

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
February 11 , 2026

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. Maria & Robert Baker, 122 Lido St, Lakeway, TX78734 Agenda Item #8
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AGENDA ITEMS:

4. Discussion and possible action on Investment Policy annual review.
 - Foster noted that this is the annual review of LMUD Investment Policy and there are no proposed changes.
 - Budin moved to approve the Investment Policy as presented; Goff seconded.
 - General Board Discussion.
 - Motion passed unanimously.
5. Discussion and possible action on Annual cybersecurity training for Lakeway MUD Directors and employees.

- Foster said all Directors and employees have completed the required training with the exception of one employee who is on vacation and will complete the training upon his return on Thursday February 12, 2026. He added that there may be another training course required, but we do not have the details at this time.
 - Stanford said there would be additional training on AI. and she will provide details when available.
 - Goff moved to approve the completed training by Directors and Employees with the exception of one employee who will complete training upon his return from vacation on Thursday February 12, 2026; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
6. Discussion and possible action to approve Pay Application #5 for Landmark Structures for Highlands 1.0MG Elevated Storage Tank (E-6) Project.
- Foster said Pay App has been approved by the LMUD Engineer and by Foster, and that work is progressing well.
 - Lanier moved to approve Pay App #5 as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action to approve Pay Application #20 for Prota, Incf. For S-5 Water Recycling Plant Expansion.
- Foster said the majority of work has been done and both Foster and the LMUD Engineer have approved this Pay App #20.
 - Budin moved to approve Pay App #20 for Prota, Inc. as presented; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
8. Discussion and possible action on Leak Relief for 122 Lido.
- Foster said after calling the customer we realized we did not have the correct contact information. The leak started around September 20 and was repaired around November 7. The leak was by the meter and on the customer's side; Foster reviewed the documentation presented. After reviewing all of the facts, Staff recommends granting the relief in the amount of \$2,348.13.
 - Christian said we do have Maria Baker of 122 Lido present and invited her to speak.
 - Baker said first of all we would like to apologize because we are embarrassed. We had no idea; we never saw any water. If your two guys hadn't knocked on our door and told us we see a big bump in water usage we still wouldn't know today. So, we appreciate the opportunity to ask for relief. We consider ourselves pretty

waterwise. We keep buckets in each shower so that when we shower we collect water to put on the yard. We appreciate the opportunity to respond.

- Cooley asked why we didn't have the correct contact information.
- Baker said when we came into the office, we asked for a change in our contact information. My husband gets hundreds of emails a day and he doesn't get through all of them, so we switched all of that to my contact information. I'm pretty sure there were emails in my husband's email that we just didn't see.
- Lanier asked Baker if she has the WaterSmart App; Baker said I thought I did, but when I tried this morning and it wouldn't let me in; Smith said if you will stop by the front desk when you leave, someone can help you.
- Foster said when you got the leak is when you signed up for WaterSmart; Baker said correct.
- Goff asked how long it took to fix the leak after everyone started communicating; Foster said pretty quickly. They called a plumber and he was able to isolate it to the PRV at the street.
- Baker said it was the next day because he had to go get the part and it took me an hour calling plumbers to find someone who would come that week.
- Christian asked what the amount of relief being requested was; Foster replied \$2,348.13.
- Colley said so ~\$600 would be their responsibility? Foster replied correct.
- Cooley asked why there is such a difference between that and their normal bill; Foster replied that is the calculation.
- Colley asked Baker if that was their typical bill; Baker replied no, that it is normally around \$97.
- Cooley asked how it could be such a difference; Foster replied they are still paying for cost of service, and they are in the higher tiers at this level.
- Cooley said I would support giving them a bill close to what they normally pay; Foster replied that Stanford is saying that is the way we calculate and treat everybody.
- Christian said we would have a problem if we treated one person differently.
- Stanford said if you want to change it, you need to change the policy and change the calculation.
- Stanford asked Baker if they had changed phone numbers since there was no response to the calls; Baker asked what number we were using. Foster replied 512-477-1943. Baker said that is not our number; we only have cell phones now.
- Christian said we have a policy, and we have treated all leak reliefs the same for some time now, and asked if the customer was satisfied with the leak relief.
- Baker said it is more than we expected, and we appreciate it.
- Cooley said I think it is more than they should pay, but I am willing to support a motion to grant leak relief of \$2,348.13 for 122 Lido; Lanier seconded.
- General Board discussion.
- Motion passed unanimously.

