

NOTICE OF MEETING

Notice is hereby given that the **Board of Directors** of the Lakeway Municipal Utility District will meet in **Regular** monthly session, open to the public, on **Wednesday, November 9, 2011**, at **9:30 a.m.** at the District Office, 1097 Lohmans Crossing, Lakeway, Texas, with the following agenda. The Board may act on any or all of the items listed below.

QUORUM

1. Determine Quorum and Call to Order.
2. Pledge of Allegiance.

CITIZENS

3. Citizens Requesting to Appear Before the Board – non agenda items.

This is an opportunity for citizens to address the Board concerning an issue pertaining to the District that is not on the agenda. A completed Request to Address the Board form must be submitted to the Presiding Officer before the meeting begins. The Presiding Officer may place a time limit on all comments from citizens. Response by the Board to any comments under this heading is limited to making a statement of specific factual information or reciting existing policy related to the issue. Any deliberation by the Board on the matter is limited to a proposal to place it on the agenda of a future Board Meeting.

Comments on agenda items must be made during Citizens Participation when the agenda item comes before the Board.

AGENDA ITEMS

4. Consider Code of Ethics Policy.
 - Report from APC Committee.
 - Citizen Participation.
 - Board discussion/action.
5. Consider Order Adopting Meeting Rules and Order of Business.
 - Report from President.
 - Citizen Participation.
 - Board discussion/action.
6. Consider Order Amending Plumbing Code re: Grease Traps.
 - Report from E&O Committee.
 - Citizen Participation.
 - Board discussion/action.

CONSENT AGENDA – The following consent items may be approved by one Board vote. Any Director may pull consent items from the consent agenda for discussion.


7. Approve Minutes of Regular Meeting of October 12, 2011.
8. Approve Minutes of Special Meeting of October 26, 2011.
9. Approve Continuation of Coverage Administrative Agreement with TML.

10. GENERAL MANAGER'S REPORT:

- A. Water facilities including barges, pipelines, treatment plants and distribution systems.
- B. Wastewater facilities including collection systems, pipelines, treatment plants, holding ponds, and irrigation systems.
- C. Capital Improvements Plan.
- D. Administration.
 - i. Monthly Financial Report for September 2011 (pre-audit).
 - ii. Cash Disbursements Journal for October 2011.
 - iii. Calendar
- E. Engineering.

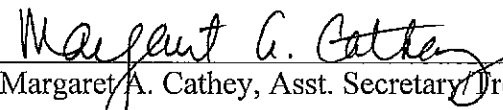
The Board of Directors is authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code, to convene in closed or executive session for certain purposes, including receiving legal advice from the District's attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073), discussing personnel matters (Section 551.074) and discussing security personnel or devices (Section 551.076). If the Board of Directors determines to go into executive session to discuss any item on this agenda, the presiding officer will announce that an executive session will be held and will identify the item to be discussed and the provision of the Open Meetings Act that authorizes the closed or executive session.

ADJOURNMENT



Karl Ansbach, President
Board of Directors
11/4/11

I, Margaret A. Cathey, Asst. Secretary/Treasurer of the Lakeway Municipal Utility District, do hereby certify that this Notice of Meeting was posted on the bulletin board at the District's Offices, 1097 Lohmans Crossing, Lakeway, TX 78734-4459, a place readily accessible to the general public at all times, on the 4 day of November, 2011, at 11:35am, and remained so posted for at least 72 continuous hours preceding the scheduled time of said meeting.



Margaret A. Cathey, Asst. Secretary/Treasurer

The Lakeway Municipal Utility District is committed to compliance with the Americans Disability Act. Reasonable modifications and equal access to communications will be made provided sufficient notification is given.

LAKEWAY MUNICIPAL UTILITY DISTRICT
BOARD OF DIRECTORS AND COMMITTEE MEMBERS
CODE OF ETHICS POLICY

ARTICLE I
DEFINITIONS

1.01 Board. “Board” means the Board of Directors of the District.

1.02 Business Entity. “Business Entity” means a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, trust or any other entity recognized by law through which business is conducted.

1.03 Committee Member. “Committee Member” means a person appointed to serve on any Committee of the District.

1.04 Director. “Director” means a person elected or appointed to serve on the Board of Directors of the District.

1.05 District. “District” means Lakeway Municipal Utility District.

~~1.06 Employee. “Employee” means a person or Business Entity employed by the District.~~

1.076 Officer. “Officer” means an elected or appointed officer of the District.

1.079 Water Code. “Water Code” means the Texas Water Code, as amended from time to time.

ARTICLE II
CODE OF ETHICS

2.01 Subject Matter. This Code of Ethics, (this “Policy” or “Code of Ethics”) is adopted under Section 49.199 of the Water Code. The subject matter of this Policy is addressed by other statutes of the State of Texas, including those governing public meetings, public records, audits, financial management, disqualifications of board members, conflicts of interest, self-dealing and illegal and corrupt practices. This Policy is not intended to supersede or summarize other provisions of applicable law.

2.02 Statement of Policy; Purpose of Code.

A. It is the policy of the District that all District Directors, Officers, and Committee Members ~~and Employees~~ conduct themselves, both inside and outside District service, so as to give no occasion for mistrust of their integrity, impartially or devotion to the best interests of the District in the public trust which it holds.

B. This Code of Ethics has been adopted to establish guidelines for high ethical standards in official conduct by District Directors and Committee Members, and to provide guidance to District Directors and Committee Members in order to install a high level of public

confidence in the Board's and Committee's professionalism, integrity and commitment to the public interest. Further, this Code of Ethics will serve as a basis for disciplining those who refuse to abide by the terms of this Policy.

2.03 Standards of Conduct

A. All Directors and Committee Members will conduct themselves with decorum, both at public meetings and in other settings in which he or she may be viewed by the public as acting in an official capacity. All District Directors, and Committee Members ~~and Employees~~ will treat each other, and any member of the public appearing at any meeting of the Board, with proper courtesy and respect.

B. No Director, Officer, or Committee Member ~~or Employee~~ may disclose any confidential information, including information gained during any executive session of the Board, without the consent of the Board.

C. No Director or Committee Member may engage in any conduct prejudicial to the District or that reflects discredit upon the Board.

D. All Directors and Committee Members must use care in taking any public position on any issue pertaining to the business of the District to distinguish between their individual opinions and the official position of the Board.

2.04 Conflicts of Interest

A. No Director, Officer, or Committee Member ~~or Employee~~ may transact any business in his or her official capacity with any person or Business Entity with whom or in which he or she has any interest, whether direct or indirect, ~~without the prior approval of the Board, after disclosure and discussion at a posted Board meeting~~. The District may not transact any business with any Business Entity in which a District Director or Committee Member has any interest, whether direct or indirect, ~~without the prior approval of the Board, after proper disclosure and discussion at a posted Board meeting~~.

B. No Director, Officer, or Committee Member ~~or Employee~~ may represent, directly or indirectly himself or any private person, Business Entity, group or interest other than the District before the Board, except in matters of purely public concern relative to the District and when doing so without compensation or remuneration.

C. If any Director or Committee Member has a personal pecuniary interest, direct or indirect, in any decision pending before the Board, that Director or Committee Member may not discuss or otherwise participate in the consideration of the matter, or vote on the matter, but must disclose the nature and extent of his or her interest in writing prior to any determination of the matter, and abstain from any vote thereon. This paragraph does not apply to any decision made by the Board affecting the District's tax rate, or other fees, charges and rates of the District.

2.05 Attendance. All Directors and Officers must consistently attend all meetings of the Board, including all regularly scheduled work sessions. As provided in Section 49.052 of the Water Code, any Director who misses one-half or more of the regular meetings of the Board scheduled within a 12-month period may be removed by the unanimous vote of the other Directors.

2.06 A Director, Officer or Committee Member abuses their office if they misuse information that they have received ahead of the public because of their official capacity. Misuse includes reliance on that information to speculate or acquire an economic advantage for themselves or another.

ARTICLE III
COMPLAINTS AND PROCEDURES FOR VIOLATIONS

3.01 Complaints. All complaints or allegations of violations of the Code of Ethics must be made in writing, sworn to before a notary public and filed with the District's attorney. A complaint must describe in detail the act that is complained of, and the specific sections of this Code alleged to have been violated. A general complaint, lacking detail, will not be sufficient to invoke the procedures in this section, and, anonymous complaints will not be considered.

3.02. Initial Determination. Within thirty (30) calendar days of receipt of a complaint, the District's attorney will determine if the facts of the complaint, if true, would constitute a violation of this Code. If the District's attorney determines that the complaint does not contain facts that constitute a violation, the District's attorney will so advise the Board at its next regular meeting.

3.03 Report to the Board. If the District's attorney determines that the complaint contains facts that, if true, would constitute a violation, the District's attorney will present a report to the Board. A majority of the members of the Board not implicated by the complaint will determine whether the complaint should be considered or rejected.

3.04 Consideration by the Board. To consider a complaint, the Board may convene in executive session as permitted by the Texas Open Meetings Act. The Board member implicated by the complaint will have the right to a full and complete hearing with their attorney present, with the right to ~~call witnesses and~~ present evidence. Any final action, decision or vote will be made in open meeting.

3.05 Reprimand. The failure of a director to comply with the provisions of the Code will constitute grounds for disciplinary action, which may include but not necessarily be limited to reprimand, and if allowed by Texas Water Code 49.052~~law~~, removal, as deemed appropriate by the other members of the Board.

ADOPTED this 12th day of October, 2011.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

**LAKEWAY MUNICIPAL UTILITY DISTRICT
AN ORDER ADOPTING BOARD OF DIRECTORS MEETING
RULES AND ORDER OF BUSINESS**

Pursuant to the Texas Water Code, the Board of Directors may, by Order, determine its meeting rules and order of business, in conformity with the Code and the laws of the State of Texas.

ARTICLE I. TYPES OF MEETINGS

Regular Board Meetings are normally held on the second Wednesday of every month in the District Office, at a time determined by the Board. The date, location and time may be changed by vote of the Board of Directors. Meeting locations must be approved by Resolution of the District and the Texas Commission on Environmental Quality (TCEQ) must be notified of any permanent change in location.

Other types of Meetings (described below) may be called by the President of the Board or the General Manager.

Emergency Meetings may be called when authorized by Section 551.045 of the Texas Government Code. Such Emergency Meetings are authorized only if immediate action is required by the Board because of: (1) an imminent threat to public health and safety; or (2) a reasonably unforeseeable situation. The emergency or urgent public necessity shall be clearly identified, and public notice of the Emergency Meeting must be posted at least two (2) hours before the meeting is scheduled to begin.

