

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
November 12, 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 Jason Buddin Phil Lanier Don Goff
Directors Absent :	None
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 on the Professional Services Agreement with TERGIS LLC for GIS support and services.
 - Foster said this is for our Mapping System technical work and the Engineer we have worked with for ~10 years left his firm, and we would like to keep using him.
 - Cooley asked if this was for technical support; Foster replied yes.
 - Christian asked if the rate was favorable; Foster replied yes, at \$125 per hour.
 - Buddin moved to approve the PSA Agreement with TERGIS, LLC as presented; Goff seconded.
 - General Board Discussion.

- Motion passed unanimously.
5. Discussion and possible action to approve Professional agreement with Castleberry Engineering & Consulting, PLLC, and James R. Glaser Engineering & Consulting, PLLC.
- Foster said the Board reviews these agreements with our in-house Engineers annually, and these agreements show a small uptick in hourly rate.
 - Christian said we have been using these Engineers for a long time; Foster replied yes that Castleberry has been with us for many years and offices part time in the District Office and Glaser worked with us while he was with HDR and has continued to support us after his retirement.
 - Lanier asked if both agreements were on an as needed basis; Foster replied yes.
 - Lanier moved to approve the professional agreements as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously
6. Discussion and possible action to approve Pay Application #2 and estimated Pay application #3 for Landmark Structures for Highlands 1.0 MG Elevated Storage Tank (E-6) Project.
- Foster said both Engineers and the GM have reviewed and approved Pay App #2 and Pay App #3 is an estimate of charges for work done in November and is a “not to exceed” for any payment in December for November work. The actual amount for Pay App #3 will be brought back to the Board in January.
 - Cooley asked if Landmark has a good history; Foster said yes with other customers, and this is the first time we have worked with them.
 - Cooley asked if we had any recourse if problems arise; Foster said both he and the Engineers approve all Pay Apps.
 - Cooley said so the control rests with the GM; Foster replied yes.
 - Lanier moved to approve Pay App #2 as presented and Pay App #3 on a not to exceed basis as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action to approve Proposal from Municipal H2O to update the America’s Water Infrastructure Act, Risk and Resilience Assessment and Emergency Response Plan.
- Foster said this is a required update every 5 years to the Plan and that he tried to do it the first time, but it proved to be too time consuming for us to do it in house. Municipal H2O took it over and did it for us the first time; it ended up being ~1,500 pages and very complicated.

- Lanier asked if we had used them in the past; Foster replied yes, we used them for the first time 5 years ago.
- Buddin asked if there were any differences this time; Foster replied we won't know until they have finished the report.
- Christian asked if it was a fixed cost; Foster replied yes, \$13.5K.
- Goff moved to approve the Municipal H2O proposal as presented; Lanier seconded.
- General Board discussion.
- Motion passed unanimously.

8. Discussion and possible action to approve Pay Application #17 and Estimated Pay Application #18 for for Prota, Inc. for S-5 Water Recycling Plant Expansion.

- Foster indicated Pay Application #17 has been reviewed and approved by the Engineers and the GM and Pay App #18 is a "Not to Exceed" amount for work performed in November and will be brought back to the Board in January with the final amount for November.
- Christian said so this is the same situation as the previous Pay App estimate; Foster replied yes.
- Lanier moved to approve Pay App #17 and Pay App #18 "Not to Exceed" as presented; Cooley seconded.
- General Board discussion
- Motion passed unanimously.

Foster said we have Jeremy Kampen with KGI here to discuss Item 11 and asked if it would be acceptable to address Item 11 at this time; Christian agreed.

11. Discussion and Possible Action to approve the Land lease agreement with KGI for Cell Tower at Entrance of S-5 Water Recycling Plant.

- Foster said these are the finishing touches to the lease agreement and asked Stanford to comment.
- Stanford said we are clarifying whether it is a 20-year lease agreement with two five-year options or a 30-year lease agreement, and it is \$12K per year plus 30% of rental revenue.
- Cooley asked what the likely revenue would be.
- Kampen said the revenue would be \$2.5K-\$3K per month per tenant.
- Cooley asked how many tenants there would be.
- Kampen said AT&T and T Mobile are expected, and the LCRA and City of Lakeway have expressed interest; he added that there could be wireless internet tenants as well.
- Goff asked if there had been public reaction; Kampen replied that there is always some, and we have one neighborhood that is 700 feet from the proposed tower that has opposed.

- Stanford said there is a six-month waiting period before the revenue sharing begins; that is to allow time for all of the governmental and environmental inspections to take place.
- Lanier asked how tall it will be; Foster said a maximum of 185 feet.
- Cooley moved to approve the lease agreement subject to the approval of our Legal Counsel; Buddin seconded.
- General Board discussion.
- Motion passed unanimously.

