

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
July 8, 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 Allan Hitchcock Tom Priddy Tom Rogers
Director Absent:	Jerry Hietpas
Staff Present:	Margaret Cathey Richard Eason Tommy Farrell John Hastings
Others Present:	Mike Willatt, Attorney Alan Tye, COL

QUORUM

1. Determine Quorum and Call to Order.

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

CITIZENS

2. None.

AGENDA ITEMS

3. Irrigation Audits for Conservation.

Conservation is a pressing issue and irrigation is our biggest water consumer. The surrounding areas, such as District #17 and Austin have audit programs. The audits consist of inspecting the irrigation system; identifying any problems; ascertaining how much water is being used for irrigation; and finally receiving a report about the audit. This report will be given to the customer and to the District. Some high use customers have a tendency to over-water. The District has identified a consultant (same one used by D#17). Eason proposes to contact the top water users and start a pilot program. Eason requested funding of \$3-5,000; once this money is used, he will report his findings to the Board. This is good PR – good for customers because they will see how much money they can save, and good for the District because of the potential to conserve water. The Board requested Eason contract for 10 audits and report back. Eason stated that the District would also focus attention on our reuse customers and ask them to

conserve. Andrews questioned the list of top users and was concerned that the District was spending all customers' money on just a few.

4. Website contents.

Eason explained the structure of the site map and asked for any additions. Several financial reports will be included on the site. Priddy requested that the District's Mission be included on the website. It is the staff's responsibility to keep the website current.

5. Discussion on Retaining a PR firm.

Mel Neese read a statement complaining about the water bills are too high and the District needs to be more frugal in its spending. He wants to know why the Christian contract is still ongoing. Rogers summarized the process of retaining Christian from the very beginning of the proposed City takeover. The District needs to repair its image with our customers and community relations. Using Christian is the most cost-effective way, and better than adding an employee to the District staff. A suggestion was made to hire someone part-time for marketing. Another customer offered to join a volunteer committee to help with marketing. Buddy Cook wanted to know why the Consumer Confidence Report was sent out in color; it is required by state law; we could go to b/w next year to save money. Andrews suggested that we use volunteers in the community instead of paying a consultant for PR.

6. City of Lakeway Council Meeting of June 15, 2009.

Andrews reported that the one item on the COL agenda that might have affected the District was a change in law firms; Bickerstaff is moving their offices and Patty Akers, who represents the City, is moving to another law firm.

7. CASE meeting.

Andrews reported that all of the presentations from the conference will be on the CASE website soon. She summarized several sessions. She stated that her expenses were around \$800 for the trip.

8. Review of Orders, Policies, and Resolutions.

A. An Order Prescribing Procedures, Policies and Fees for Annexation of Land by the District.

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

C. Amended Order Authorizing and Directing Investment and Reinvestment of District Funds and Making Provisions Related Thereto.

D. 1st Amended Order Adopting a Management Policy for Directors and Employees of the Lakeway Municipal Utility District.

E. An Order Adopting Board of Directors Meeting Rules and Order of Business.

There were a couple of minor amendments suggested. Hitchcock made a motion to adopt the Orders as amended. Priddy seconded the motion. Motion passed unanimously.

CONSENT AGENDA – Rogers made a motion to approve the consent agenda excluding item #9. Hitchcock seconded the motion. Motion passed unanimously.

9. Approve Minutes of Regular Meeting of June 10, 2009.

One minor amendment was requested by Andrews. Andrews then requested several amendments to the minutes on behalf of Hietpas, who was not in attendance. Andrews made a motion to approve the amended minutes. The motion died for a lack of a second. Hitchcock made a motion to approve the minutes with the one minor amendment suggested by Andrews. Priddy seconded the motion. Motion passed. Andrews voted no.

10. Approve Cash Disbursements and Payroll Journal for June 2009.

Andrews had several questions regarding disbursements.

11. Approve Change of Meeting Date for August Board Meeting.

Andrews complained that Board meeting times should not be changed because staff is unable to attend.

12. Approve Capital Expenditures 09-07 Leak detector (\$5,000).

13. 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.

The E-5 project should be complete on time in August. The WCID #17 Interconnect project's design is 50% complete; BP-1 construction nearly complete; W-3 Office design 50% complete.

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

The District is experiencing several reuse pump failings at several locations since the pumps are working overtime due to the weather/drought. All pumps are being repaired and/or replaced. Odor Control project design is in progress.

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

None of these projects are moving forward at this time.

D. Administration.

The FAA Committee met with Mike Kuhn, former President of the District regarding his proposal of changing the calculation of wastewater base rates, both ID and OD. The Committee will review his proposal.

E. Engineering.

Eason met with Niemann who owns the property next to CT-2 and referred to as North Lakeway Village. He wants to build a sports complex and lease and/or purchase 10 acres of CT-2 for ball fields. The concept was presented to the E&O Committee. Staff is exploring the concept. Eason has asked HDR for a proposal on engineering services for the feasibility. We would need a developer agreement to pay for all costs associated with this project including a major amendment to our permit.

14. Termination of Employee.

Recessed into Closed Session at 11:20 a.m. pursuant to Texas Government Code: Sec. 551.074 – Personnel Matters
Reconvened into Open Session at 11:22 a.m.

No action taken.

ADJOURNMENT

The meeting was adjourned at 11:22 pm.

Respectfully Submitted,

Margaret A. Cathey, Assistant Secretary/Treasurer

Minutes approved on the _____ day of _____, _____.

President, Board of Directors

ATTEST:

Secretary, Board of Directors