

Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
August 28, 2024

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

Directors Present:	Lawrence Christian Frank Cooley Jason Buddin Phil Lanier
Directors Absent :	Don Goff
Staff Present:	Earl Foster Loyd Smith
Attorneys Present:	None

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

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AGENDA ITEMS:

4. Discussion and Possible Action to approve Pay Application #2 for Prota, Inc. for S-5 Water Recycling Plant Expansion.
  - Foster said this is a catch up payment and from now on there will be only one Pay App per month from Prota. He added that all work being billed for had been done and both he and our Engineer had signed off on this payment.
  - Lanier said the scope of this work is 6 pages and asked if there is someone that kept him up to date; Foster replied yes that Engineers oversee the work and make sure it is according to plan. He added that we meet regularly with the Engineers to review and update the status.
  - Cooley asked if the plant was continuing to run while the work is being done; Foster replied yes.
  - Lanier moved to approve Pay App #2 as presented; Cooley seconded.

- General Board discussion.
- Motion passed unanimously.

5. Discussion and possible action on FY 25 Revenue and Expense Budget.

- Foster reviewed the draft budget and said the LMUD tax rate would remain unchanged at 0.0531 and is being published this week. Rate increases on tiers will only apply to customers using over 30,000 gallons per billing cycle; all tiers above 30,000 will change to the current drought rates.
- Lanier asked if all of the users over 30,000 gallons are commercial accounts; Foster replied no that there are a lot of residential customers in that group.
- Foster reviewed the other rate increases proposed in the draft budget; and then said all rate increases will be reviewed once again with our Rate Consultant by Friday of this week including other utilities we are increasing.
- Christian asked how the other MUD's are reacting to our increases; Foster replied they are not happy but understand the necessity.
- Foster mentioned that there is a 36% increase in our Employee Health Insurance; Cooley said he thought we changed companies to save money.
- Foster replied that we did change and did save money this year, but the increase is for next year. Foster added that the next lowest bidder was a 57% increase over this year.
- Christian asked what percentage of our customers used autopay; Foster replied around 50%.
- Cooley asked how much reserve for unseen emergencies do we have; Foster replied that we have 3 months operating funds in our reserve account, and we could possibly issue bonds if necessary. Foster added we are constantly updating our systems replacing older parts in hopes of avoiding emergencies as part of our preventative maintenance program.
- Lanier asked who determines assessed value; Foster said Travis County.
- Cooley said when the LCRA can't provide the water we need, the revenue goes away and asked if we have a backup plan for through put of water; Foster replied that is always a concern, and that we have an interconnect agreement with WCID17 that would be good for around 2 years. Foster added that we would go to water allocation as a last resort, and that we have looked at drilling wells and treating our reuse water as possible back up sources. Some cities have treated reuse water such as Wichita and El Paso where they have used a blended mix.
- Christian asked if they were still doing it; Foster replied Wichita is not since they are out of the drought, and El Paso is a special situation where they store the water in wells and then blend it with their treated water, so it is a special case.
- Foster said when we investigated using ground water in Lakeway, there is just not enough water under us to make it worthwhile. Further East there is more ground water. He added that he has talked with other utilities about sharing the cost of a pipeline to bring in water.
- Christian asked if the CTWC had made any efforts in this regard; Foster said he didn't know, that Cooley might be a better source to answer.

- Cooley asked if the LCRA was looking into any alternatives; Foster said he believed they were looking for possibilities in the Upper Basin.
- Cooley said Austin and other major users should be interested in alternatives.
- Foster pointed out that we can last for about 5 years with our conservation measures.
- Lanier mentioned that the Water Revenue budget appears to be \$300K less than last year; Foster pointed out that you have to add another number, but if we don't get rain we will have to return to one day watering which will reduce revenue.
- Buddin said West Travis County has gone back to one day; Foster said that is not because of shortage, but due to their equipment not being able to keep up with production.
- Buddin pointed out that even with the increases, LMUD is still favorably positioned with other utilities in the area; Foster agreed, pointing out that the other utilities displayed do not have their 2025 rates input yet.
- Foster reviewed each department expense budgets and displayed graphs showing the various expenditures in the budget. He also showed graphs displaying LMUD pricing compared to other area utilities.
- Buddin said he would like a copy of the comparison charts once all utilities have their 2025 rates input; Foster said he would make those available when complete.
- Foster said he will have another meeting with the Finance Committee next week, and that he would like to change the September regular meeting to the 12<sup>th</sup> instead of the 11<sup>th</sup>.
- Cooley said the fact that our tax rates remain flat shows that we are doing a good job of controlling costs with the inflation we have had.
- General Board discussion.
- No action was taken

ADJOURNMENT

The meeting was adjourned at 10:38 AM.

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Loyd Smith, Finance/Administration Manager

Minutes approved on the 12th day of September 2024.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