Special Board Meetings may be called at any time with seventy-two (72) hours notice to conduct District business as may be required between Regular monthly meetings.

Work Session Meetings may be called to explore one or more matters in detail and give direction to staff, usually without taking final action. Occasionally, public hearings may be held in conjunction with work session meetings for the convenience of the public.

Public Hearings may be called with notice as required by State Law. A public hearing is held to allow citizens to learn about, and to comment on, a specific matter under consideration by the District. Normally, no action will be taken during a public hearing, but public hearings may be held during regular or special meetings and action may be taken following the public hearing.

ARTICLE II. QUORUM

Three members of the Board of Directors constitute a quorum. **Three of the five District Directors** must be present in order to conduct a Board meeting.

ARTICLE III. AGENDA

The Agenda will be prepared by the District's Assistant Secretary/Treasurer to the Board of Directors and the General Manager and approved by the President of the Board of Directors. Any Board member may place an item on the agenda.

The agenda for a Regular Meeting will include the following:

- Determination of Quorum and Call to Order.
- Pledge of Allegiance.
- Citizens Participation – Topics Not on the Agenda. Citizens may address the Board on any topic that is not on the agenda. The Board's response to an item raised during Citizen Comment that is not on the meeting agenda, is limited by Section 551.042 of the Texas Government Code to: (1) a statement of specific factual information given in response to the inquiry; or (2) a recitation of existing policy in response to the inquiry. Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.
- Each Matter or Policy that the General Manager, District staff, or Committee wish to have the Board consider. Each of these agenda items shall be specified and provision made for citizen comment when there is public interest.
- Consent Items may include:
 - Approval of Minutes of previous meeting(s), if available.
 - Approval of Cash Disbursement Journal.
 - Consent items may be approved by one Board vote. However, any Director may pull an item from the consent agenda for a question or a separate discussion and vote.
- Report of General Manager and Staff, including Financial Report.
- Report of Committees.

The Agenda for all meetings shall be posted by the Assistant Secretary/Treasurer of the Board of Directors or his/her designee in accordance with ~~Texas law~~ Tex. Gov. Code §§ 551.043 and 551.054, which provide that the notice of a meeting of a governmental body must be posted in a place readily accessible to the general public at all times for at least 72 hours before the scheduled time of the meeting (except as provided by Tex. Gov. Code § 551.045 pertaining to emergency meetings), and that notice must be (1) posted at a place convenient to the public in the administrative office of the district; and (2) provided to Travis County Clerk for posting on a bulletin board at a place convenient to the public in the county courthouse. The Agenda must be posted at a place convenient to the public in the administrative office of the District

~~and filed with the Travis County Clerk who shall post the notice on a bulletin board at a place convenient to the public in the county courthouse.~~

The Assistant Secretary/Treasurer will assume responsibility for issuing to news organizations, neighboring Governmental entities, and other interested parties through request, a copy of the agenda for all Board meetings for which posting is required.

ARTICLE IV. DUTIES OF PRESIDING OFFICER

The President (or in the President's absence, the Vice President) shall preside over all Board meetings. In the absence of both the President and the VP, the Secretary shall preside.

The Presiding Officer shall preserve order and decorum, and is authorized to enforce compliance with the rules contained herein. The Presiding Officer shall require Directors, staff and citizens to limit discussion to the matter under consideration and as posted on the agenda.

The General Manager and Assistant Secretary/Treasurer, or their designee, shall be present at all posted Board meetings, except when excluded by the Board for an Executive Session.

The Presiding Officer's decision on a procedural matter can be overruled by a majority vote. The motion to overrule may be made at any time and must be seconded. The person making the motion may make a brief statement and the Presiding Officer may explain his/her position, but no other Director may speak on the motion. The Presiding Officer will then put the ruling to a vote of the Board.

Any or all of the provisions of this procedure may be suspended temporarily by a majority vote, except such portions that embody provisions of the Texas Water Code or State Law.

ARTICLE V. INTRODUCTION & VOTING ON AGENDA ITEMS

The Presiding Officer must introduce every item on the agenda. He or she may change the order of the agenda. The Board may elect not to take action on any agenda item. The Board may not take action on any matter not included on the agenda.

Any agenda item before the Board may be decided only by a motion, a second, and a favorable vote by three (3) or more members of the Board present and voting.

Motions shall be "positive" not "negative".

The Board may agree to limit discussion on any business before it. That agreement must be formalized by a vote of a majority of the Board.

The Presiding Officer, the General Manager, the Assistant Secretary/Treasurer, or the sponsoring Director will present a clear statement of the matter to be considered. After citizen input, the Board will discuss the item and may take action.

All Directors are required to vote on all matters except when a conflict of interest exists. In such case, the abstaining Director must clearly state the reason for the conflict. When the Presiding Officer is satisfied that each Director has had reasonable opportunity to discuss the motion, he or she will call for a vote. Debate will cease and the vote taken.

Factual information on subjects not on the agenda may be presented in response to inquiries made by a Board member, citizen, or the staff. Deliberation on such subjects is limited to placing a subject on the agenda for a subsequent posted meeting.

ARTICLE VI. PARLIAMENTARY PROCEDURE

In Regular, Emergency, and Special meetings these rules will govern. Where the rules are silent, the Presiding Officer is authorized to determine reasonable rules or procedures. The Presiding Officer will rely on Robert's Rules of Order, as appropriate, unless they are in conflict with the Texas Water Code or State Statutes.

A new main motion may not be brought up for consideration while another main motion is being debated. Each main motion must be disposed of before another is made.

During the debate on a main motion, ~~secondary~~ subsidiary motions may be proposed. Following are ~~secondary~~ subsidiary motions, listed in the order of their rank:

1. **Motion to table the Main motion** - i.e., lay it aside and go on to the next item on the agenda.
2. **Motion to request that discussion cease** and that the main motion be voted on - i.e., moving the previous question.
3. **Motion to limit discussion** to a fixed amount of time.
4. **Motion to postpone action** on the proposal until some **definite time** in the future.
5. **Motion to refer the proposal to a committee.**
6. **Motion to amend** the main motion.
7. **Motion to postpone action** on the proposal to an **indefinite future time.**
8. ~~Motion to suspend the Rules.~~ ~~Motion not debatable and must be voted on if seconded.~~ ~~Motion requires a vote of two-thirds (2/3) of the Directors present; four-fifths (4/5) if all Directors present.~~ [COMMENT: This is not listed in most recent version of Robert's Rules as a Subsidiary Motion.]

Privileged motions may be made at any time, take precedence over all other discussions, and are not debatable. Following are the privileged motions, listed in order of rank:

1. Motion to set the date, time and place of the next meeting.
2. ~~Motion to fix the time of adjournment.~~ [COMMENT: This is the same as #1, above.]
3. ~~2.~~ Motion to adjourn.
4. ~~3.~~ Motion to recess.
5. ~~4.~~ Motions on questions of privilege.
6. ~~5.~~ Motion to keep the meeting to the agreed order of business.

ARTICLE VII. CITIZEN PARTICIPATION

As previously indicated, citizens shall have the opportunity to address the Board at all Regular and Special Board meetings and during public hearings. Citizens must complete a "Request to Address the Board" form and hand it to the Presiding Officer preferably before the meeting starts but in any event before the time for Citizen Participation is closed for that agenda item. Citizens wishing to address the Board shall speak from the podium and shall identify themselves by name and address and indicate whether they are a District customer (In or Out-of-District).

Initial presentations by citizens during the agenda item "Citizens Participation – Topics Not on the Agenda" shall be limited to five minutes, unless the Presiding Officer allows additional time.

For all other agenda items, the order of process shall be as follows:

- Briefing by item sponsor (e.g, General Manager, Committee Chair, sponsoring Director)
- Citizen Comment
- Board Discussion and Action

During the Citizen Comment period on regular agenda items, the Presiding Officer will call upon those citizens who have filled out a "Request to Address the Board" form and invite them to address the Board. When the first citizen has been recognized, others will hold their comments until they are recognized by the Presiding Officer and have the floor. The Presiding Officer may limit the duration and number of times a citizen may speak. Generally, such duration should not exceed three (3) minutes without permission from the Presiding Officer.

Members of the public attending Board meetings shall observe rules of propriety, decorum and good conduct. The Presiding Officer is authorized to remove from the Board meeting room and to bar from attending the remainder of the Board meeting any person who does not adhere to these meeting rules. In case the Presiding Officer shall fail to act, any member of the Board may move to require the enforcement of the rules, and the affirmative vote of the majority of the Board shall require the Presiding Officer to act.

ARTICLE VIII. EXECUTIVE SESSIONS

A meeting may be closed to the public under certain limited circumstances. Generally, these circumstances include certain contract negotiations, consultations with the Board's attorney about litigation, and consideration of personnel matters, real property transactions and security deployment. When a closed or executive session is held, the following obligations must be met.

1. The Board must first convene in open session.
2. The Presiding Officer must announce that an Executive Session is to be held and identify the Section of the Open Meetings Law that authorizes the Executive Session. For example, the Presiding Officer states, "The Board of Directors will now meet in Executive Session pursuant to Texas Government Code, Section 551.071 for Consultation with Attorney."
3. No action may be taken during an Executive Session.
4. At the conclusion of an Executive Session, the Board must reconvene in open session. **The Board must be in open session before taking any final action, decision, or vote on matters considered in an Executive Session.**
5. Information provided and discussed in Executive Sessions is confidential. No person attending Executive Session shall disclose any confidential information provided or discussed during Executive Session without the consent of the Board.

The governmental body must keep a "Certified Agenda" of the proceeding, which must include the announcement made by the Presiding Officer at the beginning and end of the meeting, including the date, time, and the subject matter of the deliberations in Executive Session.

ARTICLE IX. EFFECTIVE DATE. This Board Order supersedes and replaces prior Board orders pertaining to Board of Directors Meeting Rules and Order of Business.

PASSED, APPROVED and effective this the ~~12th~~ day of ~~October~~, 2011 _____ day of _____, 2011.