9. Discussion and Possible action to approve Leak adjustment for 104 Wanakah Ct.

- Foster said he spoke with the customer, and he was not upset. He was very calm and asked good questions and said he could make the meeting or call in. He has paid the original cost of \$558 plus he has paid 10% of the balance of the adjustment which is \$3,675.50. What I would like to do is put a committee together to talk about leak relief. This one has been challenging for a lot of reasons. If we want responses from the customer and to show up for the meeting, we need to put that in our Rate Order. With that said, Staff believes this Leak Relief should be approved.
 - Cooley said the customer has not called in.
 - Foster said he is not required to.
 - Cooley said we were asking for some justification as to why he didn't respond to the two notices or the five notices that were sent to him.
 - Foster said he was out of town.
 - Cooley said that is no excuse; WIFI is everywhere; I don't think we should hold him responsible for the early part of the leak, but at some point, he becomes responsible in my opinion rather than shifting the cost to other customers.
 - Goff asked about the policy; Foster said it is very vague on terms and gives the Board a lot of leeway.
 - Buddin asked if he was on Watersmart; Foster said he didn't know, but the customer did get the emails.
 - Goff asked if we had any legal exposure.
 - Stanford suggested the Board go into Closed Session for legal discussion, but the actual discussion about the Leak Relief needs to be in Open Session.
 - Christian said the Board would now go into Executive Session under Texas Government Code, Section 551.071 Consultation with Attorney.
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- **The Board went into Executive Session in accordance with the Texas Open Meetings Act Section 551.071 (Consultation With Attorney) at 10:09AM.**
 - **The Board returned to Open Session in accordance with the Texas Open Meetings Act Section 551.071 (Consultation with Attorney) at 10:13AM.**
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- Christian called the meeting back to order.

- Cooley said the customer should assume some responsibility at a certain time after receiving multiple notices.
 - Buddin said he did call and talk to the General Manager and said he did not get the notice. He told us what the problem was, and he got it fixed.
 - Foster said he didn't know if the customer said he didn't get the emails.
 - Buddin said if he didn't get the emails, and it wasn't negligence, we should give him the relief.
 - Christian said I see your point; even if our system says he was notified we don't know; he could have been out sail surfing and didn't get them.
 - Cooley said I thought we had evidence he had opened the emails. He had notice on May 21 and didn't take action until June 20. He should be responsible for some amount after the 2nd or possibly the 3rd notice.
 - Foster said he looked at the account after the 3rd notice and what he has already paid, and he would owe an additional \$1,493 based on that information.
 - Lanier said "what if we offered to split 50/50"; Foster replied it's your decision.
 - Lanier said we do have a precedent; we have adjusted the amount in past requests.
 - Foster said he would owe \$1,633.57 based on that 50/50 allocation.
 - Lanier moved to approve \$1,633.57 as a leak adjustment for 104 Wanakah Ct; Goff seconded.
 - General Board discussion.
 - Motion passed: 3 Ayes; 1 Nay; 1 Abstain.
10. Discussion and Possible action on Quote from Environmental Improvements, Inc., for Chemical feed pumps.
- Foster explained that these pumps are to replace the pumps at S-4 and S-5 that are over 10 years old and need to be replaced.
 - Goff moved to approve the Quote from Environmental Improvements, Inc. in the amount of \$28,669.43; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously
12. Discussion and Possible Action on a Resolution authorizing Execution of closing and sale instruments for "Parcel 3" (pertaining to the 17,773 Acre Tract of Land being more particularly described on Exhibit A attached hereto and incorporated herein for all purposes). Pursuant to that "Commercial Contract-Unimproved Property" by and between the District and HSD-Holdings, LTD. Dated effective March 31, 2016, as amended.
- Foster explained that this is a final piece of paperwork for the last closing on this land deal and by contract has to close by 12/31/2025.
 - Christian asked if we had heard anything from the buyer; Foster replied no, but our attorneys are working with the buyers attorneys.
 - Foster noted that he would be out of town after December 24 but is available remotely if needed.

- Christian said he would be out of town but would return on December 30.
 - Lanier moved to approve the Resolution as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
13. Discussion and possible action to update Rate Order Section XII Late Charges and Penalties; Section XIV Adjustments.
- Foster said we need to review and improve these two sections of the Rate Order to update and improve the wording and policies we follow. He suggested a committee of 3 to study and report back to the Board with their recommendations.
 - Cooley and Buddin volunteered to join Foster on the committee of three.
 - Goff asked if we had checked with other utilities to see what their policies are; Foster replied no, and that is part of what the committee will be doing.
 - Christian said if they have no policy, do they grant adjustments anyway; Foster agreed that the committee will ask.
 - Foster told Cooley and Buddin he would send an email invite for the first committee meeting.
 - Foster said the other topic is Government shutdowns; should we do something special.
 - Stanford said some utilities forgive late fees for government employees and require proof they are government employees and are being affected by the situation.
 - Foster said another issue is people who were on SNAP that is stopped due to shut down; how do you prove they were on SNAP?
 - Stanford said she would prefer not to address SNAP, just government shutdown.
 - Christian said some government employees are not getting paid, and we would need proof of Federal government employment and then perhaps grant extensions of up to 30 days after shutdown ends. This needs to be addressed in the policy.
 - Buddin made a motion that during Federal Government shutdowns, customers that can prove they are Federal Employees who are directly affected by the shutdown may be exempted from LMUD late fees and Shut Off's provided they pay their LMUD bill within 30 days of the end of the government shutdown; Cooley 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 for FY25 saying it was a very good financial year for the District.
 - He reviewed Cash Flow Projections over the next few years as previously requested and said we may need Revenue Bonds that are paid for through rates vs.

taxes. He explained that seems to be the fair way to do it where everyone shares equally in the costs.

- Foster said the next Regular Board meeting would be on January 14, 2026, unless something comes up that requires a December meeting in which case everyone will be notified.
- 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.

15. Approve Minutes from Regular Board meeting October 8, 2025.

ADJOURNMENT

The meeting was adjourned at 10:55AM.

Loyd Smith, Finance/Administration Manager

Minutes approved on the 14th day of January 2026.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

