

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
February 14, 2024

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 Don Goff Phil Lanier Frank Cooley
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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 on Easement for electrical service along Bella Toscana Avenue.
 - Foster said HSD Holdings requested this on property that is still under contract. It is a request to put a transformer pad on the property in order to provide power to the back section.

- Cooley asked if this presented any hardship to our property; Foster replied no, it just provides power to the property.
 - Burmeier asked where this is located; Foster replied behind our tank.
 - Cooley moved to approve the Easement as presented; Burmeier seconded.
 - General Board discussion.
 - Motion passed unanimously.
5. Discussion and possible action to approve Wastewater permit agreement with TCMUD 11, 12, & 13.
- Foster said this needs to be approved subject to our Attorney's review. This is to transfer their permit to LMUD involving 62 acres and they will want some of the acreage back after the permit is approved in order to build on the property. We don't have a problem with that. We are on a tight timeline to submit this to TCEQ on March 8 after TCMUD's meeting on March 7.
 - Cooley asked why we are returning some acreage; Foster replied they need to build on it and we don't need the acreage.
 - Goff asked if there would be any cost to us; Foster replied maybe some filing fees but nothing major.
 - Cooley asked if they will pay for that; Foster replied they will share in the cost.
 - Burmeier asked why this benefits LMUD; Foster replied that we will not have to apply for another new permit which is very time consuming and costly.
 - Christian said we will then be able to use capacity on their permit; Foster agreed.
 - Lanier asked if we won't need this land; Foster replied we don't think so, but are reviewing again.
 - Lanier moved to approve the agreement as presented pending our attorney's approval; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
6. Discussion and possible action on replacement of Truck #16.
- Foster said this is a replacement vehicle for Truck #16 that was totaled. The cost is \$40,900 and it will take 3-4 months to get it.
 - Cooley asked if there was any compensation from the employee; Foster replied it is now an ex-employee, and our insurance providers are handling it.
 - Goff asked if we were having to rent a vehicle; Foster replied no, we are working it out through sharing.
 - Goff moved to approve the purchase of a new truck per the quote presented.
 - General Board Discussion.
 - Motion passed unanimously.
7. Discussion and possible action on status of Out of District Pressure sewer system for Lakeway Phase 1 & 2 Secs. 1-17.

- Foster said we are working on Vanguard and have 6-7 site assessments completed plus we completed an emergency install on Firebird. Our process is to get to emergencies as quickly as possible, but we don't move equipment immediately if there are workarounds the customer can use. The emergencies get in line, and we stay in communication with them. We are getting close to the 24 unit condominiums and are trying to figure out the best approach.
- Cooley asked if we are working with the HOA; Foster replied yes. The cost will be at least \$1,200 per unit, and \$2,000 if they need electrical. We may be able to gravity some of them to the lift station and avoid the electrical.
- Cooley asked why we couldn't make it the HOA's problem; Foster replied that we are billing the HOA for the electrical and let them figure it out.
- Cooley said we should figure out the installation that is most beneficial to us; Foster said that is what we are doing.
- Goff asked if this was slowing our process; Foster replied no that we are doing this planning before we get to the units and are ready to start work.
- Cooley asked whose problem is it if grinder pumps fail; Foster replied it is our responsibility, and we charge a monthly fee for coverage.
- Foster added that the contractor is finishing up on Eagle and noted that our rock saw is not back from repairs yet.
- Christian mentioned that we generated good will with our quick installation on Firebird.
- General Board Discussion
- No action was taken.

8. Discussion and possible action on Drought contingency plan, additional drought rate and practices concerning enforcement.

- Foster said our new drought plan is due May 1, and presented possible stricter measures in the coming phases. One suggested LCRA restriction is limiting irrigation to 1 day per week with 6 hour maximum and added this would be very difficult to control but might save some foundations and trees.
- Cooley said 6 hours is a long time.
- Goff asked how 6 hours saved water; Foster replied it doesn't, and our restriction may be no irrigation at that stage.
- Cooley said the 6 hours could be reduced.
- Cooley asked how low the lake could go and our barge hoses still function; Foster replied 575.
- Goff asked about new construction; Foster said we are not approving any new pools or landscaping.
- Foster said none of this is finalized, and we are meeting again with LCRA and the City of Austin next week.
- Cooley said the 6 hours could be reduced; Foster said he would take that to the meeting.
- Burmeier said LMUD is just one small straw in the lake, and everyone needs to be consistent; Christian added we need to know what other MUDs are doing.

