

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

March 15, 2018

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
David Klein, (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
Judith Coker, Agency Engineer
Trey Cantu, Agency Operations Manager

I. CALL TO ORDER

Director Roberts called the meeting to order at 10:00 a.m.

II. ESTABLISH QUORUM

III. PUBLIC COMMENT

IV. CONSENT AGENDA

- A. Approve minutes of February 15, 2018 regular Board Meeting.**
- B. Approve payment of outstanding invoices and other related bookkeeping matters.**
- C. Approve Service Extension Requests (SERs) including location maps for:
 - 1. Morgan Tract Bee Cave, 83 water and 83 wastewater LUEs, 71 System.****
- D. Approve Professional Services Agreement with Halff and Associates, Inc. for Service and Development policy MOU water quality reviews.**

- E. Approve First Amendment with ERG Belterra, LTD for \$6,000 in additional water line engineering services, reimbursable to WTCPUA, for the Belterra Commercial Project.
- F. Approve easements for City of Bee Cave Pedestrian Trails at Gateway to Falconhead and adjacent areas.
- G. Approve purchase of replacement vehicle for PUA Operations Fleet through Buy Board approved vendor Caldwell County and declare replacement vehicle as surplus property:
 - 1. Replace PUA Unit 003, 2003 Ford F250, ¾ ton pick-up with 2018 Chevrolet Colorado 4X2 Extended Cab Pickup, \$22,720.
- H. Approve developer reimbursement in the amount of \$229,260.33 for Lazy Nine MUD 1A/NASH Sweetwater, LLC
- I. Approve Easement Agreement with John Carrell for the 1340 Transmission Main Project.
- J. Approve Pay Application No. 1 for the 1340 Elevated Storage Tank Project to Landmark Structures I, O.P. for \$28,975

MOTION: A motion was made by Director Roberts to approve the consent agenda items, provided as Exhibits A-J. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

V. STAFF REPORTS

A. General Manager's Report.

Mr. Pugh presented this item, provided as Exhibit K. Mr. Pugh stated that the Carrell easement was finally negotiated and ready for recordation. He also stated that West Travis County MUD No. 3 and West Travis County MUD No. 5 would be holding a consolidation election in May, and that if approved, the new consolidated district would have a 10-person board consisting of existing directors until the director election in November.

Mr. Pugh stated that staff has been working on reviewing the development policies and hoped to have a recommendation to the Board in the future. Director Roberts asked about the rate comparison reference in Number 25, and questioned whether the PUA had a way to differentiate

comparisons with entities that have taxes. Director Roberts asked in future comparisons that a notation should be made where there is taxing authority.

B. Controller's Report.

Ms. Smith presented this item, provided as Exhibit L. She stated that the first four months of the fiscal year netted an increase of \$364,000.

C. Engineer's Report including:

- 1. Capital Improvements Plan Update.**
- 2. Impact Fee Study Update**

This report was provided as Exhibit M.

D. Operations Report including:

- 1. TLAP/210 effluent usage and pond levels**

Mr. Cantu presented this item, provided as Exhibit N. He flagged the effluent use and pond levels and stated that the ponds are at 79% capacity. Discussion ensued regarding notification efforts to bring the pond levels down. Director Walden stated that notification needs to occur early in the season next year to alert the entities, and that discussions with the golf courses regarding overseeding may assist in bringing down these levels.

Director Goodwin asked whether the ponds are lower than they have been in previous years, to which Mr. Pugh stated that his understanding from Mr. Lozano was that we are in better shape with regards to the ponds than in the past due to better relations with the golf courses. Mr. Pugh stated that billing to TLAP and 210 customers had been suspended in January to encourage the use of effluent.

VI. OLD BUSINESS

At 11:15 a.m., Director Roberts announced that the Board would convene in executive session to consult with its attorney under Texas Government Code 551.071 regarding Items VI. A./B.

At 12:21 p.m., Director Roberts announced that the Board would convene in open session and that no action had been taken.

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

- 1. 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.**

This item was discussed in Executive Session.

2. Williams 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.

B. Discuss, consider and take action on amendments to WTCPUA Service and Development Policies.

This item was discussed in Executive Session.

VII. NEW BUSINESS

A. Discuss, consider and take action on FY 2017 Independent Auditor's Report and Audited Financial Statements and Supplemental Information for year ended September 30, 2017.

Ms. Smith introduced Jimmy Rommel with Maxwell Locke & Ritter to present the audit, provided as **Exhibit O**.

He stated that the audit contains a clean audit opinion and identified the PUA's statement of net position. Mr. Rommel went through the audit with the Board, detailing the reported items contained in the audit.

B. Discuss, consider and take action on Independent Auditor Procedures Report of Reimbursable Costs for Highpointe Phase 5, Section 3.

Mr. Rommel presented the audit of the reimbursable costs for Highpointe Phase 5, Section 3, provided as **Exhibit P**.

MOTION: A motion was made by Director Walden to approve the audit as provided in **Exhibit O** and to approve the Report of Reimbursable Costs for Highpointe Phase 5, Section 3, as provided in **Exhibit P**. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

C. Discuss, consider and take action on office building options for WTCPUA Administration and Customer Service operations.

