

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

May 20, 2021

The May 20, 2021 Board of Directors meeting was held with in-person attendance and via remote access in accordance with the Governor's March 16, 2020 proclamation, as extended, suspending certain open meetings statutes in response to the current COVID-19 pandemic and statewide disaster declaration. The public was provided a toll-free number and free videoconference link to participate in the meeting.

Present:

Scott Roberts, President
Walt Smith, Secretary
Jason Bethke, Director (Arrived at 1:38 p.m.)
Jack Creveling, Director
Clint Garza, Director

Staff and Consultants:

Jennifer Riechers, Agency General 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
George Murfee, (Murfee Engineering Company, Inc.), District Engineer

I. CALL TO ORDER

Director Roberts called the meeting to order at 1:00 pm.

II. ESTABLISH QUORUM

A quorum was established with the above-referenced Directors present.

III. PUBLIC COMMENT

No public comment on non-agenda items was provided.

IV. CONSENT AGENDA

- A. Approve minutes of April 15, 2021 regular Board Meeting.**
- B. Approve payment of invoices and other bookkeeping matters;**

- C. Approve Contractor Pay Requests including:**
1. Payton Construction, Pay Application 3, \$33,146.45, County Line 1308 Pump Station 1340 Conversion;
 2. DN Tanks, Inc., Pay Application 9 \$47,975.00, Southwest Parkway Ground Storage Tank;
 3. Austin Engineering Company, Inc., Pay Application 4 \$254,647.50 Lift Station 9 Rehab;
 4. Cash Construction Company, Inc., Pay Application 14, \$19,598.00, Raw Water Transmission Main 2;
 5. Cash Construction Company, Inc., Pay Application 15, \$11,025.00, Raw Water Transmission Main 2;
- D. Service to Dripping Springs ISD Darden Hill Campus, including:**
1. Construction and Reimbursement Agreement for Darden Hill Transmission Line;
 2. Agreement for Nonstandard Service (117 LUEs);
 3. Utility Conveyance Agreement; and
 4. Waterline Easement.
- E. Approve invoice to AAW Pumps Motors Control for \$56,095.00 for Raw Water Pump #5 Motor.**
- F. Approve Developer Reimbursements for:**
1. \$106,602 to Taylor Morrison for Phase IV of Sawyer Ranch Road Pipeline;
 2. \$70,282 to International Bank of Commerce on behalf of HM High Pointe Development, Inc. for Highpointe Phase 1, Sect 3A;
 3. \$220,474 to International Bank of Commerce on behalf of HM High Pointe Development, Inc. for Highpointe Phase 2, Sect 2B;
 4. \$220,033 to International Bank of Commerce on behalf of HM High Pointe Development, Inc. for Highpointe Phase I, Sect 3B;

MOTION: A motion was made by Director Roberts to approve Consent Agenda Items A-F, with the exception of Items C.4 and C.5, provided as Exhibits A-F. The motion was seconded by Director Smith.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Smith, Creveling and Garza
Voting Nay: None
Abstained: None
Absent: Director Bethke

Director Roberts asked to pull items C.4 and C. 5. He stated they had been getting a lot of complaints from Lake Pointe regarding the completion of the raw waterline project, and asked that the PUA step in and finish the outstanding items. He stated the consequences of doing it this way is that the PUA could pay more, but the PUA has already expended a great deal of staff time on this project and it's in the PUA's interest to complete this project. Director Roberts asked Ms. Riechers to notify Lake Pointe regarding the path forward.

Ms. Albright advised that she would review the construction contracts.

MOTION: A motion was made by Director Roberts to approve Consent Agenda Items C.4 and C.5, provided as Exhibits G-H. The motion was seconded by Director Creveling.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Smith, Creveling and Garza
Voting Nay: None
Abstained: None
Absent: Director Bethke

V. OLD BUSINESS

A. Discuss, consider and take action regarding pending litigation, relating to the following:

- 1. Weekley Homes LLP v. West Travis County Public Utility Agency, in the 200th Judicial District Court, Travis County, Texas; Cause No. D-1-GN-20-002291.**

Ms. Albright stated that this lawsuit was currently pending in the Third Court of Appeals and no action was needed.

