

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF THE
WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY**

December 15, 2016

Present:

Scott Roberts, President
Fred Goff, Vice President
Ray Whisenant, Secretary
Bill Goodwin, Assistant Secretary
Don Walden, Assistant Secretary

Staff and Consultants:

Robert Pugh, General Manager
Curtis Wilson, District Engineer
Jennifer Riechers, Agency Program Manager
Keith Parkan, Senior Engineer
Jennifer Smith, Agency Controller
Stefanie Albright (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
David Klein (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
Dennis Lozano (Murfee Engineering Company, Inc.), Agency Engineer
Autumn Phillips (Municipal Accounts & Consulting), Agency Bookkeeper

I. CALL TO ORDER

Director Roberts called the meeting to order at 9:02 a.m.

II. ESTABLISH QUORUM

A quorum was established. Also present were the above-referenced staff and consultants.

III. PUBLIC COMMENT

No public comment was received.

IV. CONSENT AGENDA

- A. Approve bookkeepers report, payment of outstanding invoices and other related bookkeeping matters.**
- B. Approve minutes of November 17, 2016 Board Meeting.**

- C. **Approve Austin Engineering Company Pay Application No. 3 for the Spillman Pond Liner.**
- D. **Approve Austin Engineering Company Pay Application No. 4 for the Spillman Pond Liner.**
- E. **Approve Pay Application No. 8 for the SH71 1280 Elevated Storage Tank Project.**
- F. **Recommendation of Award for the Crystal Mountain EST Service Area Control Valve Project.**
- G. **Approve First Amendment to the Agreement for the Provision of Nonstandard Water and Wastewater Service to Gateway to Falconhead.**

MOTION: A motion was made by Director Goodwin and seconded by Director Whisenant to approve the consent agenda items as presented, attached as Exhibits A – G.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts

Voting Nay: None

Absent: None

V. **ENGINEERS/OPERATOR’S REPORT**

- A. **Discuss, consider and take action on reports from staff and agency engineering representatives:**

- 1. **Capital Improvements Plan Update, including:**
 - a. **Raw Water Line Permitting Update;**

No discussion was held on this item.

- 2. **Proposal from Murfee Engineering Company, Inc. to provide engineering services for the TLAP Temporary Relief Irrigation Project;**

Mr. Wilson presented on this item, provided as Exhibit H, stating that this was a project that would extend irrigation capabilities. Director Roberts stated that he had asked Murfee Engineering to look into this project and Mr. Wilson stated that during times of need this irrigation would give up to 200,000 gallons per day of disposal for treated effluent.

Director Goodwin asked how many acres are irrigated as a component of the Spillman contract, to which Mr. Wilson stated 150 acres are approximately being irrigated. Director Walden stated that the golf course itself is less than the 176 acres referenced in the PUA's permit, but all of the golf course is irrigated. Director Walden asked who would be paying for the disposed effluent, to which Mr. Wilson stated that no customer would be purchasing the water, but rather the project would be an opportunity to dispose of effluent in times of need when the ponds are approaching full capacity and the PUA needs to dispose of effluent at the maximum amount allowed.

MOTION: A motion was made by Director Whisenant and seconded by Director Goodwin to approve the proposal from Murfee Engineering Company to provide engineering services for the TLAP Temporary Relief Irrigation Project, as presented.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts
Voting Nay: None
Absent: None

3. Proposal from Murfee Engineering Company, Inc. to provide engineering services for the Bohls CCNG Gravity Effluent Service Line;

MOTION: A motion was made by Director Walden and seconded by Director Whisenant to approve the proposal from Murfee Engineering Company, provided as Exhibit I, to provide engineering services for the Bohls CCNG Gravity Effluent Service Line, as presented.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts
Voting Nay: None
Absent: None

4. Task Order 14A from The Wallace Group for Lake Pointe WWTP 2016 Plant Improvements; and

MOTION: A motion was made by Director Walden and seconded by Director Whisenant to approve Task Order 14A from The Wallace Group, provided as Exhibit J.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts

Voting Nay: None
Absent: None

5. Spillman Pond Liner Project Update.

Director Walden asked about an update on completion, to which Mr. Pugh stated that December 21, 2016 was the date of completion identified for TCEQ. However, the Bohls effluent pond is currently too high to bring down the Spillman Pond, so the contract has not yet been mobilized. Staff is identifying ways to reduce the pond levels in order to make the repairs.

