

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

February 21, 2019

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 Smith, Controller
Keli Kirkley, Accountant
Jennifer Riechers, Customer Service Manager
Judith Coker, Senior Engineer
Pierce Powers, Staff Engineer
Reuben Ramirez, Engineering Technician
Trey Cantu, Operations Manager
Stefanie Albright (Lloyd Gosselink Rochelle & Townsend, P.C.), General Counsel
David Klein (Lloyd Gosselink Rochelle & Townsend, P.C.), General Counsel
Dennis Lozano (Murfee Engineering), District Engineer

I. CALL TO ORDER

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

II. ESTABLISH QUORUM

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

III. PUBLIC COMMENT

Mr. Aaron Googins addressed the Board regarding the Signal Hill development, and requested special consideration for the development regarding releasing the water meter. He stated that some information was difficult to accomplish, such as the all bills paid notice, that may take additional time to complete. His request was for the Board to allow staff to release approximately 20 meters to builders for 61 single family lots.

IV. CONSENT AGENDA (R. Pugh)

- A. Approve minutes of January 17, 2019 regular Board Meeting.**
- B. Approve payment of invoices and other related bookkeeping matters including:**
 - 1. BOK Financial Invoices in the amount of \$4,090,293.75 for Series 2013, 2015 and 2017 Bond Payments.**
- C. Approve Contractor Pay Requests including:**
 - 1. SJ Louis Construction of Texas., Ltd. Pay Request No. 7, \$292,365.50, 1340 Transmission Main Project.**
 - 2. CFG Industries, LLC, Pay Request No. 11, \$47,500, Water Tank and Pump Stations Improvements Project.**
 - 3. Landmark Structures I, LP, Pay Request No. 10, \$48,787.25, 1340 Elevated Storage Tank Project.**
 - 4. Travis Industries, LLC, Pay Request No. 3, \$93,746.95, Uplands WTP and HS Pump Station Improvements Project.**
- D. Approve Contractor Change Orders including:**
 - 1. CFG Industries, Change Order No. 5, -\$1,197 deduct and addition of 29 Substantial Completion Weather Days, Water Tank and Pump Stations Improvements Project.**
- E. Approve Service Extension Requests (SERs) including location map for:**
 - 1. Signal Hill Commercial, 30 Water LUEs, 290 System.**

This item, included as **Exhibit E**, was pulled from the consent agenda by Director Walden for individual consideration and discussion.

Director Walden referenced the PUA's policy to collect payment of legal and engineering and other review fees, related to the SER process. He stated that in the SER letter, there was no reference to the timing of payment of fees, and he would like a statement in the letter to reference that payment is required before construction plans are released.

MOTION: A motion was made by Director Roberts to approve Item E on the consent agenda, subject to additions made by Director Walden. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

- F. Approve Non-Standard Service Agreements (NSSAs) including location map for:**
- 1. Ledgestone Commercial, 43 Water LUEs, 290 System.**

This item, included as **Exhibit F**, was pulled from the consent agenda by Director Walden for individual consideration and discussion.

MOTION: A motion was made by Director Roberts to approve Item F on the consent agenda subject to changing the “may” to “shall” regarding payment of SER Fees as noted by Director Walden. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

Director Roberts directed staff and consultants to bring back an updated form NSSA template for consideration by the Board to include stronger language regarding payment of developer fees.

- G. Approve 2018 annual Developer Reimbursement in the amount of \$259,948.72 to NASH Sweetwater, LLC per Wholesale Water Services Agreement between WTCPUA and Lazy Nine MUD 1A.**

MOTION: A motion was made by Director Roberts to approve the Consent Agenda, provided as **Exhibits A – D, and G**. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

V. OLD BUSINESS

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

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

3. *John Hatchett, Sandra Hatchett and JPH Capital, LLP v. West Travis County Public Utility Agency, No. 03-18-00668-CV in the Court of Appeals for the Third District of Texas at Austin.*

B. Discuss, consider, and take action on legislative efforts and legislation in the 86th Legislative Session.

This item was discussed in executive session.

C. Discuss, consider and take action on Murfee Engineering Company additional fee requests for Raw Water Line No. 2, Permitting, ACI Consulting, \$31,652.

Mr. Lozano presented on this item, provided as Exhibit H.

