

Engineering and Operations Committee Meeting

Minutes

February 19, 2015

The meeting was convened at 1:30 P.M., Thursday, February 19, 2015, at the Lakeway Municipal Utility District's office located at 1097 Lohman's Crossing, Lakeway, Texas 78734-4459.

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

Don Walden, *Chairman*,
Carl English, *Committee Member*,
Earl Foster, *General Manager, Lakeway M.U.D.*,
Bob Rives, *Committee Member (Secretary)*,
Pat Rossmiller, *Committee Member*,
Wayne Seime, *Committee Member*.

Not in attendance:

Jerry Hietpas, *Board Member and Board Liaison to Committee*.

The meeting's agenda had been distributed to all Committee members on February 18, 2015. The designated Agenda for the meeting was:

1. Review and Discuss Bids for High Service Pumps and Alternate bid,
2. Next Steps after Board Decision to Delay Ground Water Well.

Mr. Foster handed out a spread sheet regarding the four bids received from Keystone Construction, Austin Engineering, Matous Construction, and Excel Construction. The preliminary results for the W-3 water treatment plant's high service pump station, transmission pipelines and miscellaneous site improvement bid show that Keystone Construction was low bidder; however, it was determined that Keystone was remiss in following the bidding rules. They did not appropriately fill out the pre-qualification papers and their final bid selected a pump service facility that was outside of the required sixty-mile limit which was clearly specified in the bid documents. L.M.U.D. made the recommendation to disqualify Keystone and to recommend Excel Construction for the work. After the bid deadline date Keystone asked that they be able to amend their bid and resubmit. Mr. Foster said allowing Keystone to change their bid after the final bid date would be unfair to the other bidders. In fact, such a move would obviously invite legal challenges against Lakeway M.U.D. Keystone has asked to meet with Mr. Foster to discuss the issue and Mr. Foster has set up an appointment with them to review both their bid and the disqualification.

Item 2 of the agenda entailed a long discussion. An abstract of an American Statesmen article posted on the Internet on February 18, 2015, was handed out to the committee members. The article was in regards to the LCRA recalculating the amount of water available in time of drought. Originally, LCRA estimated 600,000 acre-feet of water was available in Lakes Travis and Buchanan. The revised figure of firm yield lowered the amount significantly to 500,000 acre-feet. The article noted that currently 425,409 acre-feet per year of firm water is tied up in contracts with a variety of cities and industries up and down the basin. The reason for the revision is in regards to the hydraulics of the basin during drought where the water flowing into the lakes has been reduced drastically. The article once again points out the severity of the drought.

The committee members reviewed the suggested alternative solutions to our drought problems as suggested by the Board, which were obtained from the video minutes of their January and February meetings. After a review and discussion the committee held that a response to the Board's decision on February 11, 2015, was necessary. The Chairman moved that a response be written and approved by the committee for the next meeting.

The meeting adjourned at 3:10 PM.

The next meeting date was slated for March 19, 2015 at 1: 30 PM. Albeit, an earlier meeting on March 5, may be called to discuss the committee's response to the Board and Mr. Foster will advise such at a later date. Regular business was completed and the meeting was adjourned at 3:10 P.M.

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

These minutes approved this 23st day of February, 2015.

Yeas 4, Nays 0, Abstain .

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