

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

October 19, 2017

Present:

Scott Roberts, President
Fred Goff, Vice President
Ray Whisenant, Secretary
Bill Goodwin, Assistant Secretary
Don Walden, Assistant Secretary
Steven Knuff (Ex Officio)

Staff and Consultants:

Robert Pugh, General Manager
Jennifer Riechers, Program Manager
Jennifer Smith, Agency Controller
Keli Kirkley, Agency Accountant
Stefanie Albright, (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
Dennis Lozano (Murfee Engineering Company, Inc.), Agency Engineer
Trey Cantu, Agency Operations Manager

I. CALL TO ORDER

Director Roberts called the meeting to order at 10:02 a.m.

II. ESTABLISH QUORUM

A quorum was established. Also present were the above-referenced ex officio member, staff, and consultants.

III. PUBLIC COMMENT

No public comments were received.

IV. CONSENT AGENDA

- A. Approve minutes of September 21, 2017 Board Meeting.**
- B. Approve payment of outstanding invoices and other related bookkeeping matters.**

C. Approve Contractor Pay Requests including:

1. Pay Application No. 3 for Bohl's CCNG Gravity Effluent Line.
2. Pay Application No. 4 & Final for Bohl's CCNG Gravity Effluent Line.
3. Pay Application No. 3 & Final for Crystal Mountain EST Service Area Control Valve.

D. Approve Service Extension Requests (SERs), including location maps for:

1. The Preserve at Oak Hill, 17 Water LUEs, 290 System.
2. 290 Sawyer Ranch DS LLC, 238 Water LUEs, 290 System.

E. Approve purchase of filter media for water treatment plant Unit 3 filter maintenance, Xylem Water Solutions USA, Inc., \$28,685.

F. Approve City of Austin fiscal posting for 1340 Transmission Main Segment A in the amount of \$35,277.76.

MOTION: A motion was made by Director Whisenant and seconded by Director Roberts to approve Consent Agenda Items A- F, provided as Exhibits A-F.

The vote was taken with the following result:

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

Voting Nay: None

Absent: None

V. STAFF REPORTS

A. General Manager's Report.

Mr. Pugh presented on this item, provided as Exhibit G.

Director Goodwin asked for clarification regarding the credit card policy reference. Mr. Pugh stated that he had worked on an internal memorandum regarding policies for the purchase of meals by staff on PUA credit cards. Director Walden stated that this issue came up in his and Director Goff's review of the financial information. Mr. Pugh confirmed that meal purchases are for businesses purposes only, with one example being sandwiches for staff members working late to fix a waterline issue. Mr. Pugh confirmed that these meal purchases are approved by a supervisor in advance.

Regarding IT services, Mr. Pugh stated that there were some circumstances that necessitated on-site versus remote assistance. He stated that there is a procedure set in place to ensure that

Vintage is taking care of multiple issues and that staff are collaborating to ensure that these on-site visits are used efficiently.

Director Roberts asked whether CCNG had executed a consent to assignment, to which Ms. Albright stated it had not. Mr. Klein confirmed that there were still several outstanding agreements needed from CCNG.

Director Roberts asked about the MOU provisions and why the PUA is applying such restrictions outside the 290 System. Ms. Albright stated that the PUA, by policy, applies the USFWS MOU and TCEQ Optional Enhanced Measures to the entire PUA service area, with the exception of the City of Bee Cave and the City of Dripping Springs, for capacity planning purposes. She clarified that the 290 System is also subject to the USFWS MOU based on agreements transferred from the LCRA.

Director Goodwin addressed the Backyard and Terrace project and stated that he would like information from the PUA about the use of effluent.

Director Goodwin confirmed with Mr. Pugh that there were challenges in responses to and processing SERs that were being addressed by PUA staff.

Director Goodwin addressed the Home Depot Pump Station issue and Mr. Pugh gave an update on efforts to provide consistency in pressure and redundancy by converting more customers to the 1280 tank pressure system.

