

Engineering and Operations Committee Meeting

Minutes

August 21, 2014

The meeting was convened by the Chairman at 1:35 P.M., Thursday, August 21, 2014, at the Lakeway Municipal Utility District's office located at 1097 Lohman's Crossing, Lakeway, Texas 78734-4459.

The following Engineering and Operations (E&O) Committee Members, General Manager (GM), and Board Liaison were in attendance:

Don Walden, *Chairman*,
Earl Foster, *General Manager, Lakeway M.U.D.*,
Bob Rives, *Committee Member (Secretary)*,
Jerry Hietpas, *Board Member and Board Liaison to Committee*,
Wayne Seime, *Committee Member*.

Member not in attendance:

Pat Rossmiller, *Committee Member*.

The meeting's agenda had been distributed to all committee members. The designated Agenda for the meeting was:

1. Pay Application of DN Tanks,
2. Permit Applications,
3. Ground-Water Well,
4. CIP Project Recap Sheet,
5. Next Meeting Date and Time.

Mr. Foster distributed a copy of the Contractor's payment application and began the meeting addressing agenda item one saying DN Tanks sent their third contractor's application and certificate for payment regarding work for the W-3, WTP's one-million gallon tank at the Clearwell sight. Foster said this was reviewed and approved by the Board and a check was issued for \$155,972.16. In an update Mr. Foster noted that the contractor will pour about 100 yards of flooring concrete early tomorrow morning and then begin work on the walls and ballast. The project, he said, is slightly behind schedule as a result of a material's error which has since been resolved; however, he said there shouldn't be any problems in catching up with the schedule.

The TCEQ "Notice of Receipt of Application and Intent to Obtain Water Quality Renewal Permit" was published in the local weekly newspaper, Lake Travis View, on Thursday, August

21, 2014. This will now be followed by a thirty day "comment period." The other Permit is still under review by TCEQ with no comments. Their review should be concluded soon with perhaps a notification by next week. This Permit, when approved, will have a ten year renewal period.

Aside, Mr. Foster mentioned that the Madrone Canyon Development item from the last meeting was approved by the Board thus allowing him to continue his discussions with the Madrone Canyon people concerning their interest in wastewater assistance.

Mr. Foster said that he had talked to Mr. Hank Smith of Texas Engineering Solutions and Joe Vickers, a hydrologist, in regards to drilling a ground-water well. Mr. Vickers is working with Texas Engineering Solutions on the West Cypress Hills operation's well site. Additionally, Earl Wood at Hurst Creek M.U.D. said they had just drilled a 4-inch well which is expected to yield 25 to 40-gpm of water. Cost for this well is estimated at about \$16,000 and cost to finish the well will be range from \$6,000 to \$8,000. They used Central Texas Drilling and the well's depth is about 750-feet deep. Mr. Foster said they will share information on the well when completed. He also handed out information regarding the rationale for drilling a pilot water-well for L.M.U.D., a memo about an artesian spring in Lakeway with a note on how it may affect our test well, and some other geological information sheets. Mr. Foster noted that since L.M.U.D. is a public company we will need a TCEQ permit to complete a well. He speculated that even with a test hole, we should have the permit in hand just in case we should decide to go ahead and complete the well for commercial use.

After some discussion the Committee determined that we will prepare a recommendation to the Board to drill the test well. Because of budget necessities and present ongoing work it was decided to delay the presentation until the October board meeting. The recommendation will be presented along with an executive summary of why, when, where, how, and how much. There will also be a report on the rationale and technical requirements of the well along with a slide presentation. The committee members were reminded that we have 4,100 customers and a population of 9,900 who are interested in the outcome. Mr. Foster said he will arrange a meeting with Joe Vickers to discuss the well parameters and to obtain more information. The committee wanted to know if L.M.U.D. could obtain a water sample of the artesian spring located on the H.E.B. development property and have it chemically analyzed. Mr. Foster said he would check into it.

The next item on the Agenda was a review of L.M.U.D.'s 2008-2017 CIP Project List for Bond Financing. A line-by-line accounting of each item was reviewed within Section A, B, and C, of the CIP by the committee. In section "A" the *W-3 Sludge Collector Mechanism* was taken out as was the money amount of \$317,991. Additionally, the *S-5 Fine Bubble Diffuser/Blower* was struck out along with \$341,509. That resulted in a new subtotal for Section "A" at \$4,983,883. The reason for the elimination of those items was that conditions/necessities changed such that they were no longer required or compulsory projects.

In Section "B" two items were deleted from the list: the *Reuse Water System Improvements* and the *S-4 Fine Screen/Washer/Compactor*. The balance of these monies were re-allocated to Section "C" leaving a subtotal of \$5,487,900 in Section "B." Furthermore, in Section "C" the *Back-up Power Supply* was dropped because the expected governmental

regulation was never passed and, therefore, not required of L.M.U.D. It is rather obvious that if emergency power were needed a leased generator would suffice and such would be readily available in a timely manner. An emergency stand-by generator is simply not needed and as a result the item was dropped. The monies for this item were taken out as no bonds were ever sold for this item. The *W-3 Solids Contact Clarifier Replacement* is an item that is not needed at this time but it is one of those contingent items where replacement need could happen down the road. During this time it has been held in abeyance because it is a seasonal requirement. Routine maintenance is always available but if "hell freezes over" we might have to replace it and for that reason it is still itemized. In Section "C" a ground water test well (wells) will be added to that section. That costs has yet to be established. The total estimated budget for construction and engineering cost will be revised by Mr. Foster and resubmitted to the committee. There were also conversations as to how the non-required items should be handled on the future list and how to present it to the Board. Some just wanted the unessential items completely removed from the list and the other view was to have the list expanded in scope to still show old items that were no longer germane as well as the newer updated requirements.

The next meeting was scheduled for 1:30 PM, September 18, 2014. After reviewing all items on the Agenda the meeting was adjourned by the Chairman at 3:30 PM.

The minutes have been read and approved by e-mail:

These minutes approved this 25 day of August, 2014.

Yeas 4 , Nays 0 , Abstain 0 .

Robert Rives, Secretary, E&O Committee, Lakeway MUD