ATTEST:

Secretary, Board of Directors

President, Board of Directors

[SEAL]

ORDER AMENDING DISTRICT'S PLUMBING CODE, PROVIDING FOR INSPECTIONS
AND CERTIFICATION OF COMPLIANCE THEREWITH, AND PRESCRIBING
PENALTIES FOR VIOLATION THEREOF:

I. The District's Plumbing Code of December 19, 1990, amended September 15, 1993, January 11, 1995, April 12, 1995, July 12, 1995, December 13, 1995, October 9, 1996, February 12, 1997, December 10, 1997, November 10, 1999, January 12, 2000, February 9, 2000, March 8, 2000, June 13, 2001, November 14, 2001, August 14, 2002, November 13, 2002, December 11, 2002, February 12, 2003, April 16, 2003, August 13, 2003, February 11, 2004, March 10, 2004, October 11, 2006, April 18, 2007, August 19, 2009, ~~and~~ November 18, 2009 and November 9, 2011 is hereby amended to read as follows:

A. The Uniform Plumbing Code of 2009 with Appendix and Installations Standards, published by the International Association of Plumbers and Mechanical Officials hereafter referred to as the "Uniform Plumbing Code" or UPC" or "Plumbing Code" and cited as such and the Uniform Plumbing Code Amendments, 2009 Edition is adopted. A copy of which is on file in the District's office. The deletions, changes, additions hereinafter set forth are established to provide minimum and uniform standards to safeguard life, health, property and public welfare by regulating and controlling the design, construction, quality of materials and workmanship of all structures to be served with water and/or wastewater service by the Lakeway Municipal Utility District and identify certain equipment specifically regulated in this Code.

B. The following listed sections of the Uniform Plumbing Code are hereby *amended*:

1. Chapter 1 - Administration: - Schedule of Fees - "Shall be those schedules of fees as adopted by the Board of Directors and attached hereto as Exhibit A. Fees shall be payable in advance and are non-refundable. Additional fees for extra inspections are payable directly to the inspection firm and must be paid prior to approval of final inspection."

2. Chapter 1 - Administration: - Board of Appeals - "The Board of Directors shall act in this capacity."

3. Chapter 7 - Drainage System: - Section 707 - Cleanouts - "To include the installation of a cleanout at the property or easement line where yard line connects to District's collection system, as well as adjacent to the house or structure.

C. The following listed sections or part thereof of the Uniform Plumbing Code are hereby *deleted* or *altered*:

1. Chapter 6 - Section 603.0 shall delete references to approved vacuum breaker devices. The District requires a double check valve at the point of initiation of delivery of water to the sprinkler system. It shall be installed so it is covered and protected from damage. No piping or sprinkler heads may be installed within 7' of the hard surface of the street.

Where irrigation systems are installed above or within ten (10) feet of a septic tank, leach field, evaporation field or other on-site treatment system discharge, the irrigation system shall be isolated using a reduced pressure zone type backflow preventer. The device shall be properly installed, accessible for maintenance and tested annually at the customer's expense.

2. Appendix D - Rainwater System: - No connection or discharge from a rainwater system will be permitted to connect to the wastewater system.

3. Chapter 3 - Section 313.0, Protection of Piping, Materials and Structures (a) is supplemented as follows:

a. All cold water lines shall be insulated when in an outside wall, an attic, or any area not heated.

b. All hot water lines shall be insulated between the heater and the fixtures.

4. Chapter 6 - Section 605.0 - The definition of valves shall be expanded to denote that customer cut-off valves on their side of the meter shall be a brass-bodied ball valve. These shall be installed in their own valve box for protection.

5. Appendix K - Private Wastewater Disposal Systems: Approval must be by the appropriate agency (LCRA) and is not adopted by or enforced by the District as a part of this code. The District enforces interior plumbing installations.

6. Chapter 8 - Section 807.0 shall delete any reference allowing appliance condensate waste, or hot water heaters, to discharge into the District's wastewater system.

7. Air-conditioning primary and secondary condensate drains shall not discharge to the District's wastewater collection system. The primary condensate drain shall discharge to the yard, away from the house foundation and the secondary shall discharge above a sink if practical or to another location such as a porch or walkway that is likely to be observed by the owner.

D. Lead is totally banned from the District's water and wastewater system. This includes pipe, fixtures, and welding materials.

E. All structures shall have plumbing installed so that each dwelling unit or business enterprise will have a separate water meter.

F. A District approved grease interceptor will be installed for all commercial kitchens. Exhibit F outlines the guidelines for grease interceptors. Initially, it will be cleaned on a bi-monthly schedule with District personnel present. This schedule will remain in effect until the District determines if the cleaning frequency must change. The customer is responsible for costs associated with the grease interceptor cleaning. If the District does not receive the

grease interceptor cleaning receipt, it may, at the customer's expense, cause the grease trap to be cleaned.

G. MANAGEMENT STRUCTURE FOR GRINDER PUMP SYSTEMS

Plumbing Code Section G, Management Structure for Grinder Pump Systems, and Exhibit E, Residential Grinder Pump Guidelines, shall apply to all new and retrofit installations. Where portions of a structure are served by gravity wastewater collection system, all the way to the District's tap at the main, grinder service lines may not connect to the gravity service line. All grinder customer service lines shall discharge either to the District's gravity wastewater collection main or to the District's pressure collection system. The customer will be responsible for all costs associated with the connection

All customers requesting or having a grinder pump-pressure service line to the Districts wastewater collection system shall sign the following Addendum to Service Contract:

ADDENDUM TO SERVICE CONTRACT

This Addendum to Service Contract (the "Addendum") is entered into by the District and Customer because Customer has, or intends to have, a grinder pump system to deliver Customer's wastewater to the District's collection system. This Addendum is a legally binding contract, based on the District's agreement to provide the service in consideration for Customer's agreement to be bound by the terms set forth herein, as follows:

1. Customer has, or intends to have, a collection tank, grinder pump and pressure service line (the "Grinder Pump System") to deliver the Customer's wastewater to the District's wastewater collection system.

2. [This paragraph only applies to new systems.] Existing pump tanks that are to be used as part of the Grinder Pump System must be cleaned, inspected, repaired, modified or replaced if necessary, to minimize inflow and infiltration into the collection system prior to connection. Septic tanks may not be used as part of the grinder system.

3. [This paragraph only applies to new systems.] The design of the Grinder Pump System shall be submitted to the District for approval before the commencement of construction. The Customer shall pay a design review fee at the time of submittal.

4. [This paragraph only applies to new systems.] The Grinder Pump System shall be installed by Customer's plumber at Customer's expense. The District must approve the installation of the Grinder Pump System after construction to ensure the installation was as specified. No service will be provided until the District has approved the installation. Customer shall pay an inspection fee. In the event an additional inspection is required, an additional fee shall be charged. These fees are shown in Exhibit A of the Plumbing Code.

5. The District has primary responsibility to ensure adequate operation and maintenance of the Grinder Pump System. The District's responsibility starts at the connection

point where the residence laterals enter the Grinder Pump System. Customer shall operate, maintain and pay for the operation and maintenance of the Grinder Pump System to where it joins the District's wastewater collection line in the street right-of-way or easement. If Customer does not fulfill this contractual obligation, the District shall assume that obligation and shall make the necessary maintenance, repairs and improvements to assure that the waters of the State and public health are protected from possible discharge of wastewater. Any expense related to the District's cost to operate or repair the Grinder Pump System shall be billed to Customer in the next monthly bill.

6. The District has authority to stop any discharges from any Grinder Pump System in order to prevent contamination of State waters.

7. The District has submitted a maintenance schedule to the Executive Director (the receipt of which is herewith acknowledged) which outlines routine service inspections and maintenance for Grinder Pump Systems. This maintenance schedule shall be followed.

8. Grinder Pump Systems shall be regarded as integral components of the District's system and not as a part of the residence plumbing.

9. Provision to ensure collection system integrity during a power outage (two-year event) shall be incorporated into the design of the Grinder Pump System as required by the District's guidelines.

II. A plumbing permit is required for all plumbing installations. This includes, but is not limited to, new construction, remodeling, sprinkler systems, and swimming pools. The Application for Plumbing Permit and Application for Service are available at the District Office. All permits must be completed, approved and a permit issued before construction begins. The Plumbing Permit must be displayed at all times. Permits are valid for a period of one (1) year. If a permit expires without the work being completed, any unused inspection fees will be forfeited, and the permitting process must be started over.

III. The District shall charge a minimum inspection fee, which shall be payable in advance and is non-refundable, and such additional fees as may be applicable for inspections exceeding the minimum, which fees shall be paid in full prior to approval for the final inspection. The fees are delineated in Exhibit A.

IV. The General Manager shall designate the Chief Plumbing Inspector for the District who shall hold a valid plumbing inspector's license issued by the State Board of Plumbing Examiners. The Chief Plumbing Inspector may appoint Assistant Plumbing Inspectors, who may or may not be employees of the District.

Exhibit B is a Summary of current District requirements for each installation. Items not covered in this or other attached Exhibits are regulated by the Uniform Plumbing Code.

Exhibit C establishes specific Conservation requirements for facilities constructed in the District and/or those units served outside the District.

Exhibit D establishes specific Bedding, Tie-in, Existing Wastewater Connection Points and Service Line, Safety, Accessibility and Penalty requirements for facilities constructed in the District and/or those units served outside the District.

Exhibit E establishes guidelines for pressure wastewater collection system and grinder pumps.

V. Any person, firm or corporation who shall violate any provisions of this Order, or fail to comply with any of the requirements hereof, shall be liable to having water and/or wastewater service refused or terminated and a fine of not more than \$200 per day, per violation.

VI. This order shall be effective immediately upon its adoption except for specific differences that are noted in each Exhibit. This specifically supersedes previous Orders addressing the District's plumbing code and single meter policy as well as any other Orders in conflict herewith, all of which are hereby repealed to the extent of such conflict.

PASSED AND APPROVED this the 9th day of ~~May~~ November, 2011.

ATTEST:

President, Board of Directors

Secretary, Board of Directors
[SEAL]

EXHIBIT A

LAKEWAY MUNICIPAL UTILITY DISTRICT
PLUMBING FEES
EFFECTIVE SEPTEMBER 23, 2009

WATER/WASTEWATER		
Minimum ten (10) inspections		\$550.00
Each additional inspection over ten (10)		\$55.00
SPRINKLER SYSTEM		
Minimum two (2) S/S inspections		\$110.00
Each additional S/S inspection over two (2)		\$55.00
SWIMMING POOL		
Minimum two (2) inspections		\$110.00
Each additional inspection over two (2)		\$55.00
REMODELS		
Minimum three (3) inspections		\$165.00
Each additional inspection over three (3)		\$55.00
PROPANE GAS & WATER HEATER REPLACEMENT		
Minimum one (1) inspection		\$55.00
Each additional inspection		\$55.00
BACKFLOW PREVENTER RETESTING		
Annual inspection (1)	Actual cost by subcontractor	
GRINDER PUMP		
Design review		\$100.00
Plumbing/mechanical inspection		\$55.00
Electrical inspection		\$55.00
Start-up/Demonstration		\$55.00
GREASE TRAP CLEANING		
	Actual cost by subcontractor plus \$50 administrative fee	
BACKFLOW PREVENTER FOR SPRINKLER SYSTEM AND SWIMMING POOL		
Minimum one (1) testing inspection		By others
Each additional inspection over one (1)		By others

EXHIBIT B

LAKEWAY MUNICIPAL UTILITY DISTRICT
PLUMBING CODE

The following items are currently specific requirements of the District with all code requirements coming from the 2009 Uniform Plumbing Code or from the Lakeway Municipal Utility District:

I. SITE INSPECTION

Prior to establishing final slab elevation the builder (owner or owner's contractor) shall excavate & locate wastewater service connection point. When wastewater line and connection point are located, inspector will then check the elevation of the house to the main wastewater line and determine the proper fall of the wastewater line. When this is determined the hole will then be refilled for safety reasons until the wastewater line is installed. Water meters will not be set by the District until after the wastewater service connection point is located.

