

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

July 19, 2018

**Present:**

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, Controller  
Stefanie Albright (Lloyd Gosselink Rochelle & Townsend, P.C.), General Counsel  
Pierce Powers, Engineer  
Reuben Ramirez, Engineering Technician  
Trey Cantu, Agency Operations Manager  
Dennis Lozano (Murfee Engineering), District Engineer

**I. CALL TO ORDER**

Director Walden called the meeting to order at 10:01 a.m.

**II. ESTABLISH QUORUM**

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

**III. PUBLIC COMMENT**

Fred Goff addressed the Board regarding the notice customers received regarding the change in billing cycles, and stated this change would take place in August, resulting in two bills in one month. He voiced concern that these two bills would come on what is typically the most expensive months relating to water use and suggested that it may be beneficial to hold this transition on a later month.

**IV. CONSENT AGENDA**

- A. Approve minutes of June 21, 2018 regular Board Meeting.**
- B. Approve payment of outstanding invoices and other related bookkeeping matters, including:**
  - 1. BOK Financial, Bond Payment, \$959,581.25.**

2. **BOK Financial, Bond Payment, \$6,594,837.08.**
3. **BOK Financial, Bond Payment, \$3,084,162.50.**

**C. Approve Contractor Pay Requests including:**

1. **Landmark Structures I L.P., Pay Request No. 4, \$11,369.60, 1340 Elevated Storage Tank.**
2. **Payton Construction, Inc. Pay Request No. 6, \$193,119.00, Raw Water Intake Pump Station Expansion and Upgrade.**
3. **CFG Industries, LLC, Pay Request No. 6, \$108,739.85, Water Tank and Pump Station Rehabilitation Project.**
4. **PrimeSpec Construction LLC, Pay Request No. 5, \$166,229.82, Lakepointe Wastewater Treatment Plant Improvements Project.**

Director Goodwin asked to table the minutes from the last meeting as he wanted to discuss changes to be made to one of the discussions.

**MOTION:** A motion was made by Director Goodwin to table the June 21, 2018 meeting minutes and to approve the payment of outstanding invoices and other related bookkeeping matters and contractor pay requests included in the Consent Agenda, and provided as **Exhibits A – B**. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

**V. STAFF REPORTS**

**A. General Manager’s Report.**

Mr. Pugh presented this report, provided as **Exhibit C**. He stated that staff was making good progress with the 1080 waterline project. He stated that there have been several agreements that staff has been working to move forward and have finalized, including the lease agreement with Greenhawe WCID No. 2 and a reimbursement agreement and release with the Rim Rock developer. Discussions ensued regarding the Headwaters MUD lease agreement that is being prepared, and in response to a question from Director Whisenant, Ms. Albright confirmed that the wholesale contract had been temporarily assigned to the Headwaters MUD from the City of Dripping Springs, and current lease discussions are between Headwaters MUD and the PUA.

Mr. Cantu addressed the meeting held with local municipalities, water utilities, and fire protection organizations regarding ISO ratings and information. In response to a question from Director Goodwin, Mr. Cantu stated that fire flow was one issue addressed, as well as capacity questions and other issues relating to response times. Mr. Pugh confirmed that fire flows are not required to be provided by the PUA Tariff.



Director Goodwin asked about the two-week billing cycle notice to customers, and stated that he was pleased that the PUA had addressed this milestone. However, it had not occurred to him that two bills may be received by some customers in the same month, and this may impact customers on a fixed income as these two bills will come during a higher use time in the summer. Director Goodwin asked if there could be some approach from a customer service perspective that the PUA could take to address these issues, such as delaying the payment date and waiving late fees for this billing period. After discussion, the Board directed that late fees be waived for this time period in which two bills may be received in the same month to transition to a two-week billing cycle. Director Goodwin asked that customer service be instructed to let customers who call with concerns know that there would be no late fees for this billing cycle.

Director Walden asked about the meeting regarding East Village referenced in the report, and Mr. Pugh stated this was to confirm the irrigation meter size being requested and amount of LUEs needed. Director Goodwin asked about the process to determine these LUEs, to which Mr. Pugh stated that there is no table to determine irrigation LUEs, so detailed irrigation information specific to the project must be reviewed by staff to determine needed capacity. Director Goodwin asked if the usage is ever audited, to which Mr. Pugh stated that this has not historically happened, but it may be beneficial to do so in the future.