Director Goodwin asked about SER and plan reviews and the associated backlog. Mr. Pugh stated that there were several projects that were in completion at the same time.

Director Walden asked about the call relating to the West Travis County MUD 5 ("MUD 5") Memorandum of Understanding ("MOU") for the raw waterline. Mr. Pugh stated that Directors Roberts and Goff, Ms. Albright, Mr. Pugh, and MUD 5 representatives were in attendance. Ms. Albright confirmed that the edits in the packet were edits proposed after negotiation and input from the MUD 5 Board following their October Board meeting.

Director Roberts asked about the high pressure on the 1826 waterline that was experienced the previous week. Mr. Pugh stated a pressure reducing valve had failed on the system. Mr. Cantu stated that there were three PRVs that had failed. As a result, repairs are currently being performed and the system is operating with the minimum "psi". Director Roberts stated that his business is at the end of the line and is still experiencing 120 psi as of that morning. Mr. Cantu stated that hydraulics in the line can change the pressure, and it is difficult to control without more functioning PRVs, but this situation is being addressed. Mr. Cantu stated that the 1826 line is the only line currently experiencing this pressure issue. Director Roberts stated that all PRVs need to be replaced as soon as possible, and this should be done on a system-wide basis. Mr. Lozano stated that specifications have been changed for PRVs installed by developers. He stated that there is a plan to reduce the pressure plane in the 1826 line with planned projects.

Mr. Knuff asked what the difference is between a PRV on the water mains versus the residential PRVs, to which Mr. Cantu stated that size is the biggest difference. Mr. Pugh confirmed that there were approximately 10 residents that had claimed damages.

B. Controller's Report.

Ms. Smith presented this report, provided as Exhibit H, and stated that the PUA is in a positive financial position with \$2 million in excess and all required transfers will be met for the fiscal year.

Director Roberts asked if funds could be transferred between accounts from the CIP account to the reserve account. Ms. Smith stated that she did not think there was any prohibition in doing so, but she recommended that the CIP be updated to ensure that the money could be used for the projects intended. Discussion ensued regarding use of funds, and Director Roberts stated that he wanted staff to look into possibilities for freeing up funds to be utilized for projects, and that staff discuss these options with bond counsel.

C. Engineer's Report.

1. Capital Improvements Plan Update.

Mr. Lozano presented this report, provided as Exhibit I. Director Roberts stated that there was a potential customer that may take more effluent, and asked how this would impact the planned beneficial reuse project. Mr. Lozano stated that even without effluent, there will still be the opportunity to use the reuse facilities. Director Roberts stated that he doesn't want to get into the position where the PUA has to use raw water in place of effluent. He stated that he wants the 210 users to be interruptible and not provided effluent if a situation where raw water needed to be used were to become imminent. Director Roberts stated that he is anticipating a future effluent demand, and wants to make sure that this effluent during a drought is first used for the beneficial reuse system rather than irrigation. Director Roberts asked about the current effluent rates and stated that the PUA needed to look at the rate charged for effluent for irrigation once the current contractual terms run. Mr. Knuff stated that the golf courses may not negotiate. Mr. Klein clarified that the existing agreements with the golf courses give these entities the right to take the first million gallons of effluent produced by the PUA.

In response to a question from Director Roberts, Mr. Lozano stated that staff is considering holding an impact fee study in 2018. Director Roberts stated that he would like to move forward with this process earlier and asked for an item on the December agenda to move forward with the LUA and CIP study.

Director Goodwin asked about Raw Waterline No. 2, and the entities being consulted in the Lake Pointe community. Mr. Lozano stated that he has provided updates as requested by the HOA, West Travis County MUD 3, and MUD 5. He stated that the meeting with the HOA was important due to the location of the line going near the amenity center. Director Goodwin confirmed that these discussions had been going smoothly.