II. YARDLINES - WATER AND WASTEWATER SERVICE LINES

A. Water – The plumber must determine the water pressure at the meter. For District water pressure above 80 psi, a pressure reducing valve (PRV) is required. For pressures below 80 psi, no PRV should be installed. Properly sized pipe is to be laid on a bed of sand or 3/8" pea gravel in an open trench at least 12 inches deep with all sections visible. All sections of waterlines that will pass under drives, walks, and flatwork are to be sleeved at least two sizes larger than the water line. A properly covered shut-off valve shall be provided next to the water meter but outside of the meter box. This shall be a brass-bodied ball valve. If a pressure-reducing valve is required, it will be installed downstream from the shut-off valve. The meter, shut off valve, (and pressure reducing valve) each should be in their own separate boxes. Trench must be backfilled after inspection approval with adequately compacted clean fill containing no rock or debris that could damage the pipe.

B. Wastewater - Minimum requirement PVC schedule 40 four-inch diameter pipe. Cleanouts: A two-way cleanout shall be provided adjacent to the structure and another cleanout shall be installed in direction of flow not more than one foot from the property or easement line. (This does not apply on private wastewater systems.) Cleanouts shall be at least four-inch diameter or same size as yard line. All cleanouts must have screw type connections and be visible 6" above the final finish grade. All sections of wastewater line shall be visible for inspection and be bedded in 3/8 pea gravel or equivalent with a minimum of 1/4" of fall per foot of run. The wastewater service line shall exit slab/foundation at least 8" below grade. If a water service line and wastewater line is installed in the same trench, 12" separation must be maintained. At least 10-foot head of water is required for water test on building wastewater. Cleanouts in concrete and/or driveways shall have installation approved before concrete is poured to protect cleanout from traffic loads. All sections of pressurized wastewater service lines that will pass under drives, walks, and flatwork are to be sleeved at least two sizes larger than the

pressurized wastewater service line. Per UPC, Section 710, new and current structures shall be protected from backflow of sewage by installing an approved type backwater valve. All new and current structures will have a pressure relief valve at the owner's cleanout, 6" above finished grade.

III. PLUMBING ROUGH

A. Drainage, waste and vent pipes must be in place and visible. No horizontal venting allowed. Pipes must be adequately supported on a firm bed of sand or 3/8" pea gravel with a uniform slope of not less than 1/4" per foot. D.W.V. system must be tested by tightly sealing all openings and providing at least 10-ft. head of water on at least one vent not less than 15 minutes before inspection. All pipes passing through concrete floors or beams shall be protected from breakage or undue strain by sleeves or wrappings.

B. Water distribution system. Copper water lines must be protected from dissimilar metals or where copper may contact concrete must be sleeved or have armafex type insulation. No joints are allowed below the concrete. All hot water lines are to be fully insulated. Copper shall be pressure tested at 100 psi minimum.

IV. PLUMBING TOPOUT

All drainage, waste and vent piping to be properly completed and supported. All copper water lines properly completed and supported. Any water lines located in exterior walls, attics or crawl spaces are to be insulated. Water lines are to be pressure tested to at least 100 psi. Drainage, waste, vent system to be pressure tested for leakage with at least 10-ft. head of water for buildings more than one story. Water test is required on shower pans. Any studs and plates that are cut for plumbing should be protected from damage in an approved manner (i.e. FHA straps). Structural members should not be overcut or improperly notched. Gas lines properly completed and supported and pressure tested to 10 psi for not less than 15 minutes for inspection.

V. PLUMBING FINAL

All plumbing fixtures and valves properly installed and all plumbing vents properly flashed. Water system tested. Wastewater lines properly tied into public or private wastewater system. Water pressure to house not to exceed 80 psi; provide pressure reducer valve if needed. Antisiphon/backflow protection required on all hose bibs.

VI. OTHER REQUIRED INSPECTIONS:

A. Swimming Pool:

1. Plumbing rough provide pressure test under a static water or air pressure of not less than 35 psi for 15 minutes on all PVC lines in open trench and visible.

2. Final: Provide backflow valve or airgap protection for fill line. All systems should be functional and tested. The use of house hose bibs, although equipped with

non-removable vacuum breakers for water supply, is not permitted. Testing inspections must be completed by a licensed backflow preventer inspector.

B. Sprinkler System Final: Tie into water yard line, proper installation of double check valve or reduced pressure zone (RPZ) type backflow protection device. Testing inspections must be completed by a licensed backflow preventer inspector. RPZ type backflow prevention devices must be installed above ground within an insulated enclosure (hot box, poly-roc™ #PHR1 or PHR2 or approved equal). Tape or other wrapped insulation is not acceptable.

C. Remodel or Additions: Rough, topout and final inspections required.

D. Grinder Pump: Plumbing, mechanical, electrical and final start-up/demonstration required.

EXHIBIT C

LAKEWAY MUNICIPAL UTILITY DISTRICT
CONSERVATION REQUIREMENTS

The following requirements shall be effective sixty (60) days from October 9, 1996.

I. CONSERVATION IMPROVEMENTS - require the following minimum standards for all new construction, and for existing structures undergoing renovations involving such fixtures.

A. For water closets and associated flushing mechanism, maximum volume shall not exceed an average of one and six-tenths gallons per flushing cycle when tested in accordance with the hydraulic performance requirements of the American National Standards Institute ANSI A 112.19.2m (June 21, 1982)

B. For urinals and associated flushing mechanism, maximum flow shall not exceed one gallon of water per flush when tested with the hydraulic performance requirements of ANSI A 112.19.2m (June 21, 1982)

C. For showerheads, maximum flow shall not exceed two and a half gallons of water per minute when tested in accordance with ANSI A 112.18.1m (November 16, 1979)

D. For sink and lavatory faucets, maximum flow shall not exceed two gallons of water per minute when tested in accordance with ANSI A 112.18.1m (November 16, 1979)

E. Installations shall have faucets in public restrooms that supply a maximum of 0.5 gallons per minute and must incorporate an automatic cutoff device.

F. Residential and commercial automatic irrigation controllers will be equipped with automatic rain shut-off devices to prevent operation during and after rain.

G. Installations of irrigation systems in new construction will be required to have a minimum soil depth of six (6) inches of top soil.

II. The above performance standards shall not apply to fixtures and fittings such as emergency showers and the fixtures that, in order to perform a specialized function, cannot meet the specified standards.

III. Any desired exceptions to the above requirements shall be directed in writing to the District's General Manager who will review the request and make a recommendation to the Board of Directors for a special variance if warranted.

EXHIBIT D

LAKEWAY MUNICIPAL UTILITY DISTRICT
BEDDING, TIE-IN, EXISTING WASTEWATER CONNECTION POINTS AND SERVICE
LINE, SAFETY, AND PENALTY REQUIREMENTS

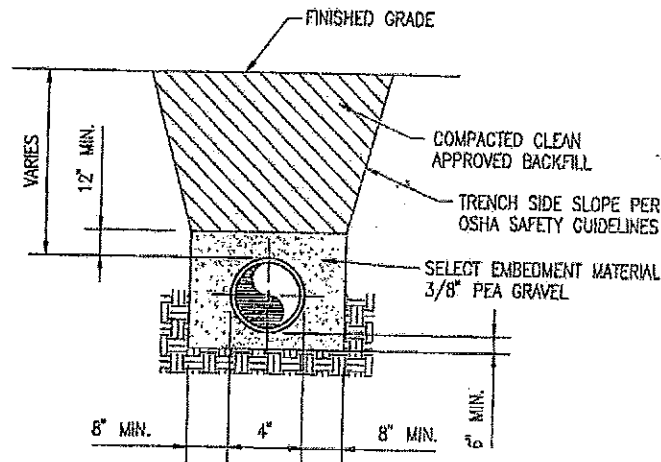
The purpose of this specific code is to insure that new construction and repairs of wastewater service lines maintain their integrity against leaks.

I. BEDDING

A. The service line from the customer's slab to the connection point at the main line, shall be uniformly bedded with 3/8" pea gravel from the house foundation to the wastewater tie-in. Bedding depth shall be 6" under the pipe and 12" over the pipe and 8" on either side.

B. Absolutely clean backfill must be used above the bedding gravel. No household trash, cans, bottles, boards, pieces of wood, building materials shall be mixed into the backfill. Trench excavation spoils can be used for backfill, provided it is free of rocks larger than 4" and with prior approval from the District inspector. Unsuitable excavation spoils will not be accepted as backfill. Proper backfill material may have to be imported to the site.

C. If the District inspector finds trash, rocks or other unacceptable materials in the backfill, the District will require the builder to remove the backfill and import proper backfill material. The District representative will approve imported backfill and materials prior to placement. See below.



NOTE:
SHORE TRENCH DURING
EXCAVATION AS REQUIRED.

II. TIE-IN FOR WASTEWATER

A. Multiple dwelling homes (duplexes, triplexes) will have separate wastewater taps for each dwelling.

B. The builder shall be responsible for excavating and locating the wastewater service connection point.

C. The District will provide an approximate location of the connection point. This location may not be exact.

D. If the connection point is not found, the builder will be expected to dig up along the entire lot line to demonstrate that the connection point is not there. Only then will the District agree to install a new connection point.

E. Other utilities, such as TV cable, electric lines, pedestals, and telephone cables, will not be a reason to abandon an existing connection point to make a new connection point.

F. When excavating a clay connection point on the short side of main (main on the same side of the street) the builder shall expose the connection point wastewater tee or wastewater wye completely, so the District inspector can determine the condition of connection point. If the connection point requires replacement the District will do so at that time.

G. When the tie-in is on the long side (main on the other side of the street) the builder shall expose 2' of the 4" pipe.

H. If the connection point is not found, the District will come in and install a connection point within the builder's trench.

