

Notes for Lakeway MUD E&O Committee Meeting

June 14, 2022

1. The E&O Committee meeting was called to order at 1:29 pm. Present were Phil Lanier, Tim Wilson, and Peter Carrothers. Wayne Seime has a medical issue and could not be present for the meeting.

2. Peter Carrothers

Mr. Foster introduced Peter Carrothers as a new member of the E&O Committee. Mr. Carrothers has experience working on the board of a SUD known as Mustang Ranch. Mustang Ranch has about 28,000 meters and is in the Denton and McKinney area. It is served by ground water and a take or pay contract with the Upper Trinity River Authority. Mr. Carrothers provided a brief review of his experience with Mustang Ranch SUD.

3. 314 Clubhouse Drive

Mr. Foster provided a brief review of a project known as 314 Clubhouse Drive. While the project will be served fresh water by WCID No. 17, waste water services will be provided by LMUD. The project will have 6 homes on 6.36 acres and is rated at 16 Living Unit Equivalents (LUEs).

4. Purchase of Land for Reuse Tank

Mr. Foster discussed the negotiations with the City of Lakeway regarding land for the placement of a new effluent storage tank. Negotiations with the City have stalled and Mr. Foster will meet again with the City Manager in mid-July to discuss alternatives to the sale of City land for the tank. One alternative would be to place the tank on LMUD

property immediately adjacent to the existing plant. This would require the City to move its existing restroom facility at some cost to the City. The differences with the City revolve principally around the appraised value of the land. It appears the City's appraisal does not take into consideration restrictions on the potential use of the land, which should reduce its potential market value. The land would be restricted to only uses for City buildings, park land or public schools. Mr. Foster is also looking at alternatives to the purchase that include another nearby site or the construction of a storage pond. Mr. Foster will discuss these matters with the City Manager at a meeting in mid-July. It may help to remind the City Manager that the City gets a substantial benefit from the use of reuse water on City owned medians and other areas.

5. Capital Project Cash Flow Worksheet

Mr. Foster briefly reviewed a worksheet of the cash flow for LMUD capital projects. There may be a shortfall of revenues needed for capital projects in 2026. One option to cover the shortfall would be to increase the base rates for fresh water and waste water. Other alternatives include receiving funds from the Federal Infrastructure Act that has been allocated to the State of Texas. Scoring for the receipt of those funds should be completed soon.

6. Lake Levels and DCP

Mr. Foster discussed the declining lake levels in the Highland Lakes. Based on current rates of decline, it is expected the combined storage for Lakes Buchanan and Travis will be below 1.3 million acre feet by July 1. Under the Water Management Plan applicable to LCRA, this will likely mean that water for second crop rice production will be cut off.

It will also mean that restrictions on water use will be put in effect. Those restrictions would be 1-day a week watering, no water for car washes, no outdoor fountains and no pressure washing. These restrictions will not likely come into effect until late this year or early next year

7. Other business

Mr. Foster briefly reviewed a question submitted by Mr. Cooley regarding reuse watering on Yaupon Golf Course. Mr. Cooley was interested in the pressure required for the sprinklers. Mr. Foster stated that the pressure is supplied by separate pumps, not by the fresh water system.

The next meeting of the E&O Committee will be on Thursday, July 14 at 1:30 pm.