Mr. Pugh stated that the PUA met with TCEQ to discuss the concerns relating to the repair, and the PUA is prepared to submit a formal request to extend the deadline. Mr. Pugh stated that he expected that the TCEQ would be favorable to this request for an extension of time based on his take on the meeting.

Director Roberts asked why the City would not let the PUA dispose of additional effluent, to which Director Goodwin stated that there is no benefit to the City in allowing the disposal. Director Roberts stated that he didn't understand why the City wasn't willing to allow the disposal when the wastewater system is to the benefit of City residents.

B. Discuss, consider and take action on report regarding water and wastewater system operations, maintenance and billing.

Mr. Wilson presented on this item, provided as Exhibit K.

Director Goodwin asked how many pumps are at the raw water intake, to which Mr. Wilson responded that there are five pumps but two of them have issues that will need maintenance.

VI. CONTROLLER'S REPORT

A. Discuss, consider and take action on report from Agency Controller.

Ms. Smith presented on this item, provided as Exhibit L.

Director Roberts inquired about budgeted reimbursements and the timing of payments to developers. He stated that he would like staff to perform an audit of reimbursement obligations. Director Walden stated that the reimbursement process with the PUA has been initiated by the Developers, whereas the LCRA had previously reached out to the developers regarding payment. Director Roberts asked that this be on the April agenda, but wanted updates starting in January. He also stated that he wanted to see a policy recommendation as to how to address these reimbursement liabilities.

Director Roberts stated that Directors Whisenant and Walden would be the subcommittee to address developer reimbursements. Ms. Smith stated that staff is currently analyzing the budget and the feasibility of making payments with fund balances versus debt. Director Roberts stated

that fund balances should be dedicated to maintaining the system rather than paying for future contract liabilities.

VII. TARIFF/POLICIES AND SERVICE REQUESTS

- A. Discuss, consider and take action on Notice of, Consent to, and Agreement Regarding Collateral Assignment of Reimbursement Rights for HM Highpointe Development, Inc.**

Ms. Albright presented on this item, provided as **Exhibit M**. She stated that the document presented is additional to the consent to assignment between BHM Highpointe and HM Highpointe, and that the enclosed document is required by HM Highpointe's lender and provides that reimbursement payments owing to the developer will be made directly to the lender.

MOTION: A motion was made by Director Goodwin and seconded by Director Whisenant to approve the Notice of, Consent to, and Agreement Regarding Collateral Assignment of Reimbursement Rights for HM Highpointe Development, Inc.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts
Voting Nay: None
Absent: None

VIII. GENERAL MANAGER'S REPORT

- A. Discuss, consider and take action on report from General Manager's Agency and Administrative and Operations Report, including:**

1. Impact Fee Advisory Committee on December 8, 2016.

Mr. Pugh presented this report, presented as **Exhibit N**. Director Goodwin asked a question about the meeting with the fire marshal, to which Mr. Pugh stated that this was related to a hydrant request by a developer. Director Goodwin confirmed that the PUA does not guarantee fire flow.

Director Walden asked about Number 11 and confirmed that this was a meeting with the Lake Pointe HOA. Mr. Pugh stated that the HOA had asked for the meeting to meet him and to provide information on rates as well as the proposed second raw water line and wastewater system capital improvements. Director Goodwin confirmed that the routing of the raw water line still has not been confirmed.

Director Roberts asked whether there had been additional meetings with CCNG, to which Mr. Pugh stated that there was a meeting on December 14, 2016 and that CCNG provided the information requested relating to reimbursements.

Mr. Pugh confirmed that he had also met with Joe DiQuinzio regarding Rough Hollow and stated that it was a positive discussion.

IX. OLD BUSINESS

Director Roberts announced that the Board would go into executive session at 10:22 a.m. pursuant to Texas Government Code § 551.071 – Consultation with Attorney to address the following matters:

Items IX. A – F
Item X.A.2

Director Roberts announced that the Board would go back into open session at 12:40 p.m. and that no action was taken in executive session.

- A. Discuss, consider and take action regarding Cause No. D-1-GN-16-000538; *Travis County Municipal Utility District No. 12 vs. Public Utility Commission of Texas in the 250th District Court of Travis County, Texas.***

This item was discussed in executive session.