I. When making the transition from existing clay pipe to PVC pipe the builder shall use the proper clay-to-PVC adapter. The coupling shall be DFW/HPI 4" non-shear coupling, 4" clay to 4" PVC part DFW02-44NS. (These are available at the District Office.) Under the coupling, the builder will construct a concrete bench using one 80# bag of properly prepared concrete mix.

J. When a non-glued transition is required for PVC to PVC, a DFW/HPI 4" non-shear coupling must be used. This is part #DFW56-4496. (These are available at the District Office.) Under the coupling, the builder will construct a concrete bench using one 80# bag of properly prepared concrete mix.

K. After the District's 4" clay or PVC service is found, and before making the tie-in, the builder shall run a rodder cable into the service to detect any problems in the service. This rodder cable shall run all the way to the main. Problems detected shall be brought to the attention of the District. After the tie-in is complete, the District will televise the service tap to the main.

L. The District prohibits the use of 90-degree bends. If that severe of a bend is needed, two Schedule 40 45 degree bends with minimum of 6" of pipe showing between the bend fittings are required.

M. The clean-out stack shall be straight and plumb with no angles and extend 6" above finished grade.

N. All wastewater service line clean-outs will have an approved pressure relief valve. This applies to clean-outs near the house and near the street or main line, that are not subject to inundation by surface water and that are below finished floor grade at least 6". They must be installed 6" above finished dirt grade.

O. All PVC pipe fittings shall be Schedule 40 socket weld fittings. Absolutely no rubber adapters or couplings are allowed, except as specified in "H" above.

P. A District inspector shall be called to inspect wastewater tie-in. This inspection is a separate inspection item from yard lines or rough plumbing.

Q. If the wastewater tie-in is not completely exposed for inspection, tie-in will be failed.

R. All pipes connected to the wastewater main shall be Schedule 40 minimum. Any openings, either temporary or permanent, shall be capped with either rubber or PVC. Tape is unacceptable.

III. EXISTING GRAVITY WASTEWATER CONNECTION POINTS AND WASTEWATER SERVICE LINES

A. Definition. A wastewater service line is the line from a dwelling unit (whether single family, townhouse, or condominium unit), or a commercial structure, to the District's collection main. The collection main may be in a street right-of-way, in an easement, or within property owned by a condominium or townhouse association.

B. Inspection. The District may inspect the wastewater connection points and wastewater service lines which are connected to the District's collection mains. The inspection may be made internally or externally. When inspection reveals a leak, a break, a stoppage, roots or any other problem in a wastewater service line, the problem shall be repaired, as set forth below.

C. Repairs. The District will be responsible for repairs to the following parts of the wastewater service lines:

1. District Collection Main in the Right-of-Way - Where the District's collection main is in the right-of-way, the District will be responsible for that part of the wastewater service line that is in the right-of-way.

2. District Collection Line not in the Right-of-Way - Where the District's collection line is not in the right-of-way, the District will be responsible as follows:

(a) Where there is a cleanout within five (5) feet of the collection main, the District will be responsible for repair of that part of the service line between the connection to the cleanout and the collection main.

(b) Where there is no cleanout within five (5) feet of the service line connection to the District's collection main, the District will be responsible for repair of that part of the service line that is within two (2) feet of the service line connection to the collection main.

(c) The District has no responsibility to locate or install a missing cleanout.

The customer shall be responsible for repair of all of the service line except for the part that is the responsibility of the District, as set forth above in this paragraph 2. All other portions of the service line are designated "private wastewater service line". The owner will be notified of the nature of the problem and be required to cause it to be repaired at the owner's expense.

D. 1. Owner Maintenance Required

The owner of property containing a private wastewater service line shall maintain the private wastewater service line. Maintenance under this section includes:

(a) clearing obstructions from the private wastewater service line;

(b) repairing a defect in the private wastewater service line that allows the introduction of extraneous water flow or debris into the wastewater system;

(c) repairing a defect in the private wastewater service line that allows the discharge of wastewater on the property; and

(d) keeping a clean out cap or pressure relief valve tight and in place.

2. Inspection and notice of defective private wastewater service line

(a) The District may periodically perform special tests to confirm the integrity of the wastewater system, including smoke testing, dyed water testing, air testing, hydraulic testing, closed circuit television inspection, and other testing and inspection techniques approved by the District.

(b) The District may enter private property to inspect or test a private wastewater service line.

(c) The District shall give the property owner not less than 24 hours written notice before utility personnel enter private property to conduct an inspection or test, unless wastewater is exposed on the property in a manner that creates a potential public health hazard.

(d) The District may identify defects in a private wastewater service line that allow extraneous water flow or debris to enter the private wastewater service line, defects in a private wastewater service line that allow the discharge of wastewater on the property, or a condition that may interfere with the proper operation of the private wastewater service line.

(e) A defect under this section may include:

- (i) evidence of pipe or joint deterioration;
- (ii) root intrusion into a pipe that separates a pipe joint or enlarges an existing crack;
- (iii) a misaligned pipe segment, sag, or lack of positive gradient;
- (iv) a lack of a necessary cleanout cap or pressure relief valve;
- (v) a downspout, drain, or other connection that allows storm water or other extraneous water to enter the wastewater system; or
- (vi) a flaw that allows the discharge of wastewater on the property or the introduction of extraneous water into the wastewater system.

(f) Except as provided in Subsection (C), if the District identifies a defective private wastewater service line, the District shall send the property owner written notice of the defect, including a statement that the private wastewater service line must be replaced or repaired not later than the 60th day after the date of the notice.

3. Repair or replacement required; standards

(a) A property owner shall repair or replace a defective private wastewater service line from the property line to the building. The property owner shall pay the appropriate fee and obtain a permit from the District before performing the repair or replacement of a defective private wastewater service line.

(b) If wastewater is exposed on the property in a manner that makes it a potential public health hazard, a property owner shall stop the discharge of wastewater and remediate the site not later than 24 hours after the owner has notice of the exposed wastewater.

(c) If wastewater is exposed, a property owner must complete all necessary repairs or replacement of a private wastewater service line immediately, but not later than the 30th day after the owner has notice of the exposed wastewater.

(d) A person who repairs an existing private wastewater service line or installs a new or rehabilitated private wastewater service line shall perform the repair or installation as prescribed by the District's wastewater service connection standards and the Uniform Plumbing Code.

4. Post-repair and post-replacement inspection and testing requirements.

(a) After a property owner has repaired or replaced a defective private wastewater service line, the District shall inspect or test the private wastewater service line as approved by the District.

(b) If a private wastewater service line fails the post-repair or post-replacement test, the property owner shall perform additional repairs as required by the District to correct the defect and pay an additional inspection fee for the subsequent repairs.

5. Offense.

(a) A property owner commits an offense if the owner fails to repair or replace a defective private wastewater service line in compliance with the Uniform Plumbing Code on or before the date specified by the District in the District's written notice of the defect.

(b) Each day or part of a day during which non-compliance occurs constitutes a separate offense.

6. Termination and restoration of water or wastewater service.

(a) If the District determines that a person has failed to repair or replace a defective private wastewater service line as required by this order, the District may terminate water or wastewater service to the affected property.

(b) If water or wastewater service is terminated under this section, the District may not restore service until the District has conducted an inspection and test of the private wastewater service line and the District has determined that the private wastewater service line is free from defects.

E. Penalties. Failure to begin and complete repairs within the specified time will be cause for termination of District services.

IV. SAFETY

A. No personnel shall enter an unsafe trench.

B. Safe trench practice shall be under the OSHA Safety Guidelines of Trench Safety. Whether a trench is safe to enter will be determined solely by the District Competent Person.

C. It is the builder's responsibility to provide a safe trench, for all personnel who enter an excavation. If this is not provided, the District will issue a stop work order until the excavation site is deemed safe.

V. ACCESSIBILITY

A. Numerous facilities and appurtenances, including, but not limited to meter boxes, cleanouts, manholes, valves, valve boxes and hydrants, are found throughout the District. These appurtenances must be accessible and unobstructed at all times to District personnel. Many of these are in right-of-ways and easement, while some are not.

B. When District personnel observe these appurtenances obstructed, whether in easements and/or in private property, the owner of record will be notified to comply with specific instructions to improve accessibility. The owner will be given a deadline to comply.

C. If the owner does not comply with the instruction notice in a timely matter, the District will issue a Notification of Failure to Comply and Pending Service Termination.

D. If the owner fails to comply by the specified date, service will be terminated.

E. Customers have the right to a hearing regarding termination. The District's Hearing Officers are its Finance/Administration Manager and General Manager. If a customer desires a hearing, they must contact a Hearing Officer in person or by telephone. Decisions of the Hearing Officer may be appealed to the Board of Directors.

VI. PENALTIES

A. When a main line is damaged by a person or company, the District must be informed immediately. A District crew will make the repairs and the person or company shall be responsible for parts, labor, machinery, vehicles and having main line jet rodded.

B. Discovering a wastewater main this way will not be used as an opportunity to install a connection point. The original connection point must still be found.

C. After repairs have been made the builder will be required to put a two sack concrete bench under the repair which shall be approved by District representative.

D. A \$200 fine shall be instituted if a connection point is made without District permission.

E. A \$200 fine shall be instituted if construction/installation begins without an approved District plumbing permit.

E. Open pipes, which are connected to the wastewater main and discovered by the District, will be capped at the expense of the owner and subject to \$200 fine.

F. Water in trenches shall be pumped out. If ground water is present during excavation this water will absolutely not be allowed into the wastewater service as a way of removing the water to make connection. If the District determines that this has occurred, a \$200 fine will be instituted.

G. Safe access for inspection will be provided to the District. In the event access is withheld, the District may refuse new service or terminate existing service.

EXHIBIT E

*Pressure Wastewater Collection System and Residential Grinder Pump Guidelines
adopted February 12, 2003.*

EXHIBIT F

GREASE INTERCEPTOR REQUIREMENTS

Grease interceptors are required to separate out Fats, Oils and Greases (FOGs) and solids normally found in food preparation waste from the rest of the wastewater being discharged. By intercepting the FOG and solids normally found in food preparation operations, the grease interceptor protects the wastewater system from potential blockages, overflows and ensuing fallout.

All establishments which have commercial kitchen facilities, except residential customers, are required to have a properly sized and functioning grease interceptor (also referred to as a grease trap). The following types of facilities will be required to have grease interceptors; restaurants, schools, hospitals, nursing homes, and any other facility that handles grease. Under-counter or other grease capture devices internal to the facility are not acceptable.

Location Requirements

All interceptors shall be located outside of the building in such a manner that personnel from the District can inspect the interceptors at any time, except as provided by agreement by the General Manager.