VI. NEW BUSINESS

A. Discuss, consider and take action on proposed projects for new CIP planning.

Mr. Murfee presented this item, provided as Exhibit I. Director Creveling asked about the timing, to which Ms. Riechers flagged the CIP calendar in the packet information. Ms. Riechers flagged that the financing aspects of the project would be presented in June and approval to occur in August. She stated that the first step is identifying the projects, and then the rate consultant will prepare the financial information for Board review.

Director Roberts stated that to the fullest extent possible he preferred funding projects out of cash, and that bonds only be issued if necessary. Director Creveling agreed. Director Roberts stated that the Board could also look to SWIFT funding. Director Roberts asked legal counsel and staff to look into requirements for SWIFT funding and feasibility for future projects.

Director Roberts stated that to meet demand on the 290 System, a parallel transmission line is needed in addition to some storage and pump station improvements. Director Roberts also asked about extending the Hamilton Pool Road line to Crumley Ranch Road, and confirmed that this line could tie into the 290 System and would provide redundancy. Director Murfee recommended that the Board pursue all of these projects.

Director Smith inquired about a second raw water intake, to which Mr. Murfee stated that the Board had authorized alternative water sources. Mr. Murfee presented options regarding extension of the Hamilton Pool Road water line and associated improvement to connect to the 290 System. Director Smith asked about Ranch Road 12 development, and asked about the possibility of connecting Hamilton Pool Road to Ranch Road 12. Mr. Murfee stated that this was a possibility. In response to a question from Director Roberts, Mr. Murfee stated that there was enough water to serve the Highway 71 development. Discussion ensued regarding future development on Highway 71 and options for providing service. Director Smith stated that extending the Hamilton Pool Road line to Ranch Road 12 would entirely loop the system. Director Garza stated that development out in that area is not planned to be dense. Discussion ensued regarding providing retail service in Hays County, and restrictions in existing contracts.

Mr. Murfee confirmed running the Hamilton Pool Road line to Ranch Road 12. Director Smith stated that there is development that would show a need for both a line down Crumley and Ranch Road 12.

Director Smith asked legal counsel if the Board could make a policy that the PUA only serve retail from the new water lines. Ms. Albright confirmed that they could craft a policy that shows the PUA intends to service retail only so long as not in conflict with existing contracts and Certificate of Convenience and Necessities. Director Smith then asked Ms. Albright if when looking at the SWIFT money, if purchase existing water systems is eligible for funding.

Discussion ensued regarding the potential of purchasing utilities and the potential for neutral impact. Ms. Smith confirmed that this could be accomplished depending on the rates. Director Roberts asked if a parallel 290 is needed even with Crumley and Ranch Road 12, to which Mr. Murfee stated that yes, a parallel line would still be needed based on the capacity projections.

Discussion ensued regarding the sizing of the Hamilton Pool Road Line and whether a 36 versus 24 inch line would be needed, and estimated it would be approximately \$2.1 million additional cost.

Mr. Murfee stated that 10,000 new LUEs are anticipated in the Dripping Springs/Dripping Springs Water Supply Corporation area. Director Smith stated that there are many other developments anticipated outside the Dripping Springs service area. Mr. Murfee stated that when the land use

assumptions are done, these project could be timed with the funding. Ms. Smith stated that the timing of the projects are very important for the funding planning.

Director Garza asked how much excess capacity is available on the Highway 71 system. Mr. Murfee stated 3,000 - 4,000 LUEs, which would handle existing commitments and planned buildout in Bee Cave.

Discussion ensued regarding current usage in Highway 290 and anticipated growth.

Mr. Murfee next flagged storage facilities needed for the 1240 pressure zone.

Discussion next ensued regarding Hays County's plans to expand Darden Hill Road, and the timing with PUA planned improvements.