- B. Discuss, consider and take action concerning *Travis County Municipal Utility District No. 12 v. West Travis County Public Utility Agency; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-16-002274.***

Mr. Klein stated that there was a hearing held this week on the plea to the jurisdiction, and that the WTCPUA had twenty days to file a notice of appeal of the decision of the district court.

MOTION: A motion was made by Director Whisenant and seconded by Director Goodwin to file a notice of appeal.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff and Walden

Voting Nay: Director Roberts

Absent: None

- C. Discuss, consider and take action regarding Cause No. D-I-GN-15-002149; *West Travis County Public Utility Agency v. Severn Trent Environmental Services, Inc., in the 98th District Court of Travis County, Texas and Cause No. D-I-GN-15-002169; Severn Trent Environmental Services, Inc. v. West***

Travis County Public Utility Agency, in the 98th District Court of Travis County, Texas.

This item was discussed in executive session.

- D. Discuss, consider and take action regarding CCNG Development Co., L.P. v. West Travis County Public Utility Agency and Lower Colorado River Authority; in the 345th Judicial District Court, Travis County, Texas; Cause No. D-1-GN-14-000163.**

This item was discussed in executive session.

- E. Discuss, consider and take action on Second Amendment to Operations, Maintenance, and Customer Services Agreement between WTCPUA and US Waters.**

Mr. Klein presented this item, provided as Exhibit O. He stated that this agreement is a reflection of the work of PUA Staff and US Waters to terminate the operator agreement for convenience. He also indicated that from a timing perspective, the proposed agreement will be effective upon signature of all parties, and then the PUA will be required to make a payment to US Waters within 10 days.

Director Goodwin thanked Jeff DuPont for his efforts. Director Roberts thanked Mr. DuPont and PUA Staff on their professionalism and efforts. Director Whisenant stated that he was also appreciative with the efficient and professional resolution of the matter.

MOTION: A motion was made by Director Walden and seconded by Director Whisenant to approve the second amendment and authorize execution by the Board President and make payment upon signature by USWUG.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts
Voting Nay: None
Absent: None

- F. Discuss, consider and take action on Financial Management Consulting Services Agreement Between West Travis County Public Utility Agency and Nelisa Heddin Consulting, LLC.**

This item was discussed in executive session.

- G. Discuss, consider and take action on updates to Bylaws of the Board of Directors of the West Travis County Public Utility Agency.**

Ms. Albright presented on this item, provided at Exhibit P, and stated that the edits provided in redline were based on discussions and direction provided by the Board at the November Board meeting.

MOTION: A motion was made by Director Goodwin and seconded by Director Goff to approve the updates to the Bylaws, as presented in Exhibit P.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts

Voting Nay: None

Absent: None

X. NEW BUSINESS

A. Discuss, consider and take action on the following matters pertaining to the WTCPUA Impact Fee Advisory Committee:

1. Accept resignation of Don Walden from Impact Fee Advisory Committee, and;

Director Whisenant thanked Director Walden for his service, and Director Walden stated he still planned on attending the Committee meetings as a director.

MOTION: A motion was made by Director Whisenant and seconded by Director Roberts to accept the resignation of Don Walden from the Impact Fee Advisory Committee.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff and Roberts

Voting Nay: None

Absent: None

Abstain: Director Walden

2. Adopt resolution appointing new member to fill the vacant Impact Fee Advisory Committee position.

This item was discussed in executive session. In open session, the following motion was made:

MOTION: A motion was made by Director Roberts and seconded by Director Goodwin to approve the resolution, provided as Exhibit Q, to appoint Jack Creveling to the Impact Fee Advisory Committee position.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff and Roberts
Voting Nay: Director Walden
Absent: None

Then, the Board directed PUA Staff to bring another item relating to the Impact Fee Advisory Committee at the January meeting so that the PUA could consider expanding the Impact Fee Advisory Committee to seven members.

B. Discuss, consider and take action on Utility Billing Software Solutions and Services Agreement with AVR, Inc.

Mr. Pugh presented on this item, provided as Exhibit R, stating that the agreement with US Waters is not transferrable, and the PUA will need a new contract when this function moves in-house to the PUA.

