley seconded.
 - General Board discussion.

- Motion passed unanimously.
5. Discussion and possible action on Health Insurance.
- Foster said that Staff is recommending a change to Curative Best Choice, a new firm that offers LMUD \$34K in savings. He added that the HR Committee has reviewed and approved of this recommendation.
 - Goff added that the HR Committee has investigated the company and it is supported by the Aetna provider base.
 - The new plan involves each employee and dependent aged 18 and over complete a Baseline visit with Curative in order to qualify for zero dollars deductible and zero dollars co-pay within 120 days of enrolling in the plan.
 - Christian suggested that we have the employees sign a document that confirms they were given this information about the Baseline visit.
 - Goff moved to approve Curative as the Medical Insurance provider for FY24 as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
6. Discussion and possible action to approve COLA, Merit increase and Salary ranges.
- Foster said he had met with the HR Committee, and 6% appeared to be inline with the economy.
 - Goff moved to approve the 6% merit; Lanier seconded.
 - General Board Discussion
 - Motion passed unanimously.
7. Discussion and possible action on FY24 Draft Revenue/Expense Budget
- Foster presented the proposed budget, saying Revenue is budgeted to increase 9.62% which is conservative and also includes \$2 increase to the base charge of both Water and Wastewater. Expenses represent about 14.8% increase.
 - General Board Discussion
 - Motion passed unanimously.
8. Discussion and possible action to approve Hoover Construction Pay App #2, Phase 2 Force Main improvements on Biscayne and Biscayne Cove.
- Foster said the work for this Pay App #2 in the amount of \$54,349 has been completed and paved and is asking the Board to approve payment.

- Lanier moved to approve the payment in the amount of \$54,349 as presented; Cooley 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 we have had about 50 installs since January for an average of about 6 per month. We had to pull back a little due to supply chain issues, some more difficult installs, other projects within the District, and shortage of employees. Overall, we are pleased with where we are. The lift station at Sunfish is now complete.
 - Goff asked if the supply chain issues have improved; Foster replied it is much better now.
 - Lanier asked if the employee position has improved; Foster replied yes that Roger hired 2 this month.
 - 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 an annual accrual we make to ensure we have funds available for repainting tanks as the need arises.
 - Christian said this is to fund our reserve; Foster agreed.
 - Lanier asked what 7105 was; Foster replied that is the General Fund account code for repainting storage tanks.
 - Cooley moved to approve the transfer as presented in the amount of \$21,500; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
11. Discussion and possible action to approve the invoice from Prota, Inc. for work completed on Sunfish Lift Station.
- Foster said the Board has approved this in previous meetings, but he always brings Pay Apps to the Board when it is time for payment. There was one change order as we had to go deeper than expected. Prota built a cinder block vault with a lid on top to accommodate this resulting in a \$3,600 change.
 - Lanier asked if this is a good vendor we might use in the future; Foster replied yes.
 - Lanier moved to approve payment in the amount of \$75,226.70 as presented; Goff seconded.
 - General Board Discussion
 - Motion passed unanimously.

12. Discussion and possible action to approve invoice from Merrigan Electric for work on Sunfish Lift Station
 - Foster said this \$21,385 was for all of the electric work on the Sunfish Lift Station, and it is all complete.
 - Lanier asked what the total cost was; Foster replied about \$170K.
 - Goff moved to approve the payment to Merrigan Electric for \$21,385 as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.

13. Discussion and possible action to approve purchase of hoses for Raw Water Barge and work by Chapman Marine.
 - Foster said the Chapman Marine invoice for \$20,191 is for the B-3 Barge work and the invoice for B-4 barge is a percentage of \$15,993. The hose replacement is \$62,994.96. The total LMUD cost is 66,793.72.
 - Goff asked if these costs are for the hoses that failed; Foster replied yes.
 - Cooley asked if any of this was covered by insurance; Foster replied no that there was a rock laying on the hose and we believe the leak was caused when the rock was moved.
 - Cooley asked if we had back up hoses; Foster replied that they deteriorate over time, and we have no place to store them.
 - Goff asked if the two hoses connect together; Foster said yes.
 - Christian asked how long the hoses last; Foster replied he would have to check to see when these hoses were purchased, but maybe 30 years.
 - Christian said hoses purchased 20 years from now might be much improved compared to what we would buy today.
 - Goff asked who installs the hoses; Foster replied Chapman Marine.
 - Goff asked if Chapman inspects the hoses; Foster said yes, and they did when they installed these.
 - Cooley asked how long we could go if all three hoses fail; Foster replied we can moved water through the B-3 barge.
 - Cooley said having one hose available would be good insurance; Foster said we would have to have all 3 lines fail at once to put us in that position; the two hoses that blew were on the same line.
 - Lanier moved to approve the \$66,793.72 as the LMUD portion of the hoses and the work by Chapman Marine as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.

14. Discussion and possible action on update of Water Supply and Drought Plan Updates.

- Foster said he addressed the City Council last week to discuss the status of our water supply. He added that we are at 819K acre feet of combined storage and approaching the 800K benchmark. We have less supply than 2022 due to heat evaporation and outdoor irrigation. We may be looking at Stage 4 restrictions where only 5 hours per week irrigation is allowed. He added this is very difficult to monitor, as we can't look at every account. He asked if we should be allowing any irrigation at that point as the lakes continue to drop.
- Goff asked how far down does it get before we allow no watering; Foster replied he didn't know, but thought we should not allow any watering at that point adding that this is the only way to control it.
- Goff asked about pools; Foster replied that pool covers reduce evaporation which can be ½" per day.
- General Board discussion.
- No action was taken.

15. Discussion and possible action on General Manager's salary/benefits.

The Board went into Executive Session in accordance with the Texas Open Meetings Act Section 551.074 (Personnel Matters) at 10:26AM.

The Board returned to Open Session in accordance with the Texas Open Meetings Act Section 551.074 (Personnel Matters) at 11:09AM.

- Christian called the meeting to order and said he would entertain a motion regarding the GM Salary/Benefits.
- Goff moved to increase the GM's salary by 6% effective Oct 1, 2023; Lanier seconded.
- General Board discussion.
- Motion passed unanimously.

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

- Foster reviewed results through July and said the District continues to do well financially through the 10th month of Fiscal Year 2023.
- Foster reviewed the Communications Report and updated the Board on progress regarding the new website.
- He added that our Watersmart enrollment by customers is at 26.9%, better than expected at this point. Irrigation and water restrictions are a big concern, and fines will be issued.
- Lead and Copper testing was conducted on select homes this month.
- There will be a Special Meeting of the Board on September 27th to approve the Tax Rate.

- There was a Boil Water notice this week on Challenger; approximately 80 homes were under notice which has been rescinded. The City of Lakeway provided water at the police station for anyone who needed it.
- Christian asked how long the notice lasted; Foster replied 24 hours, the time it takes us to get lab results back.

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; Goff seconded. Motion passed unanimously.

17. Approve Minutes from Regular Board meeting August 9, 2023.
18. Approve Bad Debt Write-Offs.

ADJOURNMENT

The meeting was adjourned at 11:17 AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 11th day of October 2023.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

