

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
April 8, 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
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Directors Absent :	None
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Staff Present:	Earl Foster Loyd Smith Roger Fry Raf Mendoza Cy Ndefung Brandon Williams
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Attorney's Present:	Anne Stanford
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Financial Advisor Present:	Dan Wegmiller
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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 the recognition of Roger Fry, Field Manager, for Lakeway MUD for 25 years and 10 months.

- Foster said Fry has been a good personal friend for many years. Fry has been in the industry for about 35 years and came to Lakeway MUD in 2000 from Horseshoe Bay. Shortly after joining LMUD, he became Wastewater Supervisor over our 2 Wastewater Plants and held that position until 2021 when he moved to the position of Field Operations Manager. He has decided to retire on April 30, 2026, and I just want to celebrate Roger's 26 years and 10 months. We put something together for you; a framed picture of the S-4 plant that is signed by all of the team recognizing you for your dedicated service to LMUD.
 - Fry said thank you to all; Smith said Roger I think this requires a speech.
 - Fry said I just appreciate Lakeway MUD; it has done me and my family well. I just hope all of the newcomers will carry that on. We have a lot of new guys in the industry, and I just hope I have taught them something. All I can suggest is that you keep taking care of the employees like you have for us. That's all I can think of.
 - Christian said, "well said" and said the agenda item says "action" so I guess we could change it and not accept the resignation; Fry said you will have a wife to fight over that.
 - Foster said Fry has some good guys lined up and has a good succession plan and has good people to continue the good operations.
 - Mendoza said I've known Roger for a long time, and he has always been one to get the job done no matter what. I commend Roger for cutting it short and taking retirement; the job put a lot of stress on you, and you deserve your retirement.
 - Williams said I just want to thank Roger for all he has done for me teaching me to look at the bigger picture of things and always looking out for me.
 - Ndefung said I really feel the presence of Roger in the Field. I'm sure when he came in it was a lot different, and he has made many positive changes. He has given us the tools and knowledge to get the job done. We are really going to miss him.
 - Fry said you still have Earl, and you can lean on him when I am gone.
 - Foster said with that, thank you all for coming and the best to you, Roger.
 - Christian said it's really good to get to be with the people from the field since we don't get to do that often. It's good to see the appreciation they have for each other.
 - No action was taken.
5. Discussion and possible action to adopt resolution concerning exemptions from Taxation and adopt resolution regarding development status for 2026 Tax Year.
- Christian said this item is tabled until May.
6. Discussion and possible action to approve Pay Application #7 for Landmark Structures for Highlands 1.0MG elevated storage tank (E-6) project.

- Foster said Pay App #7 has been approved by the LMUD Engineer and by Foster, and that work is progressing well. Plans are for the tank to be raised on July 15 which will take 4-5 hours to accomplish, and he will let the Board know if that date changes.
 - Mendoza said he will video the raising of the tank and make it available to all.
 - Foster added that the tank will be very visible from Highway 71.
 - Cooley moved to approve Pay App #7 for Landmark in the amount of \$105,460.69 as presented; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
7. Discussion and possible action to approve Pay Application #22 for Prota, Inc. 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 #22.
 - Budin moved to approve Pay App #22 for Prota, Inc. in the amount of \$108,300 as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
8. Discussion and possible action on S-5 Water Recycling Plant Expansion Launder Trough cure/remedy.
- Foster said this is a situation where the concrete was specified at 4,500 PSI in the contract but was poured at 4,000 PSI. The main thing one would normally worry about is the freeze/thaw effect on the concrete, but in this geography that is not a worry. Both Foster and the Engineer believe leaving it as is will be a better option than tearing it up and trying to redo it. We are looking for a 5-year warranty and a reduction in cost as offsets.
 - Cooley asked how it happened; Foster replied it was a contractor oversight.
 - Cooley asked what remedy we are seeking; Foster replied the Engineer recommends 5-year warranty plus \$97K reduction in cost.
 - Cooley asked if there were homes or other structures around if it failed; Foster replied that even if it failed, it is contained within the plant.
 - Lanier said it appears there is very little risk; Foster agreed.
 - Christian said this solution appears to be much better than tearing the whole thing down and starting over; Foster agreed.
 - Lanier said if we redid the whole thing, it could be worse and wondered why the specs were so high in the first place.
 - Lanier moved to authorize the GM and attorneys/engineers to proceed with negotiating a settlement (warranty plus cost relief) with contractor; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.

9. Discussion and possible action to approve Plat for 101 Phlox.

- Foster said this is merely a request to split one lot into 2 lots which it originally was, and Lakeway MUD has no issues with it.
- Christian asked if it will be restored to two lots just like it originally was; Foster said it appears so.
- Buddin moved to approve the Plat for 101 Phlox as presented; Goff seconded.
- General Board discussion.
- Motion passed unanimously.

10. Discussion and possible action on Replat of Taranga Place.

- Foster said this includes 11-12 lots for building and it appears not much has changed.
- Lanier asked if there were any houses involved; Foster said no, they have not started building yet.
- Colley said this is just a formality; Foster agreed.
- Goff moved to approve the replat of Taranga Place as presented; Lanier seconded.
- General Board discussion.
- Motion passed unanimously.

11. Discussion and possible action on Water & Wastewater Revenue Bonds. Dan Wegmiller, Lakeway MUD's Financial Advisor with Specialized Public Finance Inc. will discuss the timeline for issuance.