MOTION: A motion was made by Director Whisenant and seconded by Director Roberts to approve the Utility Billing Software Solutions and Services Agreement with AVR, Inc., provided as Exhibit R.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts
Voting Nay: None
Absent: None

C. Discuss, consider and take action on updates to West Travis County Public Utility Agency Personnel Policy Manual.

Mr. Pugh presented on this item, provided as Exhibit S, stating that updates to the policy are needed, especially relating to new employees that will be coming over to the PUA when operations and billing moves in-house. Mr. Pugh stated that Sheila Gladstone, employment attorney with Lloyd Gosselink, provided some updates related to changes in law that will be applicable to the PUA. Director Goff asked about the financial impact of the policy changes, to which Mr. Pugh stated that the only change he can anticipate would be the clothing allowance for certain staff. Director Whisenant confirmed that staff had reviewed these changes and that the changes were acceptable.

MOTION: A motion was made by Director Goff and seconded by Director Roberts to approve the updates to the Personnel Policy Manual, provided as Exhibit S.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts
Voting Nay: None
Absent: None

D. Discuss, consider, and take action on amendment to Raw Water and Effluent Agreement with CCNG Golf, L.L.C.

Mr. Pugh presented this item, provided as Exhibit T, stating that this amendment primarily seeks to reduce the rate for raw water and treated effluent. Mr. Klein confirmed that this amendment includes an annual rate escalator based upon changes in the consumer price index and the agreement not to challenge such rate increases, and that this proposed amendment is consistent with the recent amendment to the PUA's contract with Fire Phoenix.

MOTION: A motion was made by Director Walden and seconded by Director Roberts to approve the amendment to the Raw Water and Effluent Agreement with CCNG Golf, L.L.C.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts
Voting Nay: None
Absent: None

E. Discuss, consider, and take action on second amendment to Raw Water and Effluent Agreement with Spillman Ranch Community, Inc.

Director Walden stated that he would abstain from this item.

Mr. Pugh presented this item, provided as Exhibit U, stating that this proposed amendment seeks to amend the PUA's raw water and effluent agreement with Spillman Ranch Community, Inc., and that it contains the same provisions as the proposed amendment for CCNG, discussed in the previous item.

MOTION: A motion was made by Director Goodwin and seconded by Director Roberts to approve the second amendment to the Raw Water and Effluent Agreement with Spillman Ranch Community, Inc.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff and Roberts
Voting Nay: None
Absent: None
Abstain: Director Walden

F. Discuss, consider and take action concerning purchase of maintenance equipment.

Mr. Parkan presented on this item, provide as Exhibit V, relating to a proposal to purchase maintenance equipment. Director Walden questioned the use of Kubota and Mr. Parkan stated that the brand was not an issue so long as the costs were approved to authorize purchase.

MOTION: A motion was made by Director Goodwin and seconded by Director Whisenant to approve purchase of maintenance equipment based on the proposal in Exhibit V.

The vote was taken with the following result:

Voting Aye: Directors Whisenant, Goodwin, Goff, Walden and Roberts

Voting Nay: None

Absent: None

Director Whisenant asked that Mr. Parkan look for comparisons and look to certain domestic suppliers that may have some advantages.

G. Discuss, consider and take action concerning Board agendas and packet organization including:

- 1. Prioritizing action items and essential backup material**
- 2. Referencing location of agenda items.**

Director Goff presented on this item, stating that he thought there could be a way to streamline the items in the Board meeting and that he would continue to work with Jennifer Riechers on this issue.

Director Roberts asked if there were any other Board members that had any concerns about this issue. Director Goodwin stated that he had a concern and would rather have too much information rather than not enough information. Director Goodwin stated that he would prefer to have less items referenced for executive session.

Director Walden stated that the presentation to the public is the issue and the PUA doesn't want to present to the public as though every item will go into executive session. Director Roberts stated that as much as possible needed to be discussed in open session. He stated that the perception is that too much is done in executive session, which he doesn't believe is correct, but for those who don't attend Board meetings it would seem as though more is addressed in executive session than actually occurs.

Ms. Albright stated that she would work with Ms. Riechers to adjust the agenda and packet based on the Board's direction

XI. ADJOURNMENT


MOTION: A motion was made by Director Goodwin to adjourn. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goff, Whisenant, Goodwin and Walden
Voting Nay: None
Absent: None

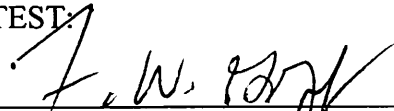
The meeting adjourned at 12:48 p.m.

PASSED AND APPROVED this 19th day of January 2017.



Scott Roberts, President
Board of Directors

ATTEST:



~~Ray Whisenant, Secretary/Treasurer~~
Board of Directors

FRED GOFF