

Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
December 13, 2017

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

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

1. Determine Quorum and Call to Order

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

2. Pledge of Allegiance was led by Burmeier.

CITIZENS

3. None

AGENDA ITEMS:

4. Discussion and Possible Action to add isolation valve Replace Fire Hydrants as needed per list presented.

- Foster reviewed a list of fire hydrants that are no longer manufactured, are as old as 47 years, and have no isolation valves. He indicated these hydrants need to be replaced at a cost of approximately \$75K. Foster had reviewed the situation with both the E&O and Finance Committees and both recommended replacing the old hydrants.
- General Board Discussion.
- Hietpas moved to approve the replacement of the hydrants per the list provided to include isolation valves. Goff seconded.
- Motion passed unanimously.

5. Discussion and Possible Action on Investment Policy

- Foster reviewed the policy and noted that it had been approved in a previous Board meeting, but that the maximum term of investment had not been changed from 1 year to two years on the document.
- Hietpas noted that both Sections 4A and 4B needed to be changed to 2 years, and that Smith's title needed to be changed from Office Manager to Finance/Administration Manager in the document.
- General Board discussion.
- Hietpas moved to approve the LMUD Investment Policy as corrected in the discussion. Goff seconded.
- Motion passed unanimously

6. Discussion and Possible Action to invest into CDARS or FNC per our Investment Policy.

- Foster explained that the District had received \$4M+ from the sale of land and that the Investment Committee recommends that LMUD invest \$4M in CD's with FNC.
- Goff asked for an estimated average interest rate on the CD's.
- Foster said the first CD's were less than 1%, but the most recent one was just over 2%.
- Hietpas asked if LMUD would continue to "Ladder" the new investments, and Foster confirmed that would be the case. Foster indicated we might have more 2 year CD's in this group, but there would be laddering.
- Foster explained that FNC knows where all of our CD's are invested and they ensure that we do not exceed \$250K in any one financial institution.
- Goff moved to move forward with \$4M investment in CD's with FNC. Hietpas seconded.
- Motion passed unanimously.

7. Discussion and possible action on Financials and Calendar.

- Foster reviewed financials for October.
- Hietpas asked if LMUD could invest more of the money in Texpool in CD's, and asked for a Cash Flow Analysis that would show cash needs over the next few years.
- Foster reminded the Board that the January Regular meeting had been moved to January 17.

CONSENT AGENDA:

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

8. Approve Minutes of Regular Meeting on November 8, 2017, Special Meeting November 20, 2017, and Special Meeting November 27, 2017.
 9. Expenditures over \$25,000.
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ADJOURNMENT

The meeting was adjourned at 10:20AM.



Loyd Smith, Finance/Administration Manager

Minutes approved on the 17th day of January, 2017.

~~Larry Barmeier, President, Board of Directors~~
JERRY NIETPAS.

ATTEST:

Don Goff, Secretary, Board of Directors