

Engineering and Operations Committee Meeting

Minutes

January 12, 2018

REVISED

The minutes have been revised. See paragraph below regarding Walker Partners.

The E&O committee meeting convened on Friday, January 12, 2018, at the office of the Lakeway MUD, Lohman's Crossing.

The following were in attendance:

Earl Foster	Lakeway MUD General Manager
Jerry Hietpas	MUD Board member and committee liaison
Phil Lanier	Chairperson
Wayne Seime	Vice Chairperson
John Sayre	Committee member

Not in attendance:

Beverly Carter

The itinerary, previously sent to committee members and Mr. Hietpas, is listed below:

1. Accept Robert Rives resignation
2. Appoint new Secretary
3. Approve new member Paula Crawley
4. Discuss Out of District Pilot Project
5. Review Out of District WW Project
6. Discuss Engineering Fees for Chemical Feed on Raw Water Intake

Mr. Lanier called the meeting to order and Mr. Foster addressed the itinerary as follows:

Mr. Rives resigned from the committee, as he is moving to an area out of district and also will not be a MUD customer. The fact that he will not be a MUD customer precludes him from sitting on the committee. In his resignation, he stated that he was still interested in remaining on the committee. In light of his experience and very positive contributions to the committee, it was moved and approved for Mr. Foster to

approach the MUD Board to approve a waiver of the eligibility rules for Mr. Rives for a term of one year. After one year, Mr. Rives's status would be reviewed on a year by year basis.

No new Secretary was appointed.

Mr. Foster will, after obtaining biographical information on Ms. Crawley, seek approval from the MUD Board for her to become a new committee member.

It came to Mr. Foster's attention that the septic tank at the residence of 119 Lakeway Dr. had failed. The owners of 119 Lakeway expressed interest in connecting to the MUD waste water system. This presented a unique opportunity to initiate a pilot project that would provide valuable data for the future, much larger out of district waste water project. Moreover, if MUD does not connect this location and the owners decide to install a new septic tank, MUD will lose that potential customer for the foreseeable future.

This pilot project involves installing a 3" line to accommodate the residence from the end of Lakeway Drive, #109 to all residences to and include #120 Lakeway Drive, with #119 falling in the middle of that line. This line then provides the opportunity to add a total of nine homes to the MUD system. This project becomes a microcosm for the larger project that will total approximately 1,000 homes defined as out of district.

The cost for this project is as follows:

Line installation and grinder pump for #119	\$ 37,000
Cost of grinder pumps, 8 remaining homes @ \$15,500 ea.	124,000
Total cost to MUD, over time	162,000
This will be financed with a 25 year bond	
Est. cost for all nine homes, retiring 25 year bond	\$60/month

Revenue for MUD:	Resident pays monthly fee,	
	Service fee	\$14
	Grinder pump service fee	5
	Approx. water usage	20
	Sub Total	\$39 or \$11,700 over 25 yrs.
	Resident cost, retire debt	\$60 or \$18,000 life of bond
	Tot. resident mon. cost	\$99 or \$29,700 over 25 yrs.

It is understood that it is unlikely for all nine homes to connect to MUD initially, but Mr. Foster stated that residences #109 and #111 were interested in hooking up.

For each additional connection, the cost to MUD will be only the cost of the grinder pump, estimated at \$15,500 each, as the line will already have been installed.

The committee moved and approved its agreement with this project.

Out of District Waste Water Project: Mr Foster will notify all OD homeowners with an introductory letter that explains the reasoning for the project. In addition, there will be meetings on Jan. 23rd and Feb 8th at which time homeowners will be given the opportunity to hookup to MUD now, or at some later date. A minimum of 50% of designated homes will be needed to move forward with the project and the deadline for commitments will be March 1st.

Mr. Foster presented a proposal from Walker Partners for the Zebra Mussel control project. The not to exceed cost of \$61,000, for engineering costs only, seems very high (other work on the project will be done in house). Mr. Foster stated that he had searched for competitive bids in this area and the Dallas area, finding none. Walker Partners is performing this same type of service for Cedar Park and Leander. They appear to have a corner, if not a monopoly, on the market. It appears there is no other alternative bidder and time is a factor, as it is important to begin chemical treatment before the mussels create pipeline restrictions and resulting water flow problems. Mr. Foster stated he would monitor the work closely and attempt to keep the total cost lower than \$61,000. The committee moved and agreed that the work with Walker Partners is needed and should proceed.

The next meeting was scheduled for Feb. 15 at 1:30pm. There being no further business, Mr. Lanier adjourned the meeting.

The minutes have been read and approved by email.

Phillip Lanier, Chairman