

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
September 26, 2018

The Board of Directors met in SPECIAL session at 9:32AM at 1097 Lohmans Crossing, Lakeway, Texas, with the following:

Directors Present:	Lawrence Christian Don Goff Jerry Hietpas
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Directors Absent:	Tom Brewer Larry Burmeier
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Staff Present:	Earl Foster Lloyd Smith
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QUORUM

1. Determine Quorum and Call to Order

Meeting was called to order at 9:32 AM.
Hietpas declared a quorum of Directors present.

2. Pledge of Allegiance was led by Hietpas.

CITIZENS

3. Hietpas recognized Dwight Haley, Lakeway City Councilman, for his contributions as the City's Liaison to LMUD in improving communication and cooperation. Hietpas also recognized Dave DeOme, former Mayor of Lakeway, for his continuing accomplishments even after his terms as Mayor ended in strengthening relationships between the City and LMUD.

Dwight Haley thanked Hietpas and said he had seen LMUD grow into a fantastic structure in terms of results and what you are accomplishing. I wanted to be here today in the last month and a half of my City Council term. LMUD ranks near the top of all MUD's in the State of Texas. Haley thanked everyone for the relationships.

Dave DeOme thanked Hietpas for the recognition.

AGENDA ITEMS:

4. Public Hearing on 2018 Proposed Tax Rate.

- Foster stated the Proposed Rate is \$.1158/100 for 2018, down from \$.1258/100 last year. He noted that the Rate Notice has been published twice in the Lake Travis View.
 - Hietpas asked what the average reduction was, and was told 3.9%.
 - Citizen DeOme asked if there was any effect on Out of District (OOD) rates as a result.
 - Foster replied that the OOD water rates would remain the same, and there would be a slight increase in the OOD Wastewater rates in 2018.
 - Hietpas asked if there were any more Citizens who wished to speak; hearing none, Hietpas closed the Public Hearing.
5. Discussion and Possible Action to approve 2018 Tax Rate.
- Foster reviewed the Order Approving the District's Appraisal Roll and Setting the District Tax Rate for 2018 at \$.1158/100.
 - Christian moved to approve the Tax Rate for 2018 as published; Goff seconded.
 - Motion passed unanimously.
6. Discussion and Possible Action to approve Tiered rates for FY 18/19
- Foster reviewed the changes approved last year which increased higher tiers by 15% last year and 10% this year in order to meet the Best Practices Conservation efforts to accomplish 25% separation. These changes affect those who use over 30K gallons each billing cycle.
 - Hietpas noted that this discourages customers from high usage.
 - Goff asked how many of our customers are in this category.
 - Foster replied that about 23% of our base will be affected by this increase.
 - General Board discussion.
 - Goff moved to approve the tiered increase as presented; Christian seconded.
 - Motion passed unanimously.
7. Discussion and Possible Action to approve Rate Order.
- Foster reviewed the changes needed to update the Rate Order.
 - Goff asked if our attorney had reviewed the changes.
 - Foster replied that our attorney has been working closely with him in reviewing the changes, and that there would be more changes in the future.
 - General Board Discussion.
 - Christian moved to approve the changes as presented; Goff seconded.
 - Motion passed unanimously.
8. Discussion and possible action to approve transferring \$21,500 from Budget line item 7105 to Capital Expenditure 14-08 to re-paint Elevated Storage Tanks.

- Foster explained that LMUD does this yearly to maintain funds for repainting tanks.
 - Hietpas stated we used to contract this out, but the contract became unworkable so LMUD changed to managing it in house.
 - General Board Discussion
 - Goff moved to approve the transfer as presented; Christian seconded.
 - Motion passed unanimously.
9. Discussion and possible action to approve Haynie Consulting Surveying for Out of District Wastewater project (Tabled from September 12th meeting).
- Foster reviewed reductions in the previous proposal noting about \$10K reduction. He stated that the Golf Course surveying was complete, and the Airpark survey was now beginning.
 - Hietpas noted that we want to pay for the work, but do not want to pay increased margins.
 - General Board Discussion.
 - Christian moved to approve the revised proposal in the amount of \$143,052; Goff seconded.
 - Motion passed unanimously.
10. Discussion and possible action on Progress of Out of District pressure sewer system for the first 17 sections of Lakeway Phase I.
- Foster reviewed the completion of the Golf Course Surveying, and noted that the LCRA appears to be working with LMUD at this point to find solutions for failing Septic tanks during this transition period.
 - Hietpas asked if there was any reason to rethink doing the work behind the homes on the Golf Course.
 - Foster replied that he is comfortable we are doing it in the right place.
 - Citizen Dwight Haley asked if there was any help the City could give LMUD with this project.
 - Foster replied LMUD will need their help in obtaining easements needed when LMUD begins trenching in the streets.
 - Citizen DeOmc mentioned that the City might be able to help with the LCRA if needed.
 - Foster said that the City may be helpful in dealing with the LCRA.
 - General Board Discussion
 - No Action was taken.
11. Discussion and possible action to approve Release of 10-foot Public Utility Easement running across Southeastern portion of lot 1376A; address 106 Kite Street.
- Foster asked to pull this item from the agenda due to some details yet to be finalized.

- Hietpas asked if this delay would hurt the customer.
 - Foster replied it would not.
 - Hietpas stated Item 11 was pulled from the agenda.
12. Discussion and possible action on statutory requirements for Disqualification of Directors.
- Hietpas stated that there is a gap in governance in terms of the Board's ability to act on Board Members when the need arises.
 - Foster noted that the only reference in the Water Code Chapter 49 (by which LMUD is governed) to this topic is in Section 49.052 (g) which states "A board by unanimous vote of its remaining members may remove a board member only if that board member has missed on-half or more of the regular meetings scheduled during the prior 12 months. Any board member so removed may file a written appeal with the commission within 30 days after receiving written notice of the board action".
 - Goff asked what occurs if a Board Member resigns.
 - Foster said the Board would address the issue at the next meeting following the resignation..
 - Hietpas stated that this doesn't apply to anything other than missing meetings, and that he was willing to table this item until all Board Members were present.
 - General Board discussion.
 - No action was taken.

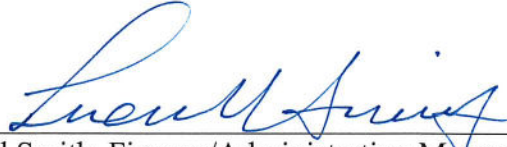
CONSENT AGENDA:

Christian moved to approve the Consent Agenda; Goff seconded. Motion passed unanimously.

13. Bad Debt write-offs in the amount of \$515.62.

ADJOURNMENT

The meeting was adjourned at 10:36AM




Loyd Smith, Finance/Administration Manager

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



Larry Burmeier, President, Board of Directors

ATTEST:



Don Goff, Secretary, Board of Directors

