

A RESOLUTION AMENDING A WASTEWATER BACKUP POLICY

WHEREAS, from time to time the District's wastewater system may cause wastewater backups into customer premises, and

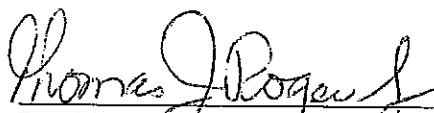
WHEREAS, the District wishes to assist customers in preventing such backups, and

WHEREAS, the District wishes to assist customers when such backups occur and cause damage to customer premises, therefore

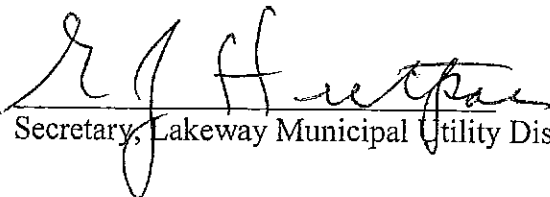
**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
LAKEWAY MUNICIPAL UTILITY DISTRICT THAT:**

1. The District will provide backflow surge relief valves, at cost, for customer installation on wastewater service lines. In addition, the District is providing and installing relief valves, at no cost, to customers who have street-side cleanouts.
2. Immediately upon notification of a wastewater backup the attached procedures flow chart will be implemented. The District's insurance company will be notified and the Field Technician/General Manager's Report will be developed and submitted. The insurance company will determine liability under the Principal of Sovereign Immunity and pay or deny as appropriate. The insurance company will also advise if sufficient evidence exists that the District is responsible, either through acts or omissions, for the customer loss. If such evidence exists, the insurance company will pay the claim.
3. In the event the District's insurance company does not pay the claim, the General Manager may, with the Board of Directors' approval, make a goodwill payment to a customer who has suffered a loss on his/her premises due to a wastewater backup from the District's system.
4. This policy replaces and amends the policy adopted on February 21, 2005.

PASSED AND ADOPTED THIS 21st day of October 2009.



President, Lakeway Municipal Utility District



Secretary, Lakeway Municipal Utility District

PROCEDURES TO FOLLOW ON WATER/WASTEWATER EMERGENCIES