Director Roberts left the meeting at 10:12 a.m. Director Roberts returned at 10:16 a.m.

Mr. Lozano stated that the memo provided a background on the work done by ACI and the process of permitting the Raw Water Line No. 2. He stated that he reviewed the invoicing and backup information, and in his opinion the amount billed corresponds with the time spent. Mr. Lozano stated that USFWS asked about actions in the Preserve and other issues that were unrelated to the waterline project, but were inquired about during the discussions on construction of the waterline project in the Preserve. In response to a question from Director Walden, Mr. Lozano confirmed that in his opinion the costs were justified based on the backup he reviewed.

Director Whisenant stated that the PUA has shown administrative diligence on the project and in review of this information.

MOTION: A motion was made by Director Roberts to approve additional fee requests from Murfee Engineering Company for Raw Water Line No. 2, Permitting, and ACI Consulting in the amount of \$31,652. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

VI. NEW BUSINESS

At 10:28 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 V. A and B; Items VI. A- F, H – J, and regarding real and personal property under Texas Government Code § 551.072 regarding Item VI.E.

Director Roberts abstained from participation in the executive session regarding Items VI. B and VI. I.

At 1:00 p.m., Director Roberts announced that the Board would reconvene in open session and that no action had been taken in executive session.

- A. Review, discuss, receive direction, and take possible action on draft Emergency Interconnect Agreement between the WTCPUA and Austin Water.**

This item was discussed in executive session. Director Goodwin stated that the PUA should cease negotiations with City of Austin because the conditions are not reasonable.

- B. Review, discuss, receive direction and take possible action on draft Conveyance Lease Agreement between WTCPUA and Greenhawe WCID No. 2.**

Director Roberts abstained from this item during open session and executive session. This item was discussed in executive session.

Director Walden stated that staff should prepare final lease agreement based on direction in executive session and that the agreement be included on the consent agenda on the March meeting agenda.

- C. Review, discuss, receive direction and take possible action on water rates study.**

This item was discussed in executive session.

- D. Discuss, consider and take action on Amendments to Wholesale Water Services Agreement between WTCPUA and Lazy Nine Municipal Utility District No. 1A:**
 - 1. Amendment No. 3, expand service territory for 124 Acre McCalla Tract.**
 - 2. Amendment No. 4, increase water service allocation from 2400 LUEs to 2595 LUEs.**

This item was discussed in executive session. The amendments were presented as **Exhibit I and J**.

MOTION: A motion was made by Director Walden to approve Amendment No. 3 and Amendment No. 4 of the Wholesale Water Services Agreement between WTCPUA and Lazy Nine Municipal Utility District No. 1A. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

E. Discuss, consider and take action on request to City of Bee Cave for cooperation regarding use of eminent domain (D. Lozano).

This item was discussed in executive session. The Board directed staff and consultants to prepare a memorandum of understanding for possible requests to the participant entities to move forward with condemnation proceedings on behalf of the PUA. Director Goodwin requested that an item be included on the next agenda regarding a possible request to the City of Bee Cave to use its eminent domain authority for the PUA regarding the Manley property on Highway 71 west.

F. Review, discuss, receive direction and take possible action on draft Amendment 3 to Live Oak Springs NSSA (S. Albright/D. Lozano/R. Pugh).

This item was discussed in executive session. The Board directed that a final draft be brought back for Board consideration at the next meeting on the consent agenda.

G. Discuss, consider, and take action regarding treatment and removal of sludge at WTCPUA wastewater treatment facilities (S. Roberts).

Director Roberts addressed this item, and stated that sludge is removed from the Lake Pointe WWTP and trucked to the Bohl's WWTP. He stated that he would like to consider authorizing Murfee Engineering to bring a proposal to the Board to prepare a sludge removal program. Director Roberts stated that there could be ways to reduce costs in sludge processing as well as to reduce truck traffic.

Mr. Lozano stated that he did think there was merit to looking into the issue, and there may be cost efficiencies. Further, in the TLAP permit renewal process, truck traffic was a big issue raised by those protesting the renewal.

Director Goodwin asked about the processing of sludge in-house, and Mr. Lozano stated that years ago the PUA had operated a dewatering facility to address short-term sludge management issues. In response to a statement from Director Walden, Mr. Lozano stated that there may be some existing easement alignments that could be used.

