

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

October 18, 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 Smith, Controller
Keli Kirkley, Accountant
Stefanie Albright (Lloyd Gosselink Rochelle & Townsend, P.C.), General Counsel
David Klein (Lloyd Gosselink Rochelle & Townsend, P.C.), General Counsel
Judith Coker, Senior Engineer
Pierce Powers, Engineer
Reuben Ramirez, Engineering Technician
Trey Cantu, Operations Manager
Dennis Lozano (Murfee Engineering), District Engineer

I. CALL TO ORDER

Director Roberts 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

Thomas Campbell addressed the Board with concerns about the receipt of two bills in one month, and the fact that there was a minimum bill on both water bills. He is concerned that there may be “double dipping” with the minimum charge. He stated that he was concerned about the two statements, and that he would look to the minutes of the Board to see how the billing cycles were approved. Mr. Campbell confirmed that Mr. Pugh has offered to assist him with speaking to customer service on the issue.

IV. CONSENT AGENDA

- A. Approve minutes of September 20, 2018 regular Board Meeting and October 2, 2018 Special Board Meeting.**

Director Walden asked that this item be considered separately. He stated that under the operations report, Director Goodwin asked about the Homestead waterline break. Director Goodwin stated that there was no repair made with asphalt regarding aesthetics, and that this point should be clarified.

Director Walden flagged the discussion regarding billing which was to address mail delays and not accounting delays.

MOTION: A motion was made by Director Walden to approve the minutes of the September 20, 2018 regular Board meeting, provided as Exhibit A, as amended. 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

- B. Approve payment of outstanding invoices and other related bookkeeping matters including:**
- 1. Tenant Improvement Construction Allowance payment in the amount of \$84,010.20 per Lease Agreement with Hill Country Texas Galleria, LLC and WTCPUA.**
- C. Approve Contractor Pay Requests including:**
- 1. Austin Underground, Inc. Final Pay Request, \$6811.50, Lakepointe Manhole Rehabilitation Project.**
 - 2. SJ Louis Construction of Texas, Ltd. Pay Request No. 3, \$142,239.42, 1340 Transmission Main Project.**
 - 3. CFG Industries, LLC, Pay Request No. 8, \$63,840, Water Tank and Pump Stations Improvements Project.**
 - 4. Landmark Structures I, LP, Pay Request No. 6, \$205,147.75, 1340 Elevated Storage Tank Project.**
 - 5. PrimeSpec Construction LLC, Pay Request No. 6, \$25,652.24 Lakepointe WWTP Rehabilitation Project.**

Director Walden asked that this item be considered separately. He asked why 10% retainage was withheld for the 1340 transmission. Mr. Lozano stated that previous contracts with the contractor had some delays, and that withholding this retainage was intended to be an incentive for timely completion.

MOTION: A motion was made by Director Walden to approve the Contract Pay Requests, provided as Exhibit B. 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

- D. Approve Contractor Change Orders including:**
- 1. CFG Industries LLC, Change Order No. 4, 55 weather days, Water Tank Painting and Pump Station Rehabilitation Project.**
- E. Approve audited 70% Developer Reimbursement in the amount of \$653,544.00 for CCNG Development Company, L.P., for Spanish Oaks-East Village.**
- F. Approve Non-Standard Service Agreements (NSSAs) (System) (Location Map) for:**
- 1. Mantra Medical, 11 LUEs, 290 System.**
 - 2. Key Ranch Section 3, 64 LUEs, 290 System.**

MOTION: A motion was made by Director Roberts to approve the Consent Agenda Items B and D-F, provided as Exhibits C- F. 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

V. STAFF REPORTS

A. General Manager's Report.

Mr. Pugh presented this item, provided as Exhibit G. He stated that the office move has been completed and there are a few remaining punch list items.

Director Walden asked about the emergency interconnect agreement and the City of Austin's lack of concurrence on certain issues. Mr. Pugh stated that this would be discussed later in the agenda.

Director Walden asked about the CCNG beneficial reuse agreement and cost-sharing. Mr. Pugh stated that CCNG would be paying for the project itself, and there were issues regarding the filtration system and placement of the facilities. Director Walden asked who was paying Murfee Engineering's fees, to which Mr. Pugh stated that CCNG was paying for such costs under agreements.

Director Walden asked about the reserved PUA parking spaces for the new office. Mr. Pugh stated that there were 5 additional visitors spaces added, but they are not dedicated to the PUA. Director Roberts and Director Walden asked Mr. Pugh to check and see the cost of having dedicated spaces for PUA customers to utilize.

Director Goodwin asked for additional information on the CCNG beneficial reuse project. Mr. Pugh stated that the purpose was to convert HOA irrigation to beneficial reuse, and CCNG had determined that to make the transition more amenable to residents, a filtration system would be added by CCNG at Lift Station 14.

Director Goodwin addressed Item 14 and stated that he appreciated the replacement of the dead trees at the Bohl's WWTP. In response to a question from Director Goodwin, Mr. Cantu stated that there was no warranty on the trees.

Director Roberts asked if flood waters went over the spillway, could the pump station be flooded. Mr. Lozano stated it was not likely, and the intake is at the bottom of Lake Austin and was secured.

B. Controller's Report.

Ms. Smith presented this report, provided as Exhibit H. Director Walden flagged the budget overage regarding vehicle expenses and asked who was managing the maintenance and repair. Mr. Cantu stated that vehicle maintenance is overseen by managers, and he reviewed all receipts for such services. He stated that the repair amounts are higher than expected, but he anticipated they would be coming down. Director Walden stated that the PUA wants to have safe vehicles, but every dollar spent on maintenance is a dollar that can't be applied to rate reduction. Director Goodwin confirmed that all repair work is generally done by one repair shop.

Director Walden stated that there was a net of \$3.4 million from Fiscal Year 2017, and Ms. Smith stated that these funds are invested until they are transferred to another fund.

Director Goodwin confirmed with Ms. Smith that the PUA Board was not paid, and that Board members may not take gifts from vendors under the new policy.

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

Mr. Lozano presented on this item, provided as Exhibit I. He flagged that during the 1240 Transmission Line project it was discovered that the 1420 Waterline is outside of the dedicated easement at Sawyer Ranch Road and US Highway 290. He stated that there are monuments and utility lines in this area. Mr. Lozano stated that this was not in the record drawings, and may have been a field decision, and there are no as-built drawings of this line showing the field adjustments.

Director Roberts asked about Darden Hill Storage SER, and Ms. Coker stated that the PUA is still waiting on feedback from the developer. Director Roberts confirmed that Parten Ranch is on the 290 System.

Director Walden asked that for the report on SER updates there be a notation on the date the applications were filed.

Director Goodwin asked about the TCMUD 22 storage tank and confirmed with Mr. Lozano that it is a 400,000 gallon tank.

Director Walