

MINUTES
Engineering and Operations Committee Meeting

March 16, 2010

Attendees: Richard Eason, Tom Priddy, Jerry Hietpas, Ike Herrick, Frank Black, Ramzi Deeb, Tom Rogers, Jacob Angelo, Joe DiQuinzo (TC MUD #11), Karen Bradford (citizen)

A special E&O Committee meeting was called to discuss a follow-up item from the March 3, 2010 meeting addressing the Temporary Wastewater Service to the Highlands. Attachment I contains a list of the important documents pertinent to the discussion at the meeting which are included in these minutes.

The Lakeway MUD Board of Directors requested that the E&O Committee review the proposed attached (1) revised (3/9/2010) "Amendment No. 1 to Agreement for Wholesale Water and Wastewater Service Between Lakeway Municipal Utility District and Travis County Municipal Utility District No.11."

Recommendation:

The E&O Committee made the following recommendation (2) to the Lakeway MUD Board to accept Amendment No. 1 to the Wholesale Contract with TCMUD #11 with the following modifications, subject to legal counsel review:

1. When TCMUD #11 wholesale contract volume is reached, it is the responsibility of TCMUD #11 to deny additional service to their customers and stop making any further hookups.
2. The TCMUD #11 wholesale contract will use the Lakeway MUD Winter Averaging process as described in the District Rate Manual to define wastewater flow for billing and LUE flow determination.
3. Remove the term "relocated" from paragraph two, line four.

Discussion:

Joe DiQuinzo, general manager of TCMUD #11, was at the meeting to represent Haythem Dawlett's interest in acquiring wastewater service to Rough Hollow and the Highlands. By May or June, 2010, a decision had to be made to either expand the existing plant at S-5 or start the design to build a new plant. The favored option was a joint facility through expansion of S-5. It was anticipated that Rough Hollow would not be built out prior to expanding S-5. Thus, reallocating 152 LUE's from Rough Hollow's total of 375 LUE's (already paid for) to Highlands Sections 1 and 2 (out of service area), would satisfy their requirements. However, no increase above the total of 375 LUEs would be permitted by Lakeway MUD.

A second topic of discussion centered on the precise definition of the value for a wastewater LUE. A memo, including handouts at the meeting, by Richard Eason (3) outlines the proposed winter averaging process used to define an LUE unit. Careful scrutiny of how the maximum LUEs and plant volume capacity are allocated and the current flow data was an area of concern that sparked a lot of discussion at the meeting. By comparison, the benchmark for Lakeway MUD is 253 gpd/LUE, the City of Austin uses 350 gpd/LUE, WCID #17 uses 250 gpd/LUE and Hays County MUD uses only 100 gpd/LUE. LMUD historical flows for S-4 are 190-200 gpd/unit and for S-5 220-230 gpd/unit. The consensus at the meeting was that the TCMUD #11 wholesale contract will use the Lakeway MUD Winter Averaging process.

Respectively submitted,

Jacob Angelo

ATTACHMENT I

REFERENCE DOCUMENTS

(1) Amendment No. 1 to Agreement for Wholesale Water and Wastewater Service Between Lakeway Municipal Utility District and Travis County Municipal Utility District No. 11. , March 9, 2010.

(2) Memo, E&O Committee to Board of Directors (Lakeway MUD), **“1 st Amendment to Wholesale Contract with TCMUD #11**, March 16, 2010.

(3) Memo, Richard Eason to E&O Committee (Lakeway MUD), **“Rough Hollow, Winter Averaging and Service to the Highlands Sections 1&2**, March 16, 2010.