Director Garza asked about the calculation of impact fees for projects in Highway 71 that benefit the 290 System, and asked how the funding would be accomplished. Mr. Murfee detailed potential funding options relating to timing of the projects. Discussion ensued regarding options that would benefit both systems.

Director Roberts confirmed that the water treatment plant could be expanded to 32 MGD. He asked if the expansion of 27 to 32 MGD is in the CIP, to which Mr. Murfee said yes. He also confirmed that decommissioning the Lake Pointe Wastewater Treatment Plant would be a Facilities Fund cost.

The Board directed that projects be included in the CIP based on the discussion. Ms. Albright clarified that the projects to be included in the CIP for the water projects for Highway 290 are (1) the Highway 290 parallel line; (2) associated pump station upgrades; and (3) extending Hamilton Pool Road to include a line down Crumley Ranch Road and Ranch Road 12. Director Roberts confirmed the CIP would include all projects identified in Exhibit I, with the addition of the Ranch Road 12 project.

Discussion ensued regarding raw water availability and storage capacity. Mr. Murfee stated that in existing CIP there is \$1.5 million to explore other water possibilities.

Director Roberts asked what water source would be more reliability, to which Mr. Murfee stated groundwater could be more reliable due to drought. Discussion ensued regarding existing intake structures and issues relating to surface water. Mr. Murfee stated that there is time to look at future water availability based on the excess capacity in the PUA system.

Next the Board addressed potential wastewater projects. Mr. Murfee addressed the Bohls Wastewater Treatment Plant and potential decommissioning of Lake Pointe Wastewater Treatment Plant, stating that the PUA is currently restricted by the current TLAP permit and storage and disposal of effluent. He stated that the beneficial reuse facility would need to be online for a year prior to injecting into drinking water. The plan had been to put the beneficial reuse facilities on the Bohls Wastewater Treatment Plant site, but it would need to be moved if the Lake Pointe Wastewater Treatment Plant was decommissioned. He stated the proposed location is in Central

Park and plan to inject the beneficial reuse water. Director Garza asked the cost to decommission Lake Pointe Wastewater Treatment Plant, to which Mr. Murfee stated \$17 million. Discussion ensued regarding timing of the expansion needed on the Bohls Wastewater Treatment Plant based on growth. Mr. Murfee stated that it was his opinion that the PUA has enough permitted capacity to meet future and existing wastewater needs. Mr. Murfee stated that the decommissioning of Lake Pointe Wastewater Treatment Plant could be accommodated with expansion of the Bohls Wastewater Treatment Plant.

Director Roberts asked about Board policies regarding issuing debt and use of PUA funds for projects.

Board provided direction regarding wastewater projects stating that all identified in Exhibit I to be included in CIP.

Director Roberts stated that the Board wanted to take all effort to not have impacts on rates and use cash on hand to fund projects where necessary. Director Bethke stated that he anticipated an increase in impact fees to do this.

B. Discuss, consider and take action regarding proposed 290 parallel transmission line.

This item was addressed with item A.

C. Discuss, consider and take action on establishing a Rate Planning Committee and review of the Rate Planning Calendar.

Ms. Riechers presented this item, provided as Exhibit J, stating that having a committee could be used as a planning tool over the summer to help develop a plan to meet the calendar. Ms. Riechers stated that it was anticipated that there would be adjustments to wholesale rates and impact fees.

MOTION: A motion was made by Director Creveling to approve the establishment of a Rate Planning Committee consisting of Directors Creveling and Smith. The motion was seconded by Director Smith.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Smith, Bethke, Creveling and Garza
Voting Nay: None
Abstained: None
Absent: None

D. Discuss, consider and take action on decommissioning of Lake Pointe Wastewater Treatment Plant.

Ms. Riechers stated that staff needs direction on this. Director Garza stated that he first wanted to see what improvements and costs looked like before committing.

