

**Resolution by the Lakeway Municipal Utility District
Regarding Possible Lifting of the TCEQ's No-Discharge Rule**

Whereas, The Texas Commission on Environmental Quality (TCEQ) established a rule in 1984 that wastewater utilities surrounding the Highland Lakes may not discharge treated effluent into the lakes or their tributaries, and

Whereas, the Lakeway Municipal Utility District is fully compliant with the TCEQ rules and finds them beneficial to the community, and

Whereas, the residents and businesses around the Highland Lakes are protected by this rule, both as to personal health and as to the preservation of recreational interests, and

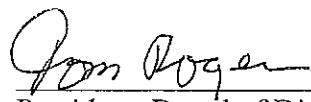
Whereas, the economy of the Highland Lakes communities would be adversely affected by any reduction in water recreation on the Highland Lakes which could result from the lowering of the lakes' water quality, and

Whereas, the Lakeway Municipal Utility District recognizes the potential threat to all Highland Lakes property values, both residential and commercial, which could result from the pollution of the water in Lake Travis, and

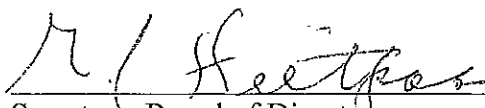
Whereas, the Lakeway Municipal Utility District, uses Lake Travis as source water to produce and provide safe drinking water for over 10,000 people, has an interest in maintaining the good water quality of Lake Travis, therefore

Be It Resolved that the Lakeway Municipal Utility District opposes any change in the no-discharge rule of TCEQ, but rather supports the continuation of that rule as a protection for the quality of the drinking water used by the residents of the Highland Lakes, and as protection for the important segment of the economies of Burnet, Llano and Travis Counties that is related to water recreation. Should continued dialogue regarding the no-discharge rule move forward at the TCEQ, the Lakeway Municipal Utility District desires to be a participant in any stakeholder workgroup that may be created to address this matter, and authorizes its General Manager, or his designee, to participate in any and all related meetings.

Adopted by the Lakeway Municipal Utility District Board of Directors on October 21, 2009.



President, Board of Directors



Secretary, Board of Directors