Mr. Pugh presented on this item and provided a memorandum as **Exhibit Q**. He stated that staff had determined that it would be beneficial to combine the PUA's two offices and he had put together criteria for consideration. He stated that staff had identified three locations that meet the

criteria identified, as detailed in the memorandum, and detailed the finishing costs for each location. He also stated that the Gateway to Falconhead space has the opportunity for purchase as well.

Director Walden stated that the size should be taken into account for the lowest cost space. Director Whisenant asked if any other options were considered, and Mr. Pugh stated that options outside of Bee Cave were looked at, but generally the places that met staff criteria were in the Bee Cave area.

Director Goodwin asked about the purchase option, and asked if the land would be included, or whether it would be similar to purchasing a condominium. Ms. Albright stated that she believed that the development was set up as a condominium regime, but this could be confirmed if this option was selected.

In response to a question from Director Whisenant, Mr. Pugh stated that the Calabria office lease expires in October, and leasing month-to-month would be more expensive.

Director Walden asked if a commercial real estate agent had been engaged by the PUA, to which Mr. Pugh stated that he had been working with property agents.

Mr. Knuff asked how many people come into the Customer Service office, to which Ms. Riechers stated that there are approximately 200 walk-in customers per month.

MOTION: A motion was made by Director Roberts to postpone this discussion until April to look at other potential locations. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

The motion failed.

Director Goodwin stated that there are two sewer plants and a water treatment plant in Bee Cave, so it would seem prudent to have staff located near these facilities.

The Board narrowed the options to the Bee Cave Parkway and Gateway to Falconhead locations, and directed that staff negotiate a favorable proposal. Discussion ensued regarding traffic concerns and Director Goodwin asked that Mr. Pugh consider traffic issues in his review.

Mr. Knuff asked about the process to look at these facilities, and Mr. Pugh stated that he had spoken to the existing property manager who had provided input regarding other buildings in the area that were available to lease.

MOTION: A motion was made by Director Goodwin to negotiate with 13215 Bee Cave Parkway and Gateway to Falconhead. The motion was seconded by Director Walden.

The vote was taken with the following result:

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

Director Roberts stated that he voted no because he didn't think the search was adequate in looking in the entire area, and that some locations may have been overlooked, and that there are likely other facilities less expensive. Director Whisenant stated that if this is a ratepayer's utility, and the PUA is looking for leases beyond 7 years, it is not fiscally responsible to move forward with leases at these rates. Director Roberts stated that if the best fiscal alternative is in Bee Cave, that he would be amenable to the proposal, but he felt that this review was not adequate.

D. Discuss, consider and take action on FY2019 wholesale and retail rate study per Agreement with Heddin Consultants, Inc. in the amount of \$41,680.

Ms. Smith stated that this study is proposed ahead of the 2019 bond payment, and recommended approving the proposal presented as **Exhibit R.**

MOTION: A motion was made by Director Walden to approve the FY2019 wholesale and retail rate study agreement with Heddin Consultants, Inc. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

Director Walden asked if Ms. Heddin had associates supporting, to which Ms. Heddin stated that she has administrative staff assisting her. Ms. Smith clarified that this is only to review wholesale and retail rates.

E. Discuss, consider and take action on Murfee Engineering Company, Inc. engineering modelling and analysis fee estimate of \$25,170 for:
1. Supplemental 1.5 MGD capacity request to DSWSC 1.5 MGD SER approved on August 17, 2017, 290 System.

Mr. Murfee presented on this item, provided as **Exhibit S.** He stated that his firm would review this analysis. He stated that the previous analysis detailed a need for an additional pump station. The customer stated that this pump station could be a CIP project, and Mr. Murfee said this may be the case.

Director Goodwin stated that this seemed like a short timeframe to double the capacity request, and Mr. Murfee stated that the water supply corporation is cost conscious and looking at how much it would cost to get additional water. In response to a question from Director Goodwin, Mr. Murfee stated that they have not done a demography study, but that the Dripping Springs school district did conduct such a study.

Director Roberts confirmed that this may assist in the CIP project.

Director Goodwin asked about the modeling for Masonwood West, and Mr. Murfee confirmed that the modeling was part of the SER process versus the CIP process as they were asking for water beyond the CIP program.

MOTION: A motion was made by Director Goodwin to approve Murfee Engineering Company, Inc. engineering modelling and analysis fee estimate of \$25,170 for the Supplemental 1.5 MGD capacity request to DSWSC 1.5 MGD SER approved on August 17, 2017, 290 System. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

VIII. ADJOURNMENT

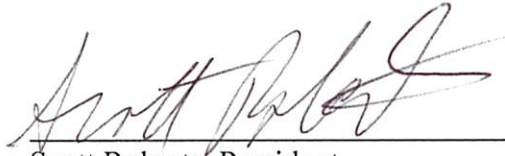
MOTION: A motion was made by Director Whisenant to adjourn. The motion was seconded by Director Roberts.

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 12:21 p.m.

PASSED AND APPROVED this ^{19th}1 day of April, 2018.

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

Bill Gooden