

**SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF COTTONWOOD SHORES, TEXAS
NO. 1 COMMUNITY DRIVE, RR 2147 – HORSESHOE BAY
LAKE L.B.J. MUNICIPAL UTILITY DISTRICT OFFICE BUILDING
THURSDAY, DECEMBER 7, 2000 AT 8:30 A.M.**

A G E N D A

THE CITY COUNCIL OF THE CITY OF COTTONWOOD SHORES, TEXAS HAS REQUESTED TIME BE RESERVED ON THE AGENDA FOR THE BOARD OF DIRECTORS OF LAKE LBJ MUNICIPAL UTILITY DISTRICTS MEETING SCHEDULED FOR DECEMBER 7, 2000 AT 8:30 A.M.

1. DISCUSSION AND POSSIBLE ACTION BY THE CITY COUNCIL TO RENEW THE CONTRACT FOR TREATMENT AND DISPOSAL OF WASTEWATER BETWEEN THE CITY OF COTTONWOOD SHORES AND LAKE LBJ MUD.

I CERTIFY THAT THE ABOVE NOTICE WAS POSTED AT CITY HALL, 3808 COTTONWOOD DRIVE, COTTONWOOD SHORES, TEXAS ON THIS 4TH DAY OF DECEMBER 2000 AT 8:30 AM.

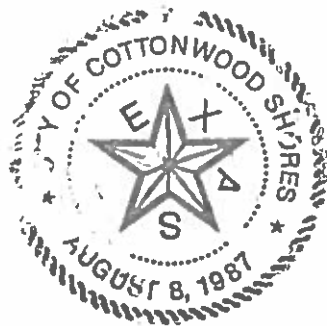


DALE PICKENS, MAYOR

ATTEST:



TENA COLLIER, CITY SECRETARY



LAKE LBJ MUNICIPAL UTILITY DISTRICT

BOARD OF DIRECTORS MEETING

December 7, 2000

The Board of Directors of Lake LBJ Municipal Utility District met at the Board's regular meeting place on December 7, 2000, in accordance with duly posted notice of said meeting. J.E. Ayers, President called the meeting to order at 8:30 a.m, with a quorum of directors present as follows:

J.E. Ayers, President
Ralph Herter, Vice-President
R.A. Lowry, Secretary
D.B. Wood, Director
R.F. Stephenson, Director

Also present were Doyle Wyatt, Jeff Koska, Toni Vanderburg, Bill Lane, Raymond Tennison, Jay Middleton, Terry McDaniel, Phil Haag, Beverlee Hanson, Dale Pickens, Frank J. Pfeifer, Marjorie Phipps, Euclid Phipps, Jay Harris, Eugene Pender, Wayne Brascum, Shane Altizer, Christy Mitchell, Elaine Graninger, Bill Kinney, Ron Mitchell, Jack Clement, Peter Crane, and Ron Poor .

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

Approve Minutes of October 26, 2000, Regular Meeting – 1. The minutes of the October 26, 2000, Regular Meeting were approved as written.

Public Comments & Discussion/Public Recognition - 2.

- Bill Kinney, County Commissioner, reported that the Llano Memorial Hospital has received subsidy from the City and the County. He also addressed the pending EMS issue and the possibility of forming a Countywide Emergency Services District.
- Shane Altizer, EMS Director, addressed the timetable and procedure for an election to establish an Emergency Services District. A copy of the timetable is attached and made a part of these minutes.

Staff Comments and Discussion - 3. Mr. Wyatt gave the following staff comments:

- A. Jay Middleton was introduced as the new Plant Supervisor. Mr. Middleton joined the District staff on November 6, 2000.
- B. The District recovered \$2,150 from an insurance claim for damage to a District fire hydrant.

Discuss Wastewater Contract with Cottonwood Shores – 4. The Mayor of the City of Cottonwood, Dale Pickens, and City Commissioners Marjorie Phipps and Frank Pfeifer reported to the Board that they are experiencing problems with their storage capacity and distribution system

and that a new tank is currently under construction. Therefore, they requested the Board to consider renegotiating the First Amended Contract that was approved by the Board on September 28, 2000, to include a payment provision for the connection fee and to reconsider the number of entitlements. As of the date of this meeting, the City of Cottonwood has not executed the contract. After some discussion, a motion was made, seconded and passed to terminate the contract with the City of Cottonwood.

Staff Comments and Discussion - 3. Bill Lane, Police Chief, discussed Operation Bay Watch, the crime prevention program involving the community and District employees. Awards were given to Brandon Collins and Larry Glass for their involvement in the program, which resulted in the Police Department solving several pending cases. Ron Mitchell also presented each with a gift certificate from the Horseshoe Bay Resort.

Discuss/Approve Ambulance Service -5. Mr. Stephenson updated the Board on the current options for the District EMS Service: (1) the District to operate the EMS Services, (2) hire a third-party contractor, or (3) continue to contract with Llano Memorial Hospital. From the six (6) Requests for Proposal that were sent to third party contractors, the District received a response from Marble Falls EMS and Secure Care, who subsequently withdrew. After some discussion of each option, a motion was made, seconded and passed to defer a decision on this item until the January 25, 2001 meeting.