E. Discuss, consider and take action on Amendment to Hays County MUD 4 Billing Services Agreement.

Ms. Riechers presented, provided as Exhibit K. She stated that the deposit for service is collected then committed to Hays MUD 4, but it's typically held. They reached out to Hays MUD 4 to see if they would allow the PUA to hold the deposits, and they agreed.

MOTION: A motion was made by Director Roberts to approve the amendment to the Hays County MUD 4 billing services agreement, provided as Exhibit K. The motion was seconded by Director Smith.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Smith, Bethke, Creveling and Garza
Voting Nay: None
Abstained: None
Absent: None

F. Discuss, consider and take action on Recommendation of Award for 1420 Pump Station Upgrades to B-5 Construction Co., Inc. for \$487,565.

Mr. Murfee presented this item, provided as Exhibit L. He stated this project is in the existing CIP program, and is the final thing that needs to be done for the 1420 system. He stated that the proposal includes two pump station upgrades to move water out to the 1420 tank at the Dripping Springs, and includes a large amount of electrical work that's needed to separate this from the 1340 pump station.

MOTION: A motion was made by Director Roberts to approve an award for 1420 Pump Station Upgrades to B-5 Construction Co., Inc. for \$487,656. The motion was seconded by Director Creveling.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Smith, Bethke, Creveling and Garza
Voting Nay: None
Abstained: None
Absent: None

G. Discuss, consider and take action regarding 87th Regular Session of the Texas Legislature.

Ms. Albright presented this item. She stated that there are no significant problematic bills for the PUA that are moving through the legislative session, and she will continue to monitor and provide

the Board with an update after session is over. Director Smith asked about HB 2805, to which Ms. Albright replied it has not moved and was left in committee without a hearing.

H. Discuss, consider and take action on proposal from Murfee Engineering Co., Inc. for Hamilton Pool Road Phase II Transmission Main Project.

Mr. Murfee presented on this item, provided as Exhibit M. He confirmed that this is a project that came from the settlement of the Provence lawsuits. He stated that the final alignment would be provided to the developer to on May 21. This item is to start the planning and engineering on the project.

MOTION: A motion was made by Director Roberts to approve the proposal from Murfee Engineering Co., Inc. for Hamilton Pool Road Phase II Transmission Main Project, provided as Exhibit M. The motion was seconded by Director Creveling.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Smith, Bethke, Creveling and Garza
Voting Nay: None
Abstained: None
Absent: None

VII. STAFF REPORTS

A. General Manager's Report.

Ms. Riechers presented this item, provided as Exhibit N. She stated that mandatory water restriction went into place on May 1. She stated that there was also a power outage related to a car accident that caused 2,400 boil water notices on Friday that was lifted on Saturday. Ms. Riechers confirmed that customers were notified by phone call and email.

Director Garza asked about the FOG program, and stated that a follow up reminder would be sent to customers with the plan to start in June.

Director Smith asked about the demographic studies updated by the school districts, and Ms. Riechers stated that she believed this would give the PUA the information needed for planning.

B. Controller's Report.

Ms. Smith presented this item, provided as Exhibit O. Ms. Smith stated that there is positive variance on revenues and expenditures.

C. Operations Report.

Mr. Morgan presented this item, provided as Exhibit P. Mr. Morgan stated that there was a small lift station overflow related to a power outage that was cleaned up quickly.

D. Engineer's Report including:

1. Capital Improvements Plan Update

Mr. Murfee presented this item, provided as Exhibit Q. Director Roberts asked about the status of the raw waterline, and confirmed that the chlorine injection is almost completed. Once the raw water meter is calibrated, the waterline can start moving water. He flagged that the project itself had some remaining items relating to irrigation and vegetation.

VIII. ADJOURNMENT

MOTION: A motion was made by Director Roberts to adjourn the meeting. The motion was seconded by Director Garza.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Smith, Bethke, Creveling, and Garza
Voting Nay: None
Abstained: None
Absent: None

The meeting adjourned a 2:28 p.m.

PASSED AND APPROVED this 17th day of June, 2021.



Scott Roberts, President
Board of Directors