

Action Minutes  
Lakeway Municipal Utility District  
Board of Directors Meeting  
October 13, 2010

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 Karl Ansbach Jerry Hietpas Allan Hitchcock Tom Priddy
Staff Present:	Margaret Cathey Trish Carls, Attorney

QUORUM

1. Determine Quorum and Call to Order.

President Ansbach declared a quorum of Directors present and called the meeting to order.

2. Pledge of Allegiance was led by Ansbach.

CITIZENS

3. None.

AGENDA ITEMS

4. Consider Leak Adjustment for 615 Lake Estates.

- Request from Homeowner – Bryant Berry requested an additional billing adjustment for his leak; he has already received one billing adjustment.
- Citizen Participation – Mel Neese (302 Champion)
- Board discussion/action – Hietpas made a motion to approve the second billing adjustment per the District’s policy formula. Andrews seconded the motion. Motion passed. Ansbach and Hitchcock voted no.

5. Consider Extension of Time for OD WW Services for 108 Eagle Cove.

- Request from Homeowner – homeowner was not present.
- Board discussion/action – Priddy made a motion to extend the application until the end of the 2010 calendar year. Hitchcock seconded the motion. Motion passed unanimously.

6. Consider Property & Liability Insurance Changes.
  - i. Increase Property Deductible from \$1,000 to \$5,000.
  - ii. Increase Loss of Revenue Coverage from \$75,000 to \$500,000.
    - a. Allocation of Contingency Reserve.
  - Report from Finance Committee – Buddy Cook represented the Finance Committee and recommends the two increases and allocation of the contingency.
  - Citizen Participation – Linda Orrick with TML
  - Board discussion/action – Priddy made a motion to increase deductible from \$1k to \$5k. Hietpas seconded the motion. Motion passed. Hitchcock voted no. Hitchcock made a motion to increase loss of revenue from \$75k to \$500k. Hietpas seconded the motion. Motion passed unanimously. Hitchcock made a motion to reallocate \$200k to debt service; \$200k to rate stabilization; and leave \$100k in contingency. Andrews seconded the motion. Motion passed unanimously.
  
7. Consider Sign on CT-2 Land.
  - Report from Land Committee – Nick Renneker represented the Land Committee and had several questions for the owners of the sign.
  - Citizen Participation – Maggie Star with Custom Sign Creations
  - Board discussion/action – Hitchcock made a motion to approve the sign. Motion died for lack of a second. Hietpas made a motion to table this item. Andrews seconded the motion. Motion passed unanimously.
  
8. Consider Financial Audit Proposal.
  - Report from Finance Committee – Buddy Cook represented the Finance Committee and recommends PMB.
  - Board discussion/action – Hitchcock made a motion to approve the Engagement Letter for PMB Helin Donovan. Hietpas seconded the motion. Motion passed unanimously.

Recessed into Closed Session at 10:45 a.m. pursuant to Texas Government Code: Sec. 551.071 – Consultation with Attorney  
Reconvened into Open Session at 11:20 a.m.
  
9. Consider Amendment to 19 acre Earnest Money Contract.
  - Report from Counsel – Trish Carls reviewed the changes in the contract.
  - Citizen Participation – Steve Swan (850 Sunfish); Jan Neese (302 Champion); Nick Renneker (39 Waterfront); Mel Neese (302 Champion); Haythem Dawlett – developer.
  - Board discussion/action – Hietpas made a motion to approve Amendment #15 with three changes: 1) add language reaffirming that the Developer is still obligated to construct a road to provide access to the 15.03 Acre Tract from Lohman's Crossing; 2) accept Developer's change to language regarding refund of released Extension

Fees so that such Extension Fees must be reimbursed to Developer if the District defaults; 3) state that any proceeds earned by the District on the released Extension Fees belong to the District, even if the District defaults. Andrews seconded the motion. Motion passed unanimously.

10. Review Authority Matrix.

- Report from Board Member – Hietpas wants the matrix reviewed.
- Board discussion/action – Hietpas made a motion to have the APC Committee review the matrix and seek advice from other committees and recommend modifications if necessary. Andrews seconded the motion. Motion passed unanimously.

11. Update Water Recycling Master Plan.

- Report from E&O Committee – Hietpas represented the E&O Committee and recommends a feasibility study be conducted.
- Citizen Participation – Jan Neese (302 Champion)
- Board discussion/action – Andrews made a motion to investigate a feasibility study on the water recycling master plan. Hietpas seconded the motion. Motion passed. Priddy voted no.

CONSENT AGENDA –Hitchcock made a motion to approve the consent agenda. Priddy seconded the motion. Motion passed unanimously.

12. Approve Minutes of Regular Meeting of September 8, 2010.
13. Approve Minutes of Special Meeting of September 15, 2010.
14. Approve Minutes of Special Meeting of September 29, 2010.
15. Approve Capital Expenditures:
  - i. 11-1 Billing Computer (\$2500)
  - ii. 11-2 Billing Software (\$4100)
  - iii. 11-3 New Server and Operating System Software (\$7500)
  - iv. 11-4 New Telephone System for DO (\$8300)

16. GENERAL MANAGER'S REPORT.

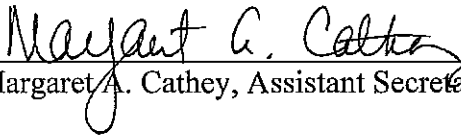
17. Board Members' Comments.

- Ansbach is drafting committee meeting rules and procedures and will bring to the Board for the next meeting.

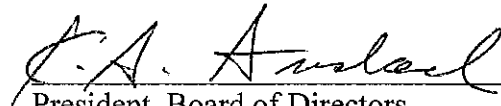
ADJOURNMENT

The meeting was adjourned at 12:32 pm.

Respectfully Submitted,

  
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Margaret A. Cathey, Assistant Secretary/Treasurer

Minutes approved on the 10 day of November, 2010.

  
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President, Board of Directors

ATTEST  
  
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Secretary, Board of Directors