

E&O Minutes of Meeting held on March 8th, 2011

Present:--

Ike Herrick, Chairman

Frank Black, Member

Jacob Angelo, Member

Earl Foster, General Manager

Ramzi Deeb, Secretary

Absent:--

Don Walden, Member

Jerry Hietpas

Guest in attendance:--

None

Ike called the meeting to order at 1:30 P.M.

1. Joint Operating Agreement for B-4

Earl discussed the Joint Ownership Operating Agreement with Hurst creek MUD, Travis County District 11 and Rough Hollow South Community that pertains to the raw water barge recently purchased from LCRA. Earl explained several provisions that facilitate LMUD's operation, including a System Operating and Reserve Fund.

E&O Committee, acting as a sounding board for District, concurred with the agreement, and recognized the responsibility for the document lay within the legal departments of the above members.

2. Amendment #3 for Highlands agreement

Earl discussed Amendment #3 for Wholesale Water and Wastewater service between District 11 and LMUD. Earl pointed out that wastewater treatment capacity provided under this agreement will be measured in gallons and not LUE'S.

E&O Committee, again acting as a sounding board for the District, recognized the responsibility for this document lay within the legal departments of the above parties.

However, the committee reiterated our past experience with District 11 on achieving agreement on metered flow rates. The committee recommends an arbitration clause be included in this document, if there is not a strong arbitration clause, in the Original Agreement. Earl will determine presence or absence of arbitration clause in Original Agreement and so advise this committee by email.

3. Odor control update

Earl explained that significant progress had been made toward noise suppression by the blower company replacing sheaves and other minor adjustments. A muffler may be installed to finally eliminate all noise.

4. CIP update

Earl reported preliminary engineering plans are ongoing.

.Meeting adjourned at 2:05 P.M.

Minutes submitted by Ramzi Deeb