Directors Roberts directed Mr. Lozano to bring back a proposal for sludge management.

H. Discuss, consider and take action on proposal for CCNG to install and connect effluent filter system in WTCPUA Lift Station No. 14, including (S. Roberts):

- 1. Permitting, design and construction cost responsibility.**
- 2. Operation and maintenance cost responsibility.**

3. Obtainment of Easement from Cassandra Interests, LTD for Lift Station No. 14.

MOTION: A motion was made by Director Walden to approve moving forward with the installation of the effluent filter system in Lift Station No. 14 with CCNG paying for permitting, design, and construction costs, the PUA paying for operation and maintenance costs, and CCNG assisting with the Lift Station No. 14 easement. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

- I. Discuss, consider and take action on Amendments to Wholesale Water Supply Agreement between the WTCPUA and the City of Dripping Springs (S. Albright):**
- 1. Amendment 4, addition of Driftwood Creek Tract Service Property – Commercial, 23 LUEs.**
 - 2. Amendment 5, addition of Driftwood Creek Tract Service Property – Residential, 230 LUEs.**

Director Roberts abstained from participation and voting on this item and Director Walden presided over the meeting during this item.

MOTION: A motion was made by Director Walden to approve Amendment 4 and Amendment 5 to the Wholesale Water Supply Agreement between the WTCPUA and the City of Dripping Springs. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

- J. Discuss, consider and take action on security at WTCPUA Board Meetings.**

This item was discussed in executive session.

MOTION: A motion was made by Director Roberts to authorize the General Manager to enter into a contract with a local law enforcement agency to provide security at PUA Board meetings. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

Director Roberts left the meeting at 1:06 pm.

VII. STAFF REPORTS

A. General Manager's Report (R. Pugh).

Mr. Pugh presented on this item, provided as Exhibit K. He provided an update on the meter replacement program, and in response to a question from Director Goodwin stated that meters have been uploaded into the billing system with readings provided from the contractor.

Mr. Pugh stated that he and Ms. Smith were working on the upcoming 2019 bond issuance, anticipated to be \$20 million, to include the installment purchase payment to LCRA and potential CIP projects.

Director Goodwin asked about potential new mapping software. Mr. Pugh stated that the PUA has been working with a potential consultant to make a recommendation to the Board. Director Walden asked about the discussions with The Nature Conservancy regarding acquiring an easement. Mr. Lozano confirmed that this is within the City of Austin's limited purpose ETJ.

B. Controller's Report (J. Smith).

Ms. Smith presented on this item, with a report provided as Exhibit L. She stated that revenues are lower than last year due to rainfall, and expenses are lower as well.

C. Engineer's Report (D. Lozano/J. Coker) including: 1. Capital Improvements Plan Update.

Mr. Lozano presented a CIP update, provided as Exhibit M. Regarding the 1340 transmission main, he stated that the PUA has reached the milestone of completing the tie-in at Sawyer Ranch Road and Highway 290. He thanked both of the Belterra Districts for their assistance and PUA staff in this significant coordination effort. He stated that the elevated storage tank is in the process of being commissioned as well.

Ms. Coker provided the engineering report, provided as Exhibit N. She stated that there is a new SER identification system that provides detail including what system the SER is located in.

Director Walden asked for an update in each report as to how many new SERs were reported, including how many LUEs are attributed to these LUEs.

Ms. Coker next gave a report on the network organization of SERs, including designation of projects by folder.

D. Operations Report (T. Cantu).

Mr. Cantu presented this report, provided as **Exhibit O**. He stated that included in the report is a tool and equipment inventory and provided an update on replacement costs and tracking. Director Walden asked if each truck included a list of equipment to ensure that the employee assigned to the vehicle is responsible for those tools. Mr. Cantu confirmed that this was the case. Mr. Pugh stated that all tools and equipment purchases have to be pre-approved by the Operations Manager.

VIII. 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 Goodwin, Whisenant, Walden, and Brzoska

Voting Nay: None

Absent: Director Roberts

The meeting adjourned at 1:37 p.m.

PASSED AND APPROVED this 21st day of March, 2019.



Scott Roberts, President
Board of Directors

ATTEST:



Ray Whisenant, Secretary/Treasurer
Board of Directors