

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
September 5, 2018

The Board of Directors met in SPECIAL session at 9:30AM at 1097 Lohmans Crossing, Lakeway, Texas, with the following:

Directors Present: Lawrence Christian
Larry Burmeier
Don Goff
Jerry Hietpas

Directors Absent: Tom Brewer

Staff Present: Earl Foster
Lloyd Smith

QUORUM

1. Determine Quorum and Call to Order

Meeting was called to order at 9:30 AM.
Burmeier declared a quorum of Directors present.

2. Pledge of Allegiance was led by Burmeier

CITIZENS

3. None

AGENDA ITEMS:

Burmeier announced that the Board would address Items #4 & #9 first, then go into Executive Session for Items #5, 6, &7, then return to Open Session for Item #8

4. Discussion and Possible Action to approve Construction bid for Chemical Feed Building at end of Mariner.
- Foster stated that due to the high costs quoted for the building that the decision had been made to do the General Contracting ourselves and subcontract the work. He stated that he was recommending the Texas Custom Solutions (TCS) bid of

\$74,947. We have worked with TCS before and have been pleased with their work.

- Goff asked about the budget and when would the work be done.
 - Foster stated the whole project would be around \$150K, and that if approved we would begin work next week.
 - Burmeier asked if others have a say in the decision.
 - Foster stated with our 59% ownership and Hurst Creek's 32%, those are the only two approvals we need to proceed. Rough Hollow POA and MUD's 10, 11, & 12 own the other 9%. We have already paid for the Engineering on the project and will subcontract the electrical and concrete work.
 - Hietpas asked if we had "chinned" on the costs; Foster replied no, that we Value Engineered the project.
 - Hietpas moved to accept the General Manager's recommendation to go with TCS's proposal; Goff seconded.
 - Motion passed unanimously.
9. Discussion and Possible Action to Approve L-10 Rehab (Received Fuquay bid from Buyboard).
- Foster explained the need to Rehab L-10 and the Manhole at Explorer & Tellus and that the E&O Committee has reviewed and recommended the proposal from Fuquay, Inc. who did the rehab for LMUD on L-14. Foster stated I&I funds would be used for this project.
 - Hietpas stated that this was the right contractor and the right material for the job.
 - Foster mentioned that the real issue is the application of the material, and Fuquay is very good at applying it and avoiding pinholes.
 - Goff asked if the Board needed to approve this.
 - Foster replied that he would prefer the Board approve it.
 - Goff moved that we approve the Fuquay, Inc. proposal as presented for a total cost of \$14,119.75; Christian seconded.
 - Motion passed unanimously.
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The Board went into Executive Session in accordance with (Consultation with Attorney-Tex. Gov. Code Sec. 551.071) (Closed session) at 9:43AM.

The Board returned to Open Session in accordance with (Consultation with Attorney-Tex. Gov. Code Sec. 551.071) at 10:54AM.

5. Discussion and Possible Action to approve regarding possible amendment to the "Wholesale Wastewater Capacity and Services Agreement," dated to be effective on July 29, 2015 between the District, Travis County MUDS 11, 12, & 13 and Rough Hollow Development, Ltd. to include terms related to provision by the District of treated wastewater effluent (reuse water) to land within the TCMUD's boundaries for irrigation.

6. Discussion and possible action regarding possible amendment to the “Agreement for Wholesale Water and Wholesale Wastewater Service Agreement between Lakeway Municipal Utility District and Travis County Municipal Utility District No. 11, dated to be effective on April 6, 2006 related to provision of potable water and related services by the District to the other contracting party and/or to Travis County MUDs 12 and 13.

7. Discussion and Possible action to approve possible amendment to the “Effluent Disposal Agreement between Lakeway Municipal Utility District and Lakeway Golf Clubs, Inc.” dated to be effective December 15, 1997 related to the terms of provision of reuse water to local golf courses.

Upon the Board’s return to Open Session regarding Items 5, 6, and 7:

- Goff moved that we reject the offer from TCMUD 12 which was made for the \$1.6M and release of the Cedar Tract and instead authorize the General Manager to continue communications with the parameters discussed in our Closed Executive Session.
- Heitpas seconded.
- Motion passed unanimously.

8. Discussion and possible action to approve FY 2019 Revenue and Expense Budget.

- Foster explained the Budget process beginning in May of each year.
- Hietpas noted the increases in Revenue, and Foster gave explanations.
- Hietpas mentioned the savings on the Bond refunding; Foster said that due to the lower interest rate we obtained the savings over 10 years would be closer to \$.55M than the original \$.5M projected.
- Foster reviewed tax and service rates showing the favorable trends over the past 5 years.
- Goff questioned if we had published these figures to the public.
- Foster responded that year to year reductions were published in the Lake Travis View recently that compares two years, but that we can publish more detailed history to the public.
- Hietpas stated that the Expense Budget as presented is within 1% of FY 2018, and our budget has been favorable over the last 5 years. He noted that he appreciated the presentation.
- General Board Discussion.
- No Action was taken.

ADJOURNMENT

The meeting was adjourned at 11:34AM



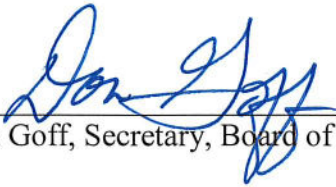
Loyd Smith, Finance/Administration Manager

Minutes approved on the 10th day of October, 2018.



Larry Burmejer, President, Board of Directors

ATTEST:



Don Goff, Secretary, Board of Directors