Director Walden next asked for an update on the inventory of wholesale customers. Mr. Pugh stated that the program is proceeding well and that the plan was to use online tools to count homes within these neighborhoods and confirm that impact fees are being correctly accounted for. He also stated that staff is looking at wholesale meters to confirm the flows that each wholesale customer is taking and how the actual use contrasts to the contract flow requirements. Director Goodwin asked which staff member is primarily responsible for this inventory, to which Mr. Pugh stated that it is a combination of operations and engineering staff. Mr. Pugh stated that engineering staff is primarily conducting the review of rooftops with Pierce Powers taking the lead on the project. Director Walden confirmed with Mr. Pugh that a spreadsheet for this audit would be ready in approximately 3 months.

**B. Controller’s Report, including:  
1. Quarterly investment performance report.**

Ms. Smith presented this item, provided as Exhibit D. She stated that most expenses are tracking within budget, although wastewater operations are running higher due to purchases of pumps and other materials, but she expected this item to level out.

Ms. Smith next presented the Quarterly Investment Report, provided as Exhibit E, in accordance with the Texas Public Funds Investment Act.

**C. Engineer’s Report including:  
1. Capital Improvements Plan Update.**

This item was provided as Exhibit F. Mr. Lozano provided an update on the Raw Waterline No. 2 project, stating that the USFWS permit includes obligations on the PUA, including a mitigation measure that the USFWS MOU be applied to the entire PUA service area. Director Walden asked

when the 10(a) permit would be available, and Mr. Lozano stated that he would check on the status. The Board also requested to be provided proposed changes to the Habitat Conservation Plan (HCP) to review.

Director Goodwin asked about the mitigation measure relating to the USFWS MOU being applied to the entire PUA service area, and Mr. Lozano clarified that this was offered to USFWS as an existing policy of the PUA.

#### **D. Operations Report.**

Mr. Cantu presented on this item, provided as **Exhibit G**. He stated that water demand is high with average consumption of 13-14 million gallons per day, with peaking consumption up to 19 million gallons. Although this consumption isn't higher than normal, this high consumption is coming earlier in the year than is typically seen. He stated that operations optimizations had been undertaken to add redundancy and more flow at the Home Depot Pump Station, which will help with high usage days.

Mr. Cantu stated that certain wholesale customers, such as Deer Creek Water, were taking more water than allowed. He stated that staff had met with their operations staff to operate more effectively. Mr. Pugh confirmed that Deer Creek Water was filling tanks quickly, which had caused exceedances of instantaneous demand. Staff has worked with the operator to address this issue, and ultimately provide more storage capacity for the Hamilton Pool Road Line.

#### **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 201<sup>st</sup> 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 201<sup>st</sup> Judicial District Court, Travis County, Texas; Cause No. D-1-GN-18-001654.**
- 4. Amicus brief regarding Hays Street Bridge Restoration Gp. V. City of San Antonio, Case No. 17-0423 in the Texas Supreme Court.**

**MOTION:** A motion was made by Director Whisenant to authorize PUA General Counsel, Lloyd Gosselink Rochelle & Townsend, P.C., to prepare and file an Amicus brief regarding Hays Street Bridge Restoration Gp. V. City of San Antonio, Case No. 17-0423 in the



Texas Supreme Court. The motion was seconded by Director Walden.

The vote was taken with the following result:

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

## **EXECUTIVE SESSION**

At 11:46 a.m., Director Walden announced that the Board would convene in executive session to consult with its attorney under Texas Government Code § 551.071 regarding Item VI.A (1-4).

At 12:46 p.m., Director Walden announced that the Board would convene in open session and that no action had been taken.

### **B. Discuss, consider, and take action on amendment to WTCPUA Purchasing Policy.**

Ms. Smith presented this item, provided as Exhibit H, reflecting the direction from the Board at the last meeting.

**MOTION:** A motion was made by Director Goodwin to approve the amendment to the Purchasing Policy. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

## **VII. NEW BUSINESS**

### **A. Discuss, consider, and take action on rate change proposal for Lloyd Gosselink Rochelle & Townsend, P.C. legal services.**

Ms. Albright presented this item, stating that rates for legal services had not been adjusted since 2015 and that an increase was being requested. She confirmed that the proposed rates continue to be discounted governmental rates, and that the effective date is proposed for October 1, 2018 to coincide with the PUA's fiscal year. Ms. Albright confirmed that no changes to the general counsel flat fee matter were being requested as a component of this rate adjustment.

**MOTION:** A motion was made by Director Whisenant to approve the rate change proposal for legal services. The motion was seconded by Director Walden.