- Wegmiller explained that the first step is to apply for a Revenue Bond rating with Standard and Poor's; LMUD has an AA- rating with S&P on Tax Bonds, but no experience with revenue bonds. It could be a single digit rating but might end up with AA- or better. Our only cost prior to getting approval for the bonds will be the application with S&P for a rating. He went on to explain the other steps, saying the goal is funding by the end of July.
- Foster said we are doing it through revenue (rates) in order to be fair to the entire customer base, many of whom don't pay taxes. He added we are looking for opening bids around the end of April. We are looking at 2 Micro-Floc units at a cost of \$13.5M and possible a third the WTCPUA might pay for at a cost of around \$18M.
- Cooley asked why revenue bonds; Wegmiller said it avoids costly delays of having an election, going through TCEQ, etc. Foster added it was a much more fair way to ensure all customers pay the same amount through their water rates.
- Stanford said the motion should be to move forward with the process of investigating Revenue Bonds, but this motion is not for final approval.
- Lanier moved to authorize GM and Financial Advisor to move forward with the schedule investigating Revenue Bonds; Cooley seconded.
- General Board discussion.

- Motion passed unanimously.
12. Discussion and possible action on LCRA Raw water contract assignment from TCMUD 12.
- Foster explained that we will be providing water to MUD 11, 12, & 13 and that Mud 12 now has a contract with LCRA. This will simply void that contract and fold it into LMUD's LCRA contract with LCRA bringing it to 4,680 combined. We plan to go to LCRA in August to get the combined contract in play.
 - Cooley asked if the LCRA would have any reason to object; Foster replied that we have to back up our numbers and that LCRA will make sure the numbers work before approving.
 - Cooley asked if we had looked at what we are getting; Foster replied yes.
 - Buddin moved to approve the LCRA Raw Water Contract Assignment as presented; Goff seconded.
 - General Board discussion.
 - Motion passed unanimously.
13. Discussion and possible action on Contract for services with Firoj Vahora on LMUD TLAP Permit Amendment for S-5 WRP.
- Foster said Vahora retired from TCEQ Permit section after many years' experience in permits and dealt with us on our original Reuse Permit. He is now a consultant and would be very helpful to us in avoiding pitfalls and delays. We want to mirror what we did before for our Reuse permit. We won't sign the agreement until he is ready to proceed.
 - Cooley asked if it was up to \$20K; Foster replied no, it is a flat fee.
 - Lanier asked if it would be in house if he wasn't available; Foster replied yes that our Engineer would have to model all of it...very time consuming. Vahora will be very valuable to us as he was the Director of Permitting at TCEQ for years.
 - Goff asked how long this would take; Foster said about one year.
 - Goff moved to approve the Contract for Services with Firoj Vahora in the amount of \$20k as presented; Cooley seconded.
 - General Board discussion.
 - Motion passed unanimously.
14. Discussion and possible action on the addition of Fluoridation at the Water Treatment Plant.
- Foster said this issue is very political, and adding Fluoride to our water was approved many years ago. It would be very costly for us to undergo major renovations in order to add it, and it is a dangerous chemical for our employees to deal with. Our water already contains an average of .26 Fluoride naturally. The addition of Fluoride in cities where there are a lot of underprivileged kids is good, but in Lakeway I would recommend not adding it.

- Goff asked if there would be negative feedback if we don't add it; Foster replied there would be more negative feedback if we do add it.
 - Christian asked what it would cost to add it; Foster replied \$50K up front and then \$20K per year.
 - Goff asked what we would do with the extra space; Mendoza replied it will be used for staging area for other chemicals we add.
 - Christian asked if there was any requirement for us to add it; Foster replied no that it is a Board decision.
 - Lanier moved that Lakeway MUD will not add fluoride to our water; Buddin seconded.
 - General Board discussion.
 - Motion passed unanimously.
15. Discussion and possible action on Lease Agreement for Additional Irrigation Land per the Amended and Restated Wastewater Capacity and Service Agreement approved September 10, 2025.
- Foster said this Lease Agreement was for 100 acres, and this Warranty Deed agreement will be for 209 acres so we can use it for the S-5 permit and will replace the original Lease Agreement.
 - Buddin asked where the land was; Foster replied in Rough Hollow and showed the Board on a map where the land is situated.
 - Cooley moved that we release the Lease for 100 acres and replace it with the Special Warranty Deed for 209.795 Acres for the S-5 WRP; Lanier seconded.
 - General Board discussion.
 - Motion passed unanimously.
16. Discussion and possible action on GM Report, Financials, Calendar & Expenditures over \$25,000.
- Foster said February was a non-revenue month so we are a bit behind on revenue and over on expenses but will catch up in the revenue months. He also pointed out that LCRA will start billing the true-up monthly so we won't get hit by the large charge at the beginning of the calendar year anymore.
 - Foster reviewed the GM report and the over \$25K expenditure with LCRA.
 - It was noted that the next Board meeting will be May 13, and Goff will not be present.
 - General Board discussion.
 - No action was taken.

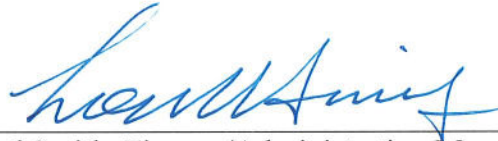
CONSENT AGENDA- The following consent items may be approved by one Board vote. Any Director may pull consent items from the consent agenda for discussion.

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

17. Approve Minutes from Regular Board meeting March 11, 2026.

ADJOURNMENT

The meeting was adjourned at 10:52 AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 13th day of May 2026.



President, Board of Directors

ATTEST:



Vice President, Board of Directors