Regular Meeting Adjourned at 9:35 a.m. for a Short Recess:

Regular Meeting Resumed at 9:45 a.m.:

Public Comments & Discussion/Public Recognition - 2. Jack Clements, Public Sector Manager of BFI, introduced Peter Crane, General Manager, and Ron Poor, Local Manager. They expressed their appreciation for our business and wished the Board members and employees a Merry Christmas and Happy New Year.

Authorize Advertising for Bids on Phase I West Wastewater Extension -6. Jeff Koska presented the cost estimate and the timeline for the construction of the Horseshoe Bay West Wastewater Sewer Extension project. Phase I and Phase II are to be completed in the current Budget Year and Phase III in the 2002 Budget Year. Staff requests approval to advertise for competitive bids for the construction and installation of Phase I of the West Sewer Extension Project. A motion was made, seconded, and passed for approval to advertise for bids for the project. A copy of the request, cost estimate, and timeline are attached and made a part of these minutes.

Authorize Advertising for West Water Treatment Plant - 7. Jeff Koska presented the cost estimate and the timeline for the construction of the West Water Treatment Plant project. The bid tabulation for the water treatment equipment was also presented. Staff requests approval to award the bid to Roberts for the capital expenditure of \$277,895.00 for the water treatment equipment. Staff also requests approval to advertise for competitive bids for the construction and installation phase of the project. A motion was made, seconded, and passed for approval to award the bid to Roberts for

the capital expense of \$277,895.00 and to advertise for bids for the construction and installation phase of the project. A copy of the request, cost estimate, timeline, and bid tabulation are attached and made a part of these minutes.

Discuss/Approve Application for District Credit Card and Adopt Resolution – 8. Staff requests approval of the application for a District credit card account. A motion was made, seconded, and passed to adopt a Resolution to establish a credit card account with a \$5,000 limit. A copy of the Resolution is attached and made a part of these minutes.

Discuss/Approve Emergency Services Contract with Blue Lake and Oak Ridge – 9. After some discussion regarding the renewal of the Agreement Regarding Emergency Medical and Firefighting Services between the District and the communities of Oak Ridge and Blue Lake, staff requests amendments to Section 1.1(b), Section 2.3, Section 3.3, and Section 4. A motion was made, seconded, and passed to approve the renewal of the contract with amendments as requested. A copy of the Agreement and the First Amended Agreement is attached and made a part of these minutes.

Executive Session - 10. Regular meeting adjourned; Executive Session began at 10:45 a.m.

Regular Meeting Resumed at 11:00 a.m.:

Action Required on Items Discussed in Executive Session - 11.

A. Litigation – A motion was made, seconded, and passed to terminate the First Amended Contract for Treatment and Disposal of Wastewater Between Lake LBJ Municipal Utility District and The City of Cottonwood Shores, to proceed with litigation for Breach of Contract, and to remain open to negotiations of a settlement.

Other Business - 12.

- A. AWBD Conference: Mr. Wyatt updated the Board on the conference to be held in San Antonio on January 11 and 12.
- B. Boat-Trailer Extra Hours: Mr. Wyatt informed the Board that the POA has requested the District to consider providing boat trailer storage with extended hours between the months of April and September. Mr. Wyatt was instructed to work with the POA in relocating the trailer storage area but to make certain the District was not responsible for manpower, expenses, or the liability.
- C. Christmas hams for volunteers: A motion was made, seconded and passed to provide Christmas hams to the Volunteer Firefighters and Telecare Volunteers.

Pay Bills - 13. Outstanding District bills were approved for payment.

Set Date and Place of Next Meeting - 14. The next Regular Meeting will be held at 8:30 a.m. on January 25, 2001.

Adjournment – 15. There being no further business, the meeting was adjourned at 11:55 a.m.

The following reports and articles were provided to the Board prior to and during the meeting.

1. Agenda
2. Minutes of October 26, 2000, Regular Board of Directors Meeting
3. Fact Sheet as of October 31, 2000
4. Investment Report
5. Accounting System Reports
 - A. Account Balances
 - B. Public Services Operations Statement of Revenue & Expenses
 - C. Revenue, Expenditure and Capital Budgets
 - (1) Operating - Utilities
 - (2) Tax
 - (3) Capital
 - D. Overtime and Emergency Hours Report
6. Operations Reports
 - A. Utilities Operations Reports
 - B. Public Safety Reports
 - (1) Police
 - (2) Fire
 - (3) EMS
 - (4) Safety and Loss Prevention Committee Report
7. Cottonwood Shores Invoice
8. Llano County M.U.D. #1 Invoice
9. Horseshoe Bay WCID #2 Invoice
10. Trustee Lot Report
11. Texpool Newsletter


R.A. Lowry, Secretary