Interceptor Sizing

All interceptors shall be sized to ensure that the District's sanitary sewer system is protected from excessive grease which may cause clogging or damage and that the facility is capable of meeting all discharge requirements. In no case will interceptors of less than 100 gallons be acceptable.

All fixtures with a potential to carry grease-bearing waste shall be plumbed to the grease interceptor. Associated fixture units to be used for sizing purposes shall be as noted below in Table 1.

Table 1. Fixture Units.

<u>Type of Fixture</u>	<u>Contributing Pipe Size</u>	<u>Fixture Units</u>
3 compartment sink	1-1/2", 2"	3, 4
2 compartment sink	1-1/2"	2
Dishwasher	2"	4
Wok stove	2"	4
Hand Sink	--	0
Mop Sink	2", 3", 4"	2, 3, 4
Floor Drains (2", 3", 4")	2", 3", 4"	2, 3, 4
Floor sinks (3", 4")	3", 4"	3, 4
Garbage grinder	<i>Prohibited*</i>	
<p>Notes: Hand sinks are not required to be plumbed to the grease interceptor. For indirect waste systems where hub drains and floor sinks are used as receptors for dishwashers, 2- and 3-compartment sinks, etc., the fixture unit count shall be twice (2x) the floor sink or hub drain fixture unit count. In such cases the fixture count for the indirect waste source is not counted. Garbage grinders and disposals are prohibited in commercial kitchens and other industrial users of the sanitary sewer system.</p>		

The District has adapted a grease interceptor sizing procedure similar to neighboring City of Austin, based on the following three steps.

Step 1. Calculate the total number of fixture units connected to the interceptor. The fixture unit counts that shall be assigned to each different kind of fixture are listed in Table 1 of these interceptor requirements.

Step 2. Determine the minimum flow rating of the grease interceptor by multiplying the total fixture unit count times three gallons/minute:

$$\text{Flow rating} = \text{Total fixture unit count} \times 3 \text{ gallons/minute}$$

Step 3. The interceptor must accommodate the required liquid holding capacity, defined by the available volume within the interceptor below the static water level. The minimum liquid holding capacity of the interceptor is calculated by multiplying the grease interceptor flow rating from Step 2 (in gallons per minutes) by a minimum 12-minute retention time:

$$\text{Minimum liquid holding capacity (gallons)} = \text{Flow rating} \times 12 \text{ minutes}$$

Note that the actual capacity of the interceptor will be greater than the calculated minimum liquid holding capacity value in order to accommodate venting and freeboard requirements.

Upon approval from the District, fixtures receiving non-grease-bearing wastes may be drained through a grease interceptor, but shall not be included for grease interceptor sizing (i.e., condensate from coolers).

Interceptor Design Criteria

The approved design for grease interceptors shall be as follows:

1. The grease interceptor must be constructed in accordance with the current plumbing codes and installed in a manner acceptable to the District to ensure watershed protection.
2. The grease interceptor shall have two compartments.
3. While operating at the interceptor's rated flow capacity, the first compartment must provide a retention time of no less than seven minutes, and the second compartment must provide a retention time of no less than five minutes.
4. Interceptor inverts and vents shall be external to the compartments.
5. The flowline to the interceptor (upstream of inlet invert) must be at least 3 inches above the static water level of the tank.
6. Similarly, the interceptor vent must be at least 3 inches above the static water level of the tank.
7. The interceptor inlet must be near an elevation that is one half of the height of the tank's static water level, and the interceptor outlet must be at least 12 inches above the floor of the tank.
8. Adequate flow diffusion features must be provided to evenly distribute flow throughout the grease interceptor. Examples of such features would include a flow diverter plate in the primary compartment, "tee" piping between the two interceptor compartments and "tee" piping on the tank outlet.
9. Each interceptor compartment shall be accessible for cleaning and inspection purposes (no exceptions).

Exceptions to certain of these criteria may be considered for approval in conjunction with the review process. In such cases, engineering drawings and supporting performance data must be submitted to and approved by the District prior to grease interceptor installation.

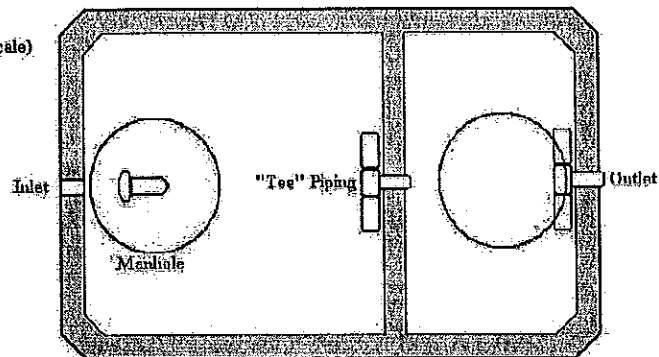
Below is conceptual drawing of a typical grease interceptor design.

(Source: City of Austin Pretreatment Special Services Division,

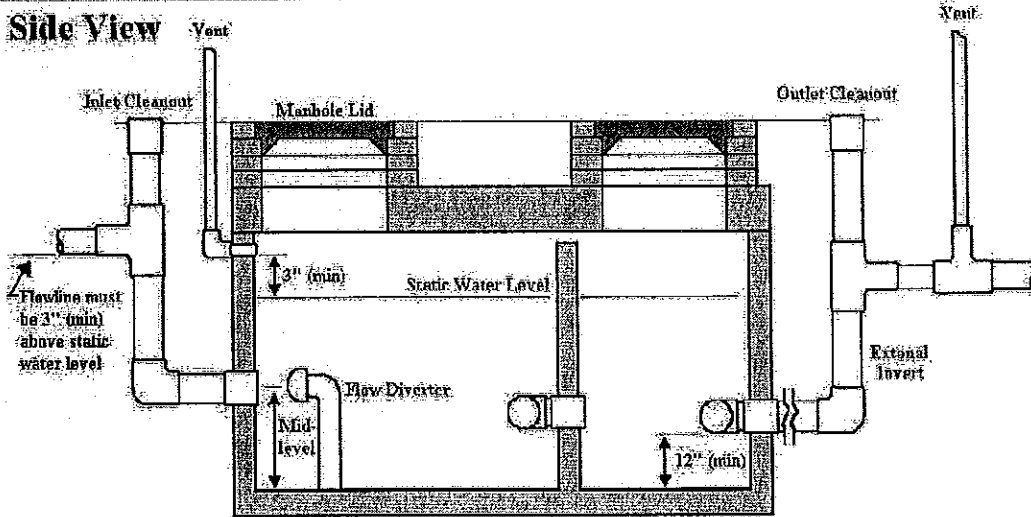
http://www.ci.austin.tx.us/water/downloads/wwwssd_iw_gt_concept_drwg.pdf.)

Top View

(conceptual - not to scale)



Side View



General Specifications

The following specifications may provide general guidance for acceptable grease interceptor design.

Materials:

1. Concrete – The interceptor shall be constructed of precast concrete having a minimum 20-day compressive strength of 4500 psi, utilizing ASTM A615 or A706 Grade 60 reinforcing steel designed for traffic loading.
2. Steel (more commonly for freestanding, not buried) – Hot rolled, all welded steel and enamel or epoxy-coated inside and out with removable sealed cover.
3. Fiberglass/HDPE (where lightweight construction is required)

4. Manhole Access – Grease interceptor shall have adequate manhole access to permit cleaning of all areas of the interceptor. Each manhole access shall be minimum 20-inch diameter clear opening and be water-tight. Cast-iron frame/covers shall conform to ASTM A48 and be traffic-duty.
5. Piping –Material compatible with sanitary sewer design, such as solvent welded PVC.

Installation:

1. Interceptor and associated inlet/outlet/vent piping shall be installed per the manufacturer's recommendations and project specifications.
2. All joints shall be made water-tight.

District Approval

The following must be submitted to the District for review and approval prior to issuance of a permit for installation of an interceptor.

- A site plan showing the location of the interceptor, lines and cleanout or manhole;
- Details of the interceptor, lines and cleanout or manhole;
- Interceptor manufacturer's shop drawings, certified by an engineer;
- Copies of manufacturer's specifications including interceptor, manhole frame/cover and joint sealant/coating details; and
- Formula and calculations used to determine the interceptor capacity.

Any subsequent changes to the approved plan shall be resubmitted for approval prior to the changes being implemented. Inspection and approval of the installation will be required. Do not purchase any grease interceptor without first receiving approval for installation of that the specific model.

Maintenance Requirements

The FOGs and solids captured in the interceptors have to be removed on a regular basis in order for grease interceptors to work properly. All waste, liquid, semi-solid, solid and residue must be removed from the interceptor when cleaned. A person cleaning a grease interceptor shall dispose of the waste removed in accordance with federal, state, and local regulations. All grease interceptors must be cleaned per the established schedule with the District and no less frequent than annually.

If an interceptor is not cleaned out regularly, destructive acids may form as the grease turns septic compromising the integrity of the interceptor. The use of enzymes, bacteria and/or other agents that would liquefy the contents normally captured by a grease interceptor is prohibited.

Copies of the waste hauler's manifest records documenting that the grease interceptor is being cleaned according to the required schedule must be available on the premises. A single grab wastewater sample may be used by the District to determine FOG concentration. Since wastewater charges are determined based on the quality discharged, appropriate design and maintenance of an interceptor can help alleviate unnecessary wastewater charges.

The failure to meet any one of these grease interceptor maintenance or documentation requirements would be considered a violation, subject to resultant penalties.

For those grease interceptors that must be taken out of service, the procedures for interceptor abandonment must be followed.

Interceptor Abandonment

Prior to abandonment, notification via application must be given to the District. Once the application is accepted, the interceptor may be prepared for inspection as follows:

1. Existing grease interceptor to be abandoned must be pumped to remove any and all waste. Pumping must be performed by a licensed waste hauler, and documentation shall be posted on site or made available for verification during the abandonment inspection.
2. The top cover or arch over the grease interceptor shall be crushed into the empty tank or removed.
3. The grease interceptor shall be back filled no higher than the top vertical edges of the tank with fill material less than 3 inches in diameter and free of organic and construction debris. Examples: sand, sandy loam, pea gravel, crushed limestone base, clean class III soils. Clay soils should be avoided due to their high shrink/swell characteristics.

Once the above conditions have been met, an inspection can be scheduled with McComis Inspections at (512) 301-7801. Once inspection is passed, you may continue to finish covering as desired. It is recommended that finish cover be mounded slightly higher than adjacent grade to allow for settling.

