

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
August 13, 2025

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
	Jason Buddin
Directors Absent :	Phil Lanier
Staff Present:	Earl Foster
	Loyd Smith
Attorney's Present:	Anne Stanford

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 consider Engagement Letter from Maxwell Lock & Ritter for FY25 financial audit.
 - Foster said this is for our annual audit.
 - Buddin asked if it had gone to the Finance Committee; Foster replied no, that in March of this year the Board decided to stay with ML&R for annual audits and the Finance Committee was notified at that time.
 - Goff asked about the cost increase; Foster replied it is \$25K, a slight increase over FY24.
 - Cooley moved to approve the letter as presented; Goff seconded.
 - General Board Discussion.

- Motion passed unanimously.
5. Discussion and possible action on “Sixteenth 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 this is a request for an extension by Haythem Dawlett, President of HSD-Lohmans Partners, LP and that Dawlett is present to explain the request.
 - Dawlett the request is to extend the closing date to December 31, 2025, and that it could close sooner. He explained that he is trying to close the land contract and the loan on the same date, and that the plan is for the City of Lakeway to give final approval in September and Travis County in October. Dawlett is asking for the extension just to make sure he has the time to make everything fall in place.
 - Goff asked if this would be the final FINAL extension; Dawlett replied in the affirmative.
 - Cooley asked if this extension might affect money we need before Dec 31; Foster replied no, we are good to at least the end of 2026.
 - Buddin moved to approve the Sixteenth Amendment after our attorneys prepare it under the same conditions as the 15th Amendment with only the closing deadline changed to December 31, 2025; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
6. Discussion and possible action to approve LMUD Construction Notes, which are a compilation of past LMUD designs and reflect LMUDs standards.
- Foster said this is just cleaning up some administrative stuff and helping Engineers understand what LMUD is looking for.
 - Goff asked if Legal needed to be involved; Stanford said only if there is a Resolution Legal needs to review.
 - Cooley moved to approve the Notes as presented; Buddin seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action to approve a water and wastewater easement along the southeast corner of 702 N. Ranch Road 620.
- Item #7 was pulled.
8. Discussion and possible action to approve Pay Application #14 for Prota, Inc. for S-5 Water Recycling Plant expansion.

- Foster indicated Pay Application #14 has been reviewed by both the Engineer and the General Manager and reviewed the progress on the construction.
 - Goff asked if the project is on schedule; Foster replied that it has been pushed by 120 days due to a change order that saved LMUD some money.
 - Goff moved to approve Pay Application #14 as presented; Cooley seconded.
 - General Board discussion
 - Motion passed unanimously.
9. Discussion and Possible action to approve Truck quotes for replacement of 2 F150 work trucks.
- Foster said we are replacing 2 2015 Ford F150's and the lowest bid is from Hoffpauir for 2 Chevrolet Silverado's at \$40,275 each for a total of \$80,550 and added that this follows our vehicle replacement plan.
 - Christian asked if there was any problem with warranty service buying from an out-of-town dealer; Foster replied no.
 - Goff moved to approve the purchase from Hoffpauir at a total cost of \$80,550 as presented; Buddin seconded.
 - General Board discussion.
 - Motion passed unanimously.
10. Discussion and Possible action to approve declaring equipment as surplus and work with Bidadoo Auction Services to auction off items.
- Foster said this includes a Rocksaw, Doosan Compressor, Backhoe, and two 2015 Ford F150's. He added that we can rent a rock saw if we need to, but we don't have much need for it now. The backhoe is 25 years old and it is time to retire it. We aren't using the Doosan Compressor anymore. The two Ford trucks will be replaced with the trucks approved in Item #9.
 - Buddin asked how much sale of this equipment would bring in; Foster replied around \$100K, and maybe enough to pay for a new backhoe.
 - Buddin moved to approve the items as surplus as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
11. Discussion and possible action to approve a quote for the purchase of a Backhoe.
- Foster said staff is recommending the quote from Case for \$103,805.75 for a new backhoe; the Bobcat is not big enough for our needs.
 - Buddin asked if the replacement is equal to the one we are replacing; Foster replied yes.
 - Goff asked if we could expect the same life on the new one; Foster replied yes, it should last ~25years.
 - Buddin moved to approve the purchase in the amount of \$103,805.75 as presented; Goff seconded.

- General Board discussion.
- Motion passed unanimously.

12. Discussion and possible action on FY25 Draft Revenue/Expense budget.

- Foster reviewed the draft budget saying the biggest concern was a 35% increase in Medical Insurance and he is looking for alternatives. He added that a 4% merit increase was included in assumptions. He explained differences in Engineering in Admin, Water, and Wastewater entries.
- Buddin asked about the increase in Engineering; Foster said several things including permits that are required to be renewed and subsequent additional Engineering.
- Christian mentioned that supplies are going down in Water and Wastewater when everything else is going up; Foster explained that he reduced fuel costs as those appear to be leveling out.
- Goff asked if the 7.6% increase is comparable to other water districts; Foster said all are going up due to inflation.
- Cooley asked what is driving the high insurance rates; Foster said our loss ratio this year was 152%.
- Goff asked if our rate increases would cover the expense increases; Foster replied yes.
- Foster added that the tax rate will remain the same this year.
- Buddin asked if action was need on this item; Foster replied no that this is just a preliminary draft he wanted the Board to see.
- Buddin asked if Curative would consider a co-pay; Foster replied no, that is not their business model.
- General Board discussion.
- No action was taken.

13. Discussion and possible action to approve Tax Rate for 2025 and Public Hearing.

- Foster said the plan is for taxes to remain the same this year: overall rate .0531, debt .0359, and M&O .0171. He added we also need to set September 10, 2025, as the Public Hearing date.
- Budding asked if our ability in the past to reduce tax was because of increased valuation on homes; Foster replied yes, and that we were also reducing debt.
- Foster pointed out that the board approving the tax rate today means that the final rate cannot exceed what is approved today.
- Cooley moved to approve the tax rate of .0531 as presented and set the Public Hearing date at September 10, 2025; Buddin seconded.
- General Board Discussion.
- Motion passed unanimously

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

- Foster reviewed financial reports saying LMUD continues to be in good financial shape with revenues at 71.6% of annual budget and expenses at 72%.
- Goff asked if the twice per week irrigation has increased revenues; Foster replied yes.
- Foster said the Board needs to approve the quote from McKim & Creed Engineers for 36 test holes to identify existing utilities and map the positions of existing utilities at a cost of \$49,956.
- Buddin asked if they will be creating holes, and what will happen to them; Foster replied yes, and that they will probably fill them back up.
- Goff asked how deep they would go; Foster replied that one we did was 9 feet deep.
- Goff moved to approve the quote from McKim & Creed for \$49,456 as presented; Cooley seconded.
- General Board discussion.
- Motion passed unanimously.
- Foster said we will have a tentative meeting scheduled for August 28 and our regular meeting Sept 10.

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.

15. Approve Minutes from Regular Board meeting July 16, 2025.


ADJOURNMENT

The meeting was adjourned at 10:26AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 10th day of September 2025.



VICE President, Board of Directors

ATTEST:



Secretary, Board of Directors