Director Goodwin stated that he anticipates pushback on the beneficial reuse project and the proposed solar panels for the Bohls Pond. Discussion ensued regarding the use of solar panels and offset of utility costs regarding the beneficial reuse facilities.

D. Operations Report.

Mr. Cantu presented this report, provided as **Exhibit J**. Director Goodwin confirmed that the flushing program referenced would be ongoing, and Mr. Cantu confirmed the ongoing nature of the program and stated there may be more flushing during the winter months. Director Goodwin asked about the colors of the fire hydrants, to which Mr. Cantu stated that the hydrants had been painted the colors of the existing hydrants. Director Whisenant asked that staff look into the hydrants painted red to ensure that there was no representation that fire flow is guaranteed.

Mr. Knuff asked if the work on the Lake Pointe wastewater treatment plant had been communicated to the HOA, to which Mr. Cantu stated that he didn't think communications had occurred at this point. Director Goodwin stated that it would be beneficial for staff to notify the HOA in Lake Pointe when repairs happen. Director Roberts stated that a monthly report while these projects are ongoing would be beneficial.

VI. OLD BUSINESS

Director Roberts announced that the Board would go into executive session at 11:17 a.m. pursuant to Texas Government Code § 551.072- real and personal property- to address Items VI.A and VI.C and pursuant to Texas Government Code § 551.074- personnel matters- to address Item VI. A, C, and D.

Director Roberts announced the Board would go back into open session at 1:00 p.m. and that no action was taken in executive session

A. Discuss, consider and take action regarding pending and/or anticipated litigation, including:

- 1. 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. No action was taken on this item.

- 2. *Travis County Municipal Utility District No. 12 v. West Travis County Public Utility Agency*; in the 201st Judicial District Court, Travis.**

This item was discussed in executive session. No action was taken on this item.

- 3. *William R. Holms v. West Travis County Public Utility Agency*; in Travis County Court of Law #2; C-1-CV-17-003601.**

This item was discussed in executive session. No action was taken on this item.

B. Discuss, consider and take action on PUA Certificate of Convenience and Necessity (CCN), including:

- 1. Boundary definition.**
- 2. Constraints on ability of PUA to sell water, if any.**
- 3. Bond Counsel concerns.**

No action was taken on this item.

C. Discuss, consider and take action on Memo of Understanding between Municipal Utility District No. 5 and WTCPUA regarding granting of easements for Second Raw Water Line pursuant to the Participant Agreement.

MOTION: A motion was made by Director Roberts and seconded by Director Whisenant to approve the Memorandum of Understanding with edits as discussed in executive session, and authorize the General Manager to finalize negotiations to include correction to names, continuation of compliance with USFWS, and protection of the PUA raw waterline.

The vote was taken with the following result:

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

Voting Nay: Director Goodwin

Absent: None

D. Discuss, consider and take action on Separation Agreement with Curtis Wilson.

This item was discussed in executive session. No action was taken on this item.

E. Discuss, consider and take action on Dripping Springs Water Supply Corporation (DSWSC) 1.5 MGD Service Extension Request (SER) and Service Availability (SA) letter (290 Systems).

MOTION: A motion was made by Director Walden and seconded by Director Goodwin to approve the DSWSC Service Extension Request and Service Availability Letter.

The vote was taken with the following result:

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

MOTION: After discussion, a clarifying motion was made by Director Roberts and seconded by Director Goodwin to approve a 6-month extension to the DSWSC Service Availability Letter previously approved.

The vote was taken with the following result:

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

VII. ADJOURNMENT

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

The vote was taken with the following result:

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

The meeting adjourned at 1:01 p.m.

PASSED AND APPROVED this 16th day of November 2017.

A handwritten signature in dark ink, appearing to read "Scott Roberts", written over a horizontal line.

Scott Roberts, President
Board of Directors

ATTEST:

A handwritten signature in dark ink, appearing to read "Ray Whisenant", written over a horizontal line.

Ray Whisenant, Secretary/Treasurer
Board of Directors