Action Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
October 12, 2011

The Board of Directors met in REGULAR session at 9:30 a.m., at 1097 Lohmans Crossing, Lakeway, Texas, with the following:

Directors Present:	Kay Andrews Karl Ansbach Tom Brewer Allan Hitchcock
Director Absent:	Jerry Hietpas
Staff Present:	Earl Foster Margaret Cathey Trish Carls, Attorney

QUORUM

1. Determine Quorum and Call to Order.

President Ansbach declared a quorum of Directors present and called the meeting to order.

2. Pledge of Allegiance was led by Ansbach.

CITIZENS

3. None

AGENDA ITEMS

4. Consider Purchase and Sale Agreement with the City of Lakeway relating to the private sale of surplus property located at 129 Schooner for parkland purposes, and for two public pedestrian trail easements at the W-3 Plant and the S-4 Plant.

- Andra Dearing, Park & Recreation with the City of Lakeway presented the Purchase and Sale Agreement.
- Buddy Cook (710 Rolling Green); Nick Renneker (39 Waterfront); Larry Spurgeon (321-A Regatta); Steve Jones (COL)
- Brewer made a motion to separate the Purchase/Sale with the Easements. Andrews seconded the motion. Brewer and Andrews voted yes; Ansbach and Hitchcock voted no. Motion failed. Hitchcock made a motion to approve the Purchase and Sale Agreement with the Easements. Brewer seconded the motion. Brewer amended the motion to include that the COL will clear, landscape and maintain the lot as a mini-park; and the District will have access to the biofilter area, which will be concealed with landscaping and attractive to the neighbors. Ansbach seconded the motion.

Amendment motion passed. Andrews voted no. Original motion passed. Andrews voted no.

5. Consider License Agreement with the City of Lakeway for a pedestrian trail on the S-5 Plant property.

- Andra Dearing, Park & Recreation with the City of Lakeway presented the Agreement.
- George Blume (107 Morning Cloud)
- Brewer made a motion to approve the Agreement. Hitchcock seconded the motion. Motion passed unanimously.

6. Consider Change Order #4 for M-2 Building.

- Foster briefed the Board on the CO for doors.
- Brewer made a motion to approve the Change Order. Hitchcock seconded the motion. Motion passed unanimously.

7. Consider Code of Ethics Policy.

- Jan Neese presented the recommended changes to the Policy.
- Hitchcock made a motion to table this item until the next Board. Brewer seconded the motion. Motion passed unanimously.

8. Consider Order Adopting Meeting Rules and Order of Business.

- Ansbach presented the proposed changes.
- Mel Neese (302 Champion); Buddy Cook (710 Rolling Green)
- Hitchcock made a motion to table this item until the next Board. Brewer seconded the motion. Motion passed unanimously.

CONSENT AGENDA –Brewer made a motion to approve the consent agenda items. Hitchcock seconded the motion. Motion passed unanimously.

10. Approve Minutes of Regular Meeting of September 14, 2011.

11. Approve Minutes of Special Meeting of September 28, 2011.

12. GENERAL MANAGER'S REPORT.

9. Consider Purchase Agreement for the Lakeway Regional Raw Water Transportation System (LCRA Barge), including authorization to sign the Agreement, pay earnest money, execute closing documents, and pay purchase price consistent with the terms of the Agreement.

Recessed into Closed Session at 11:56 a.m. pursuant to Texas Government Code:

Sec. 551.071 – Deliberation with Attorney

Sec. 551.074 - Personnel

Reconvened into Open Session at 12:45 p.m.

Hitchcock made a motion to approve the Purchase Agreement. Andrews seconded the motion. Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 12:50pm.

Respectfully Submitted,

Margaret A. Cathey, Assistant Secretary/Treasurer

Minutes approved on the _____ day of _____, _____.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

Action Minutes
Lakeway Municipal Utility District
Board of Directors Meeting
October 26, 2011

The Board of Directors met in SPECIAL session at 9:30 a.m., at 1097 Lohmans Crossing, Lakeway, Texas, with the following:

Directors Present:	Kay Andrews Karl Ansbach Tom Brewer Jerry Hietpas Allan Hitchcock
Staff Present:	Earl Foster Margaret Cathey Trish Carls

QUORUM

1. Determine Quorum and Call to Order.

President Ansbach declared a quorum of Directors present and called the meeting to order.

2. Pledge of Allegiance was led by Ansbach.

AGENDA ITEMS

3. Consider Purchase Agreement for the Lakeway Regional Raw Water Transportation System (LCRA Barge), including authorization to sign the Agreement, pay earnest money, execute closing documents, and pay purchase price consistent with the terms of the Agreement.

Recessed into Closed Session at 9:33 a.m. pursuant to Texas Government Code:

Sec. 551.071 – Deliberation with Attorney

Sec. 551.074 - Personnel

Reconvened into Open Session at 10:17 a.m.

- Hitchcock made a motion to approve the Resolution of the Lakeway Municipal Utility District relating to the Lakeway regional raw water transportation system; authorizing execution of a purchase agreement; payment of the required earnest money and purchase price; and the closing of transaction consistent with the purchase agreement; appointing representatives authorized to execute the purchase agreement, cause the payment of the earnest money and purchase price, and execute all closing documents; and authorizing other matters related to the closing of the transaction. Hietpas seconded the motion. Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 9:35am.

Respectfully Submitted,

Margaret A. Cathey, Assistant Secretary/Treasurer

Minutes approved on the _____ day of _____, _____.

President, Board of Directors

ATTEST:

Secretary, Board of Directors



CONTINUATION OF COVERAGE ADMINISTRATIVE AGREEMENT

Lakeway MUD

October 2011

WHEREAS, the undersigned Employer is an Employer Member of the TML Intergovernmental Employee Benefits Pool (hereinafter referred to as the "Pool");

WHEREAS, the undersigned Employer sponsors an employee benefit plan;

WHEREAS, the undersigned Employer is responsible for the administration of its employee benefit plan as the Plan Administrator; and

WHEREAS, the undersigned Employer wants the Pool to assist the Employer in complying with the requirements of Continuation of Coverage as required by Federal law.

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained herein, the undersigned Employer and the Pool agree as follows:

I. Effective Date

As of the first day of October, 2011, the Pool will commence Continuation of Coverage administration for the undersigned Employer for all qualifying events occurring thereafter and during the term of this agreement.

II. Employer Duties

1. The undersigned Employer will notify the Pool's Billing/Eligibility Representative assigned to the Employer via FAX or Telephone (with a written follow up) within one (1) business day of a qualifying event, as defined by the Continuation of Coverage statute and its amendments, or a termination for gross misconduct of a Covered Employee for which the Employer has knowledge. Examples of qualifying events include termination; lump sum or severance settlement; resignation; death; retirement if the employee does not enroll for retiree coverage when offered under the Employer's benefit plan; reduction in hours (including reduction to zero hours), call to duty for military service and absence from work for an injury or illness after all earned sick leave, vacation leave and FMLA has been exhausted.
2. The undersigned Employer will distribute Attachment A, which advises each Covered Individual of their rights and responsibilities under Continuation of Coverage. The Employer will certify through a letter to the Pool that the Attachment A was distributed to all Covered Individuals as of the date the Pool commenced Continuation of Coverage Administration.
3. The undersigned Employer will distribute Attachment A to all employees who become covered by the Employer's benefit plan after the date the Pool commenced Continuation of Coverage administration and include verification of the distribution with the enrollment card when it is submitted to the Pool.
4. The undersigned Employer will notify the Pool via FAX or Telephone (with a written follow-up) within one (1) business day of gaining knowledge that a Covered Individual has legally separated, divorced or is no longer eligible for coverage e.g. a child is eligible for coverage under a health plan offered by the child's employer or the Covered employee or dependent is voluntarily dropped from coverage.
5. The undersigned Employer will notify the Pool at least ten (10) business days prior to any open enrollment period. The notice to the Pool will include the dates of the open enrollment.

6. The undersigned Employer will immediately notify the Pool of any suspected claim, demand or suit arising from the administration of Continuation of Coverage.
7. To the extent allowed by law, the undersigned Employer will indemnify and hold harmless the Pool and its officers, agents, employees and representatives from all suits, actions, losses, damages (including punitive damages), claims or liability of any type, including without limiting the generality of the foregoing all expenses of litigation, court costs, and attorney's fees, resulting from the failure of the undersigned Employer to give any notice required by this Agreement. The undersigned Employer will fund this obligation out of current revenues in the year the obligation is determined or will levy a tax to fund the obligation if current revenues are insufficient.

III. Pool Duties

1. The Pool staff will monitor changes in Continuation of Coverage and the case law which develops interpreting Continuation of Coverage.
2. The Pool will provide election notices within 14 days of the receipt of notices of qualifying events sent by the Employer.
3. The Pool will provide the appropriate notification letters to the employee or their dependent(s) as required by Continuation of Coverage statutes. These letters may include any or all of the following:
 - a. benefit availability - initial notice, enrollment card and cost;
 - b. confirmation of enrollment and payment coupons
 - c. notice of termination letters:
 - Failure to reply
 - Failure to make initial payment
 - Failure to make regular payment
 - End of eligibility (no longer qualified)
 - End of eligibility period
 - d. open enrollment
 - e. contribution change and revised payment coupons
 - f. conversion to an individual policy
 - g. Medicare eligibility
 - h. verification of incapacitated child status
4. The Pool will provide the Continuation of Coverage participants with ID cards, a benefit booklet, and other materials as the need may arise.
5. The Pool will maintain records that all required notifications were sent and copies are available to the Employer upon request.
6. The Pool will collect the required contributions at the maximum amount allowed by law. Upon notice for the Employer under II.1., the Pool has fourteen (14) days to send the Continuation of Coverage notice. Once the election notice is mailed the qualifying beneficiary has sixty (60) days to elect Continuation of Coverage. If the qualified beneficiary elects Continuation of Coverage the qualified beneficiary has forty-five (45) days from election to make the first payment. If partial payments are made and the payment deficiency is insignificant, Pool contacts the qualified beneficiary for full payment. The qualified beneficiary has thirty (30) days from deficiency notification to make payment. Insignificant payment deficiency is \$50 or 10% of amount due.
7. The Pool will periodically provide the Employer, for their review, with the text of the letter and notices to be used in administering this Agreement. The Pool maintains final authority over the text of these letters and notices. The Pool reserves unto itself the right to modify the letters and notices as may be required pursuant to the Continuation of Coverage statute, any applicable case law and to promote the efficient administration of the Agreement.