The vote was taken with the following result:

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

Voting Nay: None

Absent: Director Roberts

**B. Discuss, consider, and take action on Amendments to WTCPUA Rate Tariff including:**  
**1. Pre-paid Impact Fees (Section 2.04).**

Mr. Pugh presented this item, provided as Exhibit I. He stated that this amendment clarifies the process for collecting prepaid impact fees, and confirms when the accounts become active.

**2. Engineering and Legal Review Fees (Section 2.04).**

Mr. Pugh presented this item, provided as Exhibit J. He stated that these edits clarify the legal and engineering deposit requirements for service extension requests, as well as streamline the language in the policy to bring it into conformance with current practices. He stated that there will be no change in the process to collect the fees. Director Walden asked how fees over the deposit are charged to the developer, to which Ms. Riechers stated that developers are billed and meters are not set until fees are paid.

Jim Meredith addressed the Board, stating that it was his understanding that costs above the estimate to start the application are all that are required to be paid. Mr. Pugh stated that there is an application fee based on the size of the development, but review, legal, and engineering fees are required to be paid by the developer. Mr. Pugh confirmed that there are both staff review costs as well as outside consultant review costs.

Director Goodwin stated that the Tariff states that additional fees for outside engineering and legal review may be assessed to the developer, and that the changes being considered are minor and would not result in charges in addition to what the current Tariff allows. Director Walden stated that Mr. Meredith could review the backup documentation of these charges.

**3. Reservation Fees (Section 3.04).**

Mr. Pugh presented this item, provided as Exhibit K. He stated that this amendment reflected language in the Service and Development Policies that are being included in the Tariff.

#### 4. Wastewater billing (Section 4.01).

Ms. Riechers presented this item, provided as Exhibit L. She stated this change relates to wastewater winter averaging and allows the alternative for actual use, which benefits those customers using less water.

#### 5. Engineering and Legal Review Fees (Section 5.0; Appendix C).

Mr. Pugh presented this item, provided as Exhibit M. He stated this amendment clarifies the scope of review fees, including language that increases the scope of engineering review to include the full breadth of services that engineers provide to the PUA. He also stated that the existing language in Section 5.15 only allowed the deposit for legal review fees, and stated that the proposed clarification allows for a deposit for both engineering and legal review.

Director Walden asked who conducts the environmental reviews, to which Mr. Pugh stated that some is done in-house, but more complicated reviews are done by Murfee Engineering or Half and Associates.

**MOTION:** A motion was made by Director Goodwin to approve the proposed policy amendments in Item VII. B (1-5), provided as Exhibits I – M. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

#### C. Discuss, consider and take action on Amendment to WTCPUA Personnel Policy Manual for Workers' Compensation Policy.

Ms. Riechers presented this item, provided as Exhibit N, stating that as more employees have been brought on staff it was clear that the policies related to workers' compensation were general and the proposed policy amendments more specifically address the requirements and processes related to workers' compensation.

**MOTION:** A motion was made by Director Whisenant to approve the amendment to the Personnel Policy Manual for Workers' Compensation Policy, provided as Exhibit N. 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: None  
Absent: Director Roberts



**D. Discuss, consider and take action on Order Setting Public Hearings on Amendments to the WTCPUA's Water and Wastewater Land Use Assumptions, Capital Improvement Plans, and Impact Fees.**

Mr. Klein presented this Order, provided as Exhibit O. He stated that the PUA is allowed to address land use assumptions, the capital improvements plan, and impact fees at the same time, and that Texas statute requires that a hearing be scheduled to review these documents. He stated the hearing is planned for the regular meeting in September.

Director Goodwin stated that in the order there was a recital regarding the adoption of the original impact fees, and that the impact fees were amended in 2014 which are in place now. Director Goodwin asked that this recital be corrected to reflect that both water and wastewater impact fees were amended in 2014, as only water is referenced.

**MOTION:** A motion was made by Director Whisenant to approve the Order Calling the Public Hearing on September 20, 2018 with the update to the recitals to reflect that both water and wastewater impact fees were amended in 2014. 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: None  
Absent: Director Roberts

**E. Discuss, consider and take action on Murfee Engineering Co., Inc. Professional Services Proposals including:  
1. WTCPUA Manual Meter Replacement Program Procurement Support, \$5605.**

Mr. Pugh presented this item, provided as Exhibit P. He stated that this proposal would allow support from Murfee Engineering regarding the RFP process for the manual meter replacement program. Director Walden confirmed that this proposal included review of specifications in the bid, and as proposed by the contractor.

