

Action Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
August 19, 2009

The Board of Directors met in REGULAR session at 9:30 a.m., at 1097 Lohmans Crossing, Lakeway, Texas, with the following:

Directors Present:	Kay Andrews Jerry Hietpas Allan Hitchcock Tom Priddy Tom Rogers
Staff Present:	Margaret Cathey Richard Eason Tommy Farrell Roger Fry John Hastings
Others Present:	Mike Willatt, Attorney

QUORUM

1. Determine Quorum and Call to Order.

President Rogers declared a quorum of Directors present and called the meeting to order. He then stated that the Board meetings will now be video taped and recorded to be posted on the website. All speakers must come to the podium and state their name and address and everyone should allow the speaker to address the audience without interruption.

CITIZENS

2. Athena Vagshenian (114 Crestview); Elsa Hopkins (705 Mariner); Mel Neese (302 Champion); and Buddy Cook (710 Rolling Green).

AGENDA ITEMS

3. Public Hearing on Sworn Complaint from Richard Eason against Director Kay Andrews.

- President's Report – Rogers made a statement regarding the complaint.
- Citizen Participation – Michael Archuleta (1021 Challenger).
- Board discussion/action – Rogers closed the public hearing.

4. Resolution on Sworn Complaint from Richard Eason against Director Kay Andrews.

- President's Report – Resolution was submitted for approval by Rogers.
- Citizen Participation – Athena Vagshenian (114 Crestview); Michael Archuleta (1021 Challenger); Mel Neese (302 Champion); and Jon Champeny (1023 Challenger).

Recessed into Closed Session at 10:15 a.m. pursuant to Texas Government Code: Sec. 551.071 – Consultation with Attorney  
Reconvened into Open Session at 10:30 a.m.

No action taken.

- Board discussion/action – Priddy made a motion to approve the Resolution Seeking Relief from Lakeway Municipal Utility District Director Kay Andrews. Hitchcock seconded the motion. Hietpas made a motion to table this item. Motion died for lack of a second. Motion passed with Hietpas voting no. Andrews did not have a vote.

5. Presentation by Elizabeth Christian and Associates.

- President's Report – Elizabeth Christian presented what her company has done and will continue to do for the District.
- Citizen Participation – Jon Champeny (1023 Challenger); Elsa Hopkins (705 Mariner); Mel Neese (302 Champion); Michael Archuleta (1021 Challenger); and Athena Vagshenian (114 Crestview).
- Board discussion – no action was taken.

6. Change in Health Insurance Carrier.

- Staff & APC Report – Eason reported that the District will save money by changing to TML for health insurance.
- Citizen Participation – none.
- Board discussion/action – Hitchcock made a motion to change health insurance carriers to TML; hold constant the current benefits of prescription amounts, deductibles and out-of-pocket expenses for the employees. Priddy seconded the motion. Motion passed unanimously.

7. Fiscal Year 2010 Expense Budget.

- Staff & FAA Report – Both the FAA and the Board have met to review and discuss the budget.
- Citizen Participation – Mel Neese (302 Champion); and Michael Archuleta (1021 Challenger).
- Board discussion/action – Hitchcock made a motion to approve the FY 2010 budget. Priddy seconded the motion. Motion passed. Andrews voted no.

8. Water Rate Stabilization.

- Staff & FAA Report – Eason presented a memo submitted by Christianne Castleberry on the reasoning of the reserve account.
- Citizen Participation – Jon Champeny (1023 Challenger).
- Board discussion/action – Hietpas made a motion to move forward with the concept and establish a water rate stabilization reserve account. Rogers seconded the motion. Motion passed unanimously.

9. Drought Contingency Plan Changes and/or Enforcement.

- Staff Report – Eason reported that currently the District does not have a graduated fine schedule or mechanism for enforcement for violations.
- Citizen Participation - Jon Champeny (1023 Challenger); Alan Tye (COL); Elsa Hopkins (705 Mariner); Michael Archuleta (1021 Challenger); Steve Swan (850 Sunfish); and Buddy Cook (710 Rolling Green).
- Board discussion/action – Hietpas made a motion to amend the Drought Contingency Plan and use the suggested penalty structure (same as WCID #17) to enforce the plan; use 24-hour enforcement; once the plan goes back to a lower stage, the penalty structure resets; and ask Eason to submit a proposal on how to implement the enforcement. Hitchcock seconded the motion. Motion passed unanimously.

10. Water Check-up Interim Report.

- Staff Report – Eason reported that several check-ups have been done and the program is showing our customers that they can indeed save money and conserve water.
- Citizen Participation – none.
- Board discussion/action – Hitchcock made a motion to give Eason the authority to expand the program to up to 20 more customers (commercial included). Hietpas seconded the motion. Motion passed. Andrews voted no.

LUNCH BREAK from 11:56 am to 1:30 pm.

11. City of Lakeway Council Meetings of July 20 and August 17, 2009.

- Liaison Report – Andrews reported that there was nothing that was pertinent to the District.
- Citizen Participation – none.
- Board discussion/action – none.

12. Review of Orders, Policies, and Resolutions.

- A. Order Establishing a Records Management Program.
- B. Order Establishing Policy on Providing Out of District Services.
- C. Order Amending Plumbing Code.

D. Order Establishing Billing Classifications, Rules, Rates and Charges for Water, Wastewater and Water Recycling.

E. Order Adopting a Policy Concerning Selection, Monitoring, Review and Evaluation of Consultants.

F. Second Review of Eighth Amended Order to the Financial Policy for the Accumulation of an Adequate Reserve in the District's General Fund.

- Staff Report – Eason summarized all six Orders.
- Citizen Participation – none.
- Board discussion/action – Hitchcock made a motion to approve all Orders listed with a couple of minor amendments. Priddy seconded the motion. Motion passed unanimously.

CONSENT AGENDA – Hitchcock made a motion to approve the consent agenda. Priddy seconded the motion. Motion passed. Andrews voted no.

13. Approve Minutes of Regular Meeting of July 8, 2009.

14. Approve Minutes of Special Meeting of August 3, 2009.

15. Approve Cash Disbursements and Payroll Journal for July 2009.

16. Approve Financial Report for June 2009.

17. Approve Change to Contract for Services.

18. Approve Resolution Requesting Change of Scope and Release of Bonds from Escrow.

19. Approve First Amendment to Effluent Disposal Agreement with Lakeway Golf Clubs.

20. Approve Appointment of Karen Bradford on Ad Hoc Website Committee.

21. GENERAL MANAGER'S REPORT.

A. Water facilities including barges, pipelines, treatment plants and distribution systems, including E-5 & tank & pipeline, WCID #17 Interconnect, W-3/BP-1 construction and W-3 Permanent Office.

i. Bid for W-3 Office Utility Plan.

B. Wastewater facilities including collection systems, pipelines, treatment plants, holding ponds and irrigation systems, including LS #6 construction and Collection System Odor Control.

C. Capital Improvements Plan, including W-3 Sludge Collector, S-5 Fine Bubble and S-4 Maintenance Building.

D. Administration.

E. Engineering.

- Staff & E&O Committee Report – Eason received two bids on the W-3 Plan; one for \$17,997 and one for \$89,752.
- Citizen Participation – none.
- Board discussion/action – Hitchcock made a motion to award the bid of \$17,997 to Boretex. Hietpas seconded the motion. Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 2:05 pm.

Respectfully Submitted,

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Margaret A. Cathey, Assistant Secretary/Treasurer

Minutes approved on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors