

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

May 17, 2018

Present:

Scott Roberts, President
Don Walden, Vice President
Ray Whisenant, Secretary
Bill Goodwin, Assistant Secretary
Eileen Brzoska, Director

Staff and Consultants:

Robert Pugh, General Manager
Jennifer Riechers, Program Manager
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
Pierce Powers, Agency Engineer
Reuben Ramirez, Engineering Technician
Trey Cantu, Agency Operations Manager
Dennis Lozano (Murfee Engineering), Engineering Consultant

I. CALL TO ORDER

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

II. ESTABLISH QUORUM

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

III. PUBLIC COMMENT

Peter Golde addressed the Board correcting a previous statement he had made that there is no "regional plan" under the MOU, stating that he was not previously aware of the letter from USFWS stating that the TCEQ Optional Enhanced Measures would be acceptable as a regional plan under the MOU.

IV. CONSENT AGENDA

- A. Approve minutes of April 19, 2018 regular Board Meeting.**
- B. Approve payment of outstanding invoices and other related bookkeeping matters.**

- C. **Approve Service Extension Request (SER) including location map for Mantra Medical Offices, 11 water LUEs, 290 system.**
- D. **Approve Second Amendment to Non-Standard Service Agreement (NSSA) for the 128 acre Grumbles Project to reduce water allocation from 81 LUEs to 76 LUEs.**
- E. **Authorize General Manager to execute Consent to Assignment of 128 Acre Grumbles Project to new ownership:**
 - 1. Assignment of 63 water LUEs to Saturn Five Signal Hills (95 acres).
 - 2. Assignment of 13 water LUEs to San Camley, LLC (33 acres).
- F. **Approve Murfee Engineering Co., Inc. Construction Inspection Services proposal in the amount of \$60,180 for Provence/MUD 22 Elevated Storage Tank Project.**
- G. **Authorize General Manager to execute a Sublease Listing Agreement with Peloton Commercial Real Estate, LP to market and obtain sublease for current administrative office space at Triton Center Suites 120 and 130.**
- H. **Approve Developer Reimbursement in the amount of \$108,734 to Taylor Morrison for Phase IV or Sawyer Ranch Road Pipeline.**

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

The vote was taken with the following result:

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

V. STAFF REPORTS

A. General Manager's Report.

Mr. Pugh presented this report, provided as Exhibit I.

Director Goodwin asked about Item 13 regarding odor complaints, and stated that in Mr. Cantu's report there was a statement that these odors came from a water quality pond. He stated that he wanted to know how sure staff is of that statement, and also asked if staff is confident in the odor loggers, and if they are mobile to confirm that there are odors from the water quality pond.

Mr. Pugh stated that since he came to the PUA odor complaints had gone down due to the chemical treatment program used. He stated that there are odor loggers at the lift station and at the plant, and the process is for staff to contact the complainant, and then to go to the premises to observe the conditions. Mr. Pugh stated that staff has hung additional odor loggers at the perimeter fence of the Lake Pointe Plant, and mobile odor detectors were also purchased. He stated that some complaints come after a rain, and staff thought that there was potential that water coming into the ponds may cause odors, and that this is a possibility staff wanted to look into. In response to a question from Director Goodwin, Mr. Pugh stated that H₂S was the only gas logged and would likely not be picked up at the pond. Director Goodwin asked if potential inflow/infiltration could be an issue causing odor problems, and Mr. Pugh stated that he wasn't sure how much this could contribute to odors.

Director Goodwin asked if the odor complaints were received from the same people filing complaints with the TCEQ, to which Mr. Pugh said yes it is likely the same people. Director Goodwin wanted to ensure that these TCEQ complaints are also provided to PUA staff to ensure that the complaints are being addressed by the PUA.

Director Goodwin asked about the bid documents for the meter replacement program, and confirmed that the cost of the program is approximately \$1 million.

Director Walden asked about the LedgeStone meeting referenced, and Mr. Pugh stated that there are two SERs pending relating to this project, and that this is a later agenda item.

Director Walden addressed the letter to wholesale customers, and asked if the target was total projections through 2027, or if yearly data was requested. Mr. Pugh stated that the letter was drafted and sent per Board direction, and that some responses had been received.

Director Walden stated that there were a number of letters regarding Longhorn Skyway regarding "what if" questions. Mr. Pugh stated that the developer's questions relating to the wholesale agreement were generally answered. He stated that a TCEQ CZP approval was submitted, but PUA staff informed the developer that CZP compliance does not meet the required USFWS MOU measures required in the Deer Creek wholesale agreement. Additional questions were on the agenda for Board direction.

Director Walden asked who is vetting the lease agreement for the new office building. Mr. Pugh stated that he reviewed the lease and also had David Klein review the documents, and comments were submitted to the lessor.

Mr. Pugh stated that a Bee Cave town hall meeting was held with 22 customers in attendance.

Mr. Pugh stated that one of the pumps in the raw water intake was taken offline for repairs, and that DSWSC, TCMUD 12, and TCMUD 20 were all helpful in using wells and interconnects where applicable to ensure no interruption of service.

B. Controller's Report.

Ms. Smith provided this report, provided as Exhibit J.

Director Walden stated that this is the first half of the fiscal year when revenues are typically lower, but at this time revenues are over for wastewater and only slightly under for water due to the lower use.

C. Engineer's Report including:

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

This report was provided as Exhibit K. Director Goodwin asked about the CP&Y manhole repair program. Ryan Owen with CP&Y detailed the efforts to address 20 manholes in the Lake Pointe subdivision, and stated that measures were being taken to ensure that repairs could be conducted without taking the line out of service. Director Whisenant asked about the fiberglass inserts and the gap between the insert and the existing wall. Mr. Owen confirmed that the structural integrity of the manhole will be increased and that the gap will be filled with grout.

Director Walden asked about the 1340 Transmission Main project and asked about the status since the last referenced pre-construction meeting. Discussion ensued regarding the status of the project, as well as an update regarding the 1080 Transmission Main project. Mr. Lozano stated that the City of Bee Cave and the PUA had stayed in coordination.

Director Walden asked when the Raw Waterline No. 2 package was submitted to Washington DC, to which Mr. Lozano responded that the Federal Register notice will be published on May 18 with a 30 day comment period. At that time, the PUA will address any comments and wait for administrative processing.

Mr. Lozano next addressed the impact fee study update, stating that several wholesale customers responded, and that some direction may be needed from the Board. The DSWSC responded including a planning study, but additional work may be needed to determine how much water would be needed from the PUA. Mr. Lozano recommended waiting until the newly hired general manager is at the DSWSC in June before having these conversations. Mr. Pugh stated that initial PUA projections for the DSWSC were 4,800 LUEs, and that the DSWSC proposal suggests almost double the planning number.

Director Roberts asked if the PUA serves water within the City of Austin, to which Mr. Lozano stated that the PUA does serve in the ETJ of Austin.

Director Goodwin stated that the following responded to the PUA's letter regarding capacity planning: Barton Creek West, DSWSC, Lazy Nine, Reunion Ranch, Senna Hills. Mr. Lozano stated that the City of Dripping Springs provided information regarding planning. Mr. Lozano also stated that TCMUD 22/Provence submitted a letter requesting that projects related to this development be included in the CIP to be eligible for impact fee credits. He stated that in this letter they are anticipating 150 connections per year with a total buildout of 1,837 LUEs. Mr.

Lozano stated that to meet this demand at the level requested would likely involve a parallel Hamilton Pool Road waterline. He stated that he is not making the recommendation that these projects be included in the CIP, but was relaying the requests for Board discussion and feedback.

D. Operations Report.

Mr. Cantu provided this report, provided as **Exhibit K**. Mr. Cantu followed up regarding odor complaints, stating that no complaints had been recently received.

VI. OLD BUSINESS

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.**
2. **Williams R. Holms v. West Travis County Public Utility Agency; in Travis County Court of Law #2; C-1-CV-17-003601**
3. **John Hatchett, Sandra Hatchett and JPH Capital, LLP v. West Travis County Public Utility Agency; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-18-001654.**

B. Discuss, consider and take action on resignation of Michael Slack from Impact Fee Advisory Committee, and nominations for replacement.

Mr. Pugh stated that Mr. Don Bosse with Discovery was recommended for inclusion on the IFAC.

MOTION: A motion was made by Director Roberts to approve the nomination of Mr. Don Bosse to the Impact Fee Advisory Committee. The motion was seconded by Director Walden.

The vote was taken with the following result:

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

VII. NEW BUSINESS

A. Discuss, consider and take action regarding plat review and USFWS MOU requirements in plats by Hays County, City of Dripping Springs, Travis County, and City of Bee Cave including:

1. Letters to Hays County, City of Dripping Springs, Travis County, and City of Bee Cave requesting addition of plat notes for future developments that state developments shall comply with provisions of the “Memorandum of Understanding” between the LCRA and the United States Fish and Wildlife Service (USFWS), dated May 24, 2000 (MOU).
2. Provide copy of City of Dripping Springs letter to Dripping Springs Water Supply Corporation.

This item was discussed in executive session.

MOTION: A motion was made by Director Roberts to approve the letter, as directed in Execution Session. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

- B. **Discuss, consider and take action on Wholesale Agreement with Deer Creek Ranch Water Company, LLC including:**
 1. Letter to Travis County Commissioners Court requesting addition of plat notes for Longhorn Skyway Office Building Project that sates the development shall comply with the water quality requirements outlined in the Wholesale Agreement.

This item was discussed in Executive Session.

MOTION: A motion was made by Director Roberts to approve the letter to the Travis County Commissioners Court as discussed in Executive Session. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

- C. **Discuss, consider and take action on Water Utility Facilities Acquisition Agreement Between Lower Colorado River Authority, 290 East Bush, Inc. and Hays County MUD 4, including:**
 1. Service Extension Request (SER) for Anthem at Ledge Stone Apartment Homes, 67 water LUEs, 290 system.
 2. Service Extension Request (SER) for Ledgestone Senior Living Phase Two, 28 water LUEs, 290 system.

This item was discussed in executive session.

D. Discuss, consider and take action on CP and Y, Inc. Engineering Services Proposal for system wide effluent infrastructure modeling.

Mr. Pugh presented on this item, provided as **Exhibit L**, stating that recently the PUA had hooked on the Gateway to Falconhead, and that the Park at Bee Cave requires infrastructure to connect to the effluent system.

Director Goodwin asked how much the Gateway to Falconhead is predicted to take, to which Mr. Pugh stated that he would have to look into the question to confirm the information. Discussion ensued regarding projected use. Director Goodwin asked about “blow down” water sent from the Backyard/Terrace project to the WWTP, and asked that staff look at the impact to the wastewater LUEs in the NSSA.

Director Roberts asked why the applicants for service aren’t being requested to pay for the effluent study, to which Mr. Pugh stated that this was a feasibility project for Board consideration.

Director Walden stated that he thought the study to be premature as the Backyard/Terrace project has not moved forward at this point. Director Roberts stated that he wasn’t of the opinion that the study was premature, but redundant as he believed these tasks to be addressed as part of the CIP process.

Director Whisenant stated that he was of the opinion that the ratepayers should not be paying for this study at this time.

MOTION: A motion was made by Director Walden to deny the proposal from CP and Y for system wide effluent infrastructure modeling. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

Voting Nay: None

Absent: None

E. Discuss, consider and take action on Billing Services Agreement with Springhollow Municipal Utility District for Parten Ranch Development.

This item was presented by Mr. Pugh, provided as **Exhibit M**. He stated that in the Parten Ranch NSSA there is a reference that billing services may be provided, and stated that this proposal includes billing reports with customers and disconnection services on an hourly basis. He stated that the Agreement for consideration is similar to the Hays MUD No. 5 billing agreement.

Ms. Albright stated that LCRA provided these services to some customers. Mr. Pugh confirmed that no additional employees were needed to provide these services.

MOTION: A motion was made by Director Walden to approve the Billing Services Agreement with Springhollow Municipal Utility District. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

F. Discuss, consider and take action on Lease Agreement with Springhollow Municipal Utility District for Parten Ranch Development.

This item was discussed in Executive Session.

MOTION: A motion was made by Director Roberts to approve the Lease Agreement with Springhollow Municipal Utility District, with edits as directed in Executive Session. The motion was seconded by Director Walden.

The vote was taken with the following result:

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

G. Discuss, consider and take action on date for Special Board meeting for Impact Fee Study workshop, including:
1. Land use assumptions.
2. CIP update.
3. Impact fee calculation methodology, and report completion.

Mr. Pugh stated that this workshop could occur as a component of the June 21 Board meeting, or a special meeting. Director Roberts asked that this be included on the June 21 meeting agenda, and that the regular agenda be kept as short as possible.

H. Discuss, consider and take action regarding PUA operational matters, including:
1. Reduction of electricity usage at PUA facilities.
2. Adjustment of distribution of PUA watering scheduling.
3. Survey of maintenance and repairs of PUA lift station facilities.
4. References to PUA customers.

Ms. Brzoska presented on this item, stated that there was a change to the electricity rates by the City of Austin, and asked if there could be an audit of energy efficiency of PUA facilities to see if there is a benefit to variable frequency or soft start motors. Mr. Cantu stated that some of the motors are not readily adaptable to variable frequency drives, such as lift stations that are controlled by flows. He stated that where facilities show effectiveness in using variable frequency, such as the larger capacity pumps, the PUA generally uses such facilities. He stated that there are many firms that could provide this study, but that in his opinion there are improvements that could be made, but the system is running efficiently. Ms. Brzoska asked if there is a schedule for this review, to which Mr. Cantu replied that there was not, but that he periodically reviews utility bills to assess usage and costs.

Director Whisenant stated that he didn't think that an audit would be as effective as for other entities, stating a Hays County study where efficiencies were found with lighting and air conditioning.

Next, Ms. Brzoska asked about the watering schedule, stating that with pressure fluctuations exacerbated by irrigation, has the overall PUA system been reviewed to see if high service pumps could be reduced to assist with pressure fluctuations. Mr. Pugh stated that watering restriction compliance checks are done in the evenings. He stated that the current watering plans state the times where watering cannot occur to assist with helping the tanks be refilled. Mr. Pugh stated that the schedule in place was set to address fluctuations. Mr. Cantu stated that over the seasons, monitoring non-compliance has helped with the overall demand. Ms. Brzoska asked if there were any pressure fluctuations noticed from specific communities, and whether there was a way to better balance the system. Mr. Pugh stated that in 2017, the Board asked to apply the restrictions to the Highway 290 System based on pressure concerns. Director Roberts asked if the same operation issues from usage are experienced in both systems, to which Mr. Cantu stated that there is somewhat of a divide, but production is overall affected. Mr. Cantu confirmed that in peak times there can be production issues that are addressed with watering restrictions. Director Roberts asked how these issues could be addressed, to which Mr. Lozano stated that many of the CIP projects addressed and provided additional capacity. Director Roberts asked if there were system constraints that limited revenue production and meet demand. Mr. Lozano stated that this question relates not just to capacity, but also to social awareness regarding conservation. Mr. Lozano stated that if average flow was provided, even though peaking is prepared for, the system would be operating at the maximum efficiency. Mr. Pugh confirmed that as a firm water customer of LCRA, the PUA is following the LCRA water conservation guidelines.

Ms. Brzoska next asked about PUA lift station conditions regarding aesthetics, and asked if a survey could be done to address these concerns. Mr. Cantu stated that his study is already in process. Director Walden asked if this included exterior facilities, such as fencing, to which Mr. Cantu stated that yes it would, in addition to other maintenance items. He stated he hoped that these items would be included in the next fiscal year's budget, and Mr. Pugh stated that Mr. Cantu is working to have this information prepared.

Ms. Brzoska asked for input as to whether PUA customers should be referred to as "members" rather than "customers" in order to eliminate the "us versus them" framework. Director Walden stated that members typically related to a cooperative situation with an ownership stake, so there

could be some confusion. Director Whisenant stated that he had no concerns about the terminology, but agreed with Director Walden regarding the issue. Director Walden stated the terminology could create a connotation that doesn't exist. Ms. Brzoska asked if there are measures that could be taken to improve public relations. Director Roberts stated that the best public relations efforts would be for the PUA to improve its service and cooperation with customers, which has been done. Mr. Pugh stated that the PUA now sends out quarterly newsletters, conducts customer academies with information about the Agency and the system, quarterly articles in the Lake Travis View, routine attendance at community meetings, and that these have all been effective. He also stated that the new website is much more user-friendly for customers, and that staff is open to suggestions for any other measures that can be taken.

Director Walden stated that the PUA should offer to come to area HOA annual meetings to make a presentation and provide a report on the PUA. Director Whisenant stated that HOAs could be the best way to reach citizens, and said that he appreciated Ms. Brzoska's input and it was good for the Board to remind itself of these questions. Director Goodwin stated that it will take some time to address its public image, and that the best thing the PUA did was take operations in-house.

At 11:44 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; VII.A, B, C, and F.

At 1:02 p.m., Director Roberts announced that the Board would convene in open session and that no action had been taken.

VIII. ADJOURNMENT

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

The vote was taken with the following result:

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

Voting Nay: None

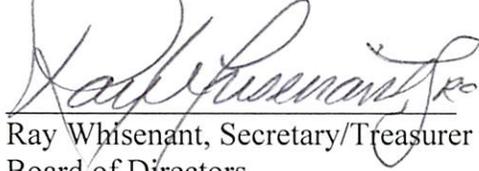
Absent: None

The meeting adjourned at 1:03 p.m.

PASSED AND APPROVED this 21st day of June, 2018.


Scott Roberts, President Don Walden,
Board of Directors Vice President

ATTEST:


Ray Whisenant, Secretary/Treasurer
Board of Directors