9. Discussion and possible action to approve Leak Relief for 1404 Lakeway Drive.

- Foster reviewed the request for Leak Relief and said Staff does not recommend granting relief.
- Buddin said the majority of the leak was from irrigation; Foster agreed but noted that a faulty flapper can cause loss of ~10 GPH.
- Christian asked if the customer was aware of the leaks; Foster replied that he received notices; all of them were opened and 2 of them were replied to.
- Christian asked if there was and further discussion, and noted Staff is not recommending this relief.
- Buddin asked how often the leak alert emails are sent; Foster replied it should be daily but it looks like it didn't on some of these.
- Buddin said so he got the first email on August 8 and didn't get the second until October 7.
- Cooley said it seems that between the time the leak started and he got his first notice and a reasonable amount of time after that should be considered, but after he got the notice I think holding him responsible would be reasonable. Do we have a calculation that shows under that formula what he would not have been responsible for?
- Foster said we could go into WaterSmart and get a meter read on the usage, but this appeared to start around August 5th. Foster also noted that all of the days of heavy usage were days his irrigation was running which indicates irrigation was happening on days it should not be. That would be on him for irrigating off schedule.
- Lanier said it looks like November and December were pretty normal usage; Foster agreed.
- Christian said at this time I will accept a motion.
- Lanier said I move that we do not accept leak adjustment for 1404 Lakeway Drive in the amounts of \$287.85 and \$1,641.16; Goff seconded.
- General Board discussion.
- Motion passed 4 For, 1 Abstain (Cooley).
- Cooley said I am abstaining as I would like to have seen some type of compensation from the time the leak first started and he was first on notice for the leak.

10. Discussion and possible action on updates to Leak Relief Policy.

- Foster said the Committee of Cooley, Buddin, and Foster are recommending changes to the policy including changing the minimum qualification from 30,000 gallons usage over prior years to 125% over prior years, moving the adjustment to the lowest tier, limiting the relief to a maximum of 30 days. Foster also introduced new forms including worksheets, summary of considerations, questionnaires, records of correspondence and what was discussed. If customer requests Board appearance and does not show, automatic denial unless arrangements have been made for them to attend via phone, Zoom, etc. He added that these will require Policy changes.
- Lanier asked if these recommendations had been reviewed by Legal.

- Stanford replied yes and there appear to be no legal issues and added that many of her other clients offer no leak relief, so LMUD is being very nice.
 - Buddin said this puts some responsibility on the customer and asked if this gives the Board the ability to make the customer more whole.
 - Lanier asked if he is talking more flexibility; Buddin replied that Cooley was wanting to do more than our Policy allows in this case.
 - Cooley said in this case we had a customer that had seemingly done all the right things yet they are getting a bill for six times their norm.
 - Goff asked if the new policy would mitigate that; Foster said the new Policy just makes it more equitable for the lower users.
 - Christian said the phone number problem caused issues in this case, but we see that all the time; people change numbers or cancel land lines and can't remember who all to notify.
 - Cooley said if they are not responding to our email or phone calls we should knock on the door.
 - Lanier moved that the Board approve the new Policy regarding leak relief; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
 - Foster said this will go into effect after Legal finishes their work and gets it published.
11. Discussion and possible action on Water Service Agreement with West Travis County PUA.
- Foster said this is just some changes to the agreement that was signed about a year ago, and WTCPUA has already approved it.
 - He added on the Rough Hollow side when we start sending water to the new elevated storage, WTCPUA will continue to serve Rough Hollow until we have storage in place. The contract with MUD12 terminates August 31 and we take over operations September 1, and WTCPUA will bill us for any water furnished until our elevated storage is ready sometime in November. After that, we will supply about 1M gallons per day at the same rate they charged us
 - Cooley moved to approve the Water Service agreement with WTCPUA as presented; Buddin seconded.
 - General Board discussion.
 - Motion passed unanimously.
12. Discussion and possible action to approve moving forward with discussions with the West Travis County PU on Raw Water Pumps, Water Plant and Distribution system improvements.
- WTCPUA is going to need 12M gallons in the future, and we are in discussions with them around how we can provide that, so it is time to brief the Board on this. There is a possibility they will increase the size of our Barge in order to pump

water to their system, and we would add 3 more pumps to our existing 5. I have talked with the E&O Committee about this at a high level.

- Christian asked who would bear the cost of this; Foster replied WTCPUA would pay for the improvements.
- Christian asked if we would replace the barge; Foster said we would expand, or perhaps acquire a barge that Cedar Park has.
- Lanier said this seems to be beneficial to both parties; Foster agreed.
- Lanier moved to approve continuing discussions with WTCPUA with no commitment; Cooley seconded.
- General Board discussion.
- Motion passed unanimously.

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

- Foster said the District continues to be in very good financial condition through December, and that is expected to continue.
- Foster said we weathered the snow/ice event in good shape; we did have one water main leak on Challenger that we were able to repair the next morning and issued Boil Water notices on.
- Foster reviewed the Communications Report including WaterSmart and Website usage for the month.
- Lanier asked if we could make people more aware of WaterSmart.
- Cooley asked if we could cost justify a discount for WaterSmart usage; Foster said he would rather not go there.
- Stanford said we can make one of the requirements of the new Policy on Leak Adjustments that the customer must get on Watersmart if not already.
- Cooley moved to ask the General Manager to investigate whether we could cost justify some kind of discount for customers who are on WaterSmart; Goff seconded.
- General Board discussion.
- Motion passed unanimously.

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.

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

14. Approve Minutes from Regular Board meeting January 14, 2026.

ADJOURNMENT

The meeting was adjourned at 10:44AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 11th day of March 2026.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