- Goff asked when the new rules will be in effect; Foster said our plan is due May 1 and we could reach 750 by July and 600 by September.
- Goff asked if we were planning to increase penalties; Foster replied yes, and he is working with attorneys on that now.
- Cooley said Garwood's cut off at 375 is not equitable.
- Burmeier asked why we are at these levels, and how much new developments contributed to the lower supply; Foster said that is difficult to answer, and that evaporation is one of the largest causes. Foster added there is no curtailment of new developments.
- Christian asked if any of the Lakeway requirements had changed; Foster replied that the landscaping requirements for grass and plants have been reduced.
- Foster said the dip in revenue has caused us to look at increasing rates..mainly tier rates because any increase in base rates has to be due to increased fixed costs, not drought. He added he believes our base rate is low vs. fixed costs.
- Lanier asked who does the analysis of our base rates; Foster replied we have a third party we have used before.
- Foster added that we also have a reserve fund we may use as rate stabilization.
- Cooley said LCRA should suspend Ag subsidy during serious drought; Foster said we can't go after them on rates.
- General Board discussion.
- No Action was taken.

9. Discussion and possible action on Investment Policy, annual review.

- Foster said our attorney's rewrote our investment policy, as ours was outdated, and added all of our CD's are covered under FDIC.
- Cooley said the new policy doesn't really change, just better wording.
- Stanford said they just used one they already had, rather than having to charge us for 6 hours of legal time to develop another one.
- Cooley moved to approve the new Investment Policy as presented; Goff seconded.
- General Board discussion
- Motion passed unanimously.

10. Discussion and possible action to approve bid tabs and Contractor for S-5 Expansion.

- Foster said the low bidder was Prota who did a good job for us on our lift station, and the engineers recommended Prota.
- Goff asked if we were concerned that their bid was so much lower than the others; Foster replied we talked to Prota about it and they have gone over their numbers to our satisfaction.
- Goff asked if Prota was financially solid; Foster said yes that they have good credit ratings.

- Burmeier asked if the cost overage from original budget was because of inflation; Foster replied we are looking at it but don't know for sure yet.
 - Lanier asked if Prota didn't find differences when they reviewed; Foster replied that they are comfortable with their numbers.
 - Lanier moved to approve Prota for the bid as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
11. Discussion and possible action to approve engineers' estimates for construction phase oversight.
- Foster said HDR's original proposal did not include onsite oversight of construction; the plan was to use other resources for this. We have decided it makes more sense to have HDR do the oversight since they are more familiar with the project.
 - Goff asked if it provides more leverage for HDR if we approve this bid; Foster said he didn't think so, that this ensures contractor meets HDR's specifications.
 - Cooley moved to approve the estimate of \$343,680 as presented; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
12. Discussion and possible action to approve Water Systems Consulting (WSC) Service agreement.
- Foster explained that this is for modeling of our pipes, and we need modeling of our Barge; he wanted the BOD to be aware of this even though it is less than \$15K.
 - Lanier moved to approve the agreement as presented with a limit of \$15K; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
13. Discussion and possible action to approve quote for work on S-4 Lab.
- Foster said the lab was built in the '80's, and that we only got one quote due to the small nature of the work. He wasn't sure we could get another bid. The room smells bad when the pump is activated and needs to be closed off, plus building a wall and other miscellaneous items.
 - Cooley asked if the smell would bother neighbors; Foster said no, it only occurs when the pump is running.
 - Cooley asked if we thought the estimate is reasonable; Foster said yes.
 - Goff moved to approve the quote as presented; Burmeier seconded.
 - General Board discussion.
 - Motion passed unanimously.

14. Discussion and possible action to approve changes to the Capital Expenditures worksheet.

- Foster presented proposed changes to the worksheet saying we were just cleaning up expenditures that have been completed and consolidating.
- Lanier moved to approve the changes as presented; Cooley seconded.
- General Board discussion.
- Motion passed unanimously.

15. Discussion and possible action on GM Report, Financials, Calendar & Expenditures over \$25,000.

- Foster said this was a not revenue month, so we would know more when January financials come out. We are running about 5% behind budget on revenue, so if that continues, we will likely miss revenue by 18%. Expenses are close to budget.
- Lanier asked if there will be expense reductions; Foster said we are working on that.
- Foster said the March meeting is scheduled for March 13.
- 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.

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

16. Approve minutes from Regular board meeting January 10, 2024.

ADJOURNMENT

The meeting was adjourned at 10:51 AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 13th day of March 2023.



President, Board of Directors

ATTEST:



Secretary, Board of Directors