**MOTION:** A motion was made by Director Whisenant to approve the Proposal for the Manual Meter Replacement Program not to exceed \$5,605.00. 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: None  
Absent: Director Roberts



Director Goodwin asked what happens to the old meters, and Mr. Pugh replied that these meters would be scrapped.

- F. Discuss, consider and take action on Dedicated Controls Supplemental SCADA improvement proposals including:**
- 1. Water Treatment Plant RWR PLC Conversion, \$15,500.**
  - 2. Water Treatment Plant RTU PLC Conversion, \$18,600.**
  - 3. Water Treatment Plant Valve Control and Flowmeter Relocation, \$2480.**
  - 4. Temperature Sensor Installation, \$2532.**

Mr. Cantu presented these items, provided as **Exhibit Q**. He stated that the aggregate cost of the four proposals is \$39,112. Director Whisenant confirmed that these improvements would give better details on the system that can help find efficiencies in operation, and Mr. Cantu stated that these improvements are presently outside the SCADA system.

**MOTION:** A motion was made by Director Goodwin to approve the Dedicated Controls Supplemental SCADA improvement proposals. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

- G. Discuss, consider and take action on Assignment of Effluent Agreement and Acknowledgment of Assignment and Assumption of Lease Agreement between WTCPUA and FH Texas Management Company, LLC from Falconhead, LP (Falconhead Golf Club).**

Mr. Klein presented on this item, provided as **Exhibit R**. He stated that the Falconhead Golf Course is being sold, and the document proposed acknowledges the transaction and the assignment of the lease. Director Whisenant confirmed that the terms and conditions of the service agreements with the PUA for the golf course stay the same.

Mr. Pugh confirmed that he met with representatives for the new purchaser and that they voiced an intent to comply with the existing agreements and seemed to understand the requirements of the agreements.

**MOTION:** A motion was made by Director Walden to approve the Assignment of Effluent Agreement and Acknowledgement of Assignment and Assumption of Lease Agreement between WTCPUA and FH Texas Management Company, LLC from Falconhead, LP (Falconhead Golf Club). The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

**H. Discuss, consider and take action on FY2018 Audit Engagement Letter for Maxwell, Locke and Ritter.**

Ms. Smith presented this item, provided as **Exhibit S**. She stated that the fee proposed is \$52,000 and is the same as the previous year. Director Whisenant asked whether it may be a good idea to look at different firms in the future as this contractor had been engaged for five years. Ms. Smith stated that she planned to make such a proposal in 2019.

**MOTION:** A motion was made by Director Whisenant to approve the Audit Engagement Letter for Maxwell, Locke and Ritter. 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: None  
Absent: Director Roberts

**I. Discuss, consider and take action on office furniture for new office at 13215 Bee Cave Parkway, Building B, Suite 110.**

Ms. Smith presented this item, stating that staff anticipated having formal quotes available for approval. However, these quotes had not been finalized. She asked that the Board authorize the General Manager to make this purchase up to \$100,000. Ms. Smith stated that the Board would be informed of the final selected proposal. Director Whisenant asked if there was a list of required furniture needed, to which Ms. Smith stated that a pictorial of the layout of the office space and anticipated furniture needs had been provided to vendors. She stated that she had asked that the vendors provide three levels of options. Director Whisenant asked that as soon as these lists are provided that the Board be informed.

**MOTION:** A motion was made by Director Goodwin to authorize the General Manager to select a proposal for office furnishing not to exceed \$100,000. The motion was seconded by Director Walden.

The vote was taken with the following result:

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



**J. Discuss, consider and take action on August 2018 Board meeting date.**

Mr. Pugh stated that the current August meeting is scheduled for August 16, and staff recommended moving the meeting to August 23 to allow time for preparation pending facilities availability.

**MOTION:** A motion was made by Director Walden to move the August Board Meeting to August 23 pending availability of the Bee Cave City Council Chambers. 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: None  
Absent: Director Roberts

**VIII. ADJOURNMENT**

**MOTION:** A motion was made by Director Whisenant to adjourn. 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: None  
Absent: Director Roberts

The meeting adjourned at 12:48 p.m.

PASSED AND APPROVED this 16<sup>th</sup> day of August, 2018.

  
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Scott Roberts, President  
Board of Directors

ATTEST:  
  
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Ray Whisenant, Secretary/Treasurer  
Board of Directors