8. As allowed by law, the Pool will indemnify, defend, reimburse, and hold harmless the Employer and its employees from any and all liabilities, claims, demands, or suits arising from or related to the provision of Continuation of Coverage administrative services unless those liabilities, claims, demands, or suits arise out of the Employer's failure to give any notice as required in II, 1, 2, 3, 4, 5 and 6 of this Agreement. The foregoing reimbursement obligation shall specifically include any medical claim costs incurred by the Pool because of the failure of the Employer to give any notice of an employee termination or other qualifying event. This notice is required by the agreement or by law. The Pool, upon notice by the Employer will immediately investigate, handle, respond to and defend any such claims, demands or suits at the Employer's sole expense. If the liability, claim, demand or suit is based on negligence this contract of indemnity shall apply and the negligence of the Employer and the Pool will be on a percentage basis as in a pure comparative negligence situation under the law.
9. The Pool's responsibilities under this contract are for Continuation of Coverage that the Employer is required to provide under Federal law, and does not have any responsibility for other benefits such as group life insurance or disability.

IV. Notice

Any notice to be given under this Agreement, other than those in II, 1, 2, 3, 4 and 5 of this Agreement, shall be deemed given and received on the first to occur of the following: (a) actual receipt by the party to be notified; or (b) five days after deposit of such notice in the US Mail system if sent by Certified Mail, Return Receipt Requested, postage prepaid, and addressed to the party to be notified at the address of such party set forth below or as designated from time to time in writing by giving not less than ten days in advance notice to the other party. The initial addresses for the Pool and Employer shall be as follows:

Address of Pool

Executive Director
 TML Intergovernmental Employee Benefits Pool
 Texas Municipal Center
 1821 Rutherford Lane, Suite 300
 Austin, Texas 78754-5151

Address of Employer

Lakeway MUD
 1097 Lohmans Crossing
 Lakeway TX 78734

V. Compensation

1. The Employer will pay the Pool a one-time \$50.00 set up fee and a \$0.50 Per Participant Per Month fee for each participating participant per month that enrolls in Continuation of Coverage.
2. Other special services which may be requested by the Employer but are not contained in this Agreement will be billed at a mutually agreeable hourly rate.

VI. Miscellaneous Provisions

1. This Agreement represents the complete understanding of the parties and may not be modified or amended without the written agreement of both parties.
2. The parties agree that venue for any dispute arising under the terms of this Agreement shall be in Austin, Travis County, Texas.
3. The parties agree that venue for any dispute arising out of the performance under their Agreement shall be in Austin, Travis County, Texas.
4. In performing the administrative services under this Agreement, the Pool may rely without qualification on the information provided by the Employer.
5. The Pool agrees to take over the remaining Continuation of Coverage administration for any of the Employer's current Continuation of Coverage participants, without Employer compensation, so long as the Employer furnishes the information necessary to effectuate the transfer.

6. This Agreement is entire as to all of the performance to be rendered under it. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision of this Agreement shall be void and of no force and effect.
7. It is understood that the Pool will charge the Continuation of Coverage participant the administration fee allowed by the Continuation of Coverage statute.

VII. Termination

1. Term of this initial Agreement shall be from its effective date through September 30, 2012, at 12:00 a.m. The Employer may annually renew the Agreement for the subsequent twelve (12) month period by executing and returning the Pool's rerate notice and benefit selection for each year.
2. Either party may terminate this Agreement at anytime by giving the other party written notice at least thirty (30) days prior to the specified date.
3. This Agreement terminates, without further notice, on the date the undersigned Employer is no longer an Employer of the Pool.
4. All records in possession of the Pool relating to Continuation of Coverage administration at termination of the Agreement will be transferred to the Employer within forty-five (45) business days.
5. Should this Agreement terminate for any reason it does not relieve either party of their duties nor obligations during the period when this Agreement was in full force and effect.

This Agreement is entered into for the Employer under authorization of _____, at a duly called meeting held on _____ by:

(Signature)

Lakeway MUD
(Employer/Group Name)

(Authorized Official Title)

(Date)

This Agreement Entered Into and Accepted By:

TML INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL

BY: _____
TITLE: Executive Director

at Austin, Texas

Date

ATTACHMENT A

CONTINUATION OF COVERAGE (COC) RIGHTS UNDER COBRA

Introduction

You are receiving this notice because you have recently become covered under a group health plan (the Plan). This notice contains important information about your right to COBRA Continuation of Coverage (COC), which is a temporary extension of coverage under the Plan. This notice generally explains COC, when it may become available to you and your family and what you need to do to protect the right to receive it.

The right to COC was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COC can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. For additional information about your rights and obligations under the Plan and under federal law, you should review the Plan book or contact TML IEBP, 1821 Rutherford Lane, Suite 300, Austin, Texas 78754, (800) 282-5385.

What is Continuation of Coverage?

COC is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COC must be offered to each person who is a "qualified beneficiary." You, your spouse and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COC may be required to pay depending on the policy of your employer.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

1. your hours of employment are reduced; or
2. your employment ends for any reason other than your gross misconduct.

If you are the spouse of the employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:

1. your spouse dies;
2. your spouse's hours of employment are reduced;
3. your spouse's employment ends for any reason other than his or her gross misconduct;
4. your spouse becomes entitled to Medicare benefits (under Part A, Part B and/or Part C); or
5. you become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

1. the parent-employee dies;
2. the parent-employee's hours of employment are reduced;
3. the parent-employee's employment ends for any reason other than his or her gross misconduct;
4. the parent-employee becomes entitled to Medicare benefits (Part A, Part B and/or Part C);
5. the parents become divorced or legally separated; or
6. the child stops being eligible for coverage under the Plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under Title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to your employer and the bankruptcy results in the loss of coverage

for any retired employee covered under the Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

Please note that Continuation of Coverage does not include any life benefits. If you had voluntary life coverage, you may convert it to an individual policy within thirty-one (31) days of your qualifying event. Contact your employer's human resources office for more information and conversion forms.

When is Continuation of Coverage available?

The Plan will offer COC to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer or the employee's becoming entitled to Medicare benefits (under Part A, Part B and/or Part C), the employer must notify TML IEBP of the qualifying event.

You must give notice of some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within sixty (60) days after the qualifying event occurs. If TML IEBP is the Plan Administrator, you must provide this notice to: TML IEBP, 1821 Rutherford Lane, Suite 300, Austin, Texas 78754, (800) 282-5385.

How is Continuation of Coverage provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COC will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COC. Covered employees may elect COC on behalf of their spouses, and parents may elect COC on behalf of their children.

COC is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (Part A, Part B and/or Part C), your divorce or legal separation or a dependent child's losing eligibility as a dependent child, COC lasts for up to a total of thirty-six (36) months. When the qualifying event is the end of the employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than eighteen (18) months before the qualifying event, COC for qualified beneficiaries other than the employee lasts until thirty-six (36) months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare eight (8) months before the date on which his employment terminates, COC for his spouse and children can last up to thirty-six (36) months after the date of Medicare entitlement, which is equal to twenty-eight (28) months after the date of the qualifying event (thirty-six (36) months minus eight (8) months). Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COC generally lasts for only up to a total of eighteen (18) months. There are two ways in which this eighteen (18) month period of COC can be extended.

Disability extension of eighteen (18) month period of Continuation of Coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify TML IEBP within sixty (60) days of that determination, you and your entire family may be entitled to receive up to an additional eleven (11) months of COC for a total maximum of twenty-nine (29) months. The disability would have to have started at some time before the sixtieth (60th) day of COC and must last at least until the end of the eighteen (18) month period of COC.

Second Qualifying Event extension of eighteen (18) month period of Continuation of Coverage

If your family experiences another qualifying event while receiving eighteen (18) months of COC, The spouse and dependent children in your family may get up to eighteen (18) additional months of COC, for a maximum of thirty-six (36) months, if notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving COC if the employee or former employee dies, becomes entitled to Medicare benefits (Part A, Part B and/or Part C) or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

Adding Dependents

If you are a Continuation of Coverage participant, you have the same rights to add dependents to your Continuation of Coverage as an active covered employee. For example, you may add dependents to your Continuation of Coverage within thirty-one (31) days of marriage or the birth, adoption or placement for adoption of a child. Also, you may add dependents to your Continuation of Coverage during your employer's Open enrollment. However, these dependents who were not covered under the Plan before your qualifying event occurred are not qualified beneficiaries and do not have individual Continuation of Coverage rights, except for children added within thirty-one (31) days of birth, adoption or placement for adoption. Children added to your Continuation of Coverage within thirty-one (31) days of birth, adoption or placement for adoption are qualified beneficiaries and have their own Continuation of Coverage rights.

If you have questions

Questions concerning your Plan or your COC rights should be addressed to the contact or contacts identified below. State and local government employees seeking more information about their rights under COBRA Continuation of Coverage, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, can contact the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services at www.cms.gov/COBRAContinuationofCov or NewCobraRights@cms.hhs.gov.

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

Plan Contact Information

TML Intergovernmental Employee Benefits Pool
1821 Rutherford Lane, Suite 300
Austin, Texas 78754

Phone:	(512) 719-6500
Customer Service:	(800) 282-5385
Medical Care Management:	(800) 847-1213
Spanish Line:	(800) 385-9952

From the desk of:

MARGARET A. CATHEY

To: _____ Date: 11/4/11

GIM Report will
be emailed on
Monday.
Tommy was out
all week.

ml

Monthly Financial Report
September 2011 (pre audit)

<u>General Fund</u>	
Water	\$ 867,478.47
Wastewater	294,038.50
Penalty	(38.56)
Miscellaneous	<u>701.74</u>
Total Revenue	\$ 1,162,180.15
Variable Costs	\$ 140,018.95
Salaries & Fringes	145,265.57
Supplies	1,698.68
Maintenance	51,736.31
Purchased/Contract Services	<u>41,043.11</u>
Total Expenditures	\$ 379,762.62
Net Revenue/(Loss)	<u>\$ 782,417.53</u>
Operations Balance	\$ 210,716.53
I & I Reserve Balance	\$ 123,157.34
Capital Expenditures Reserve Balance	\$ 133,932.45
Rate Stabilization Reserve Balance	\$ 241,707.83
Contingency Reserve Balance	\$ 100,000.00
Construction Reserve Balance	\$ 2,667,822.93
<u>Tax Fund</u>	
Fund Balance	\$ 969,690.34
<u>Bond Construction Fund</u>	
Ongoing Projects Paid to Date	
M-2 Building	\$ 106,737.75
Odor Control	\$ 351,093.43
Fund Balance	\$ 1,151,466.79

<p style="font-size: 1.2em; margin: 0;"><i>Margaret G. Catta</i></p> <p style="margin: 0;">Investment Officer</p>	<p style="font-size: 1.2em; margin: 0;">11/4/11</p> <p style="margin: 0;">Date</p>
<p style="margin: 0;">Investment Officer</p>	<p style="margin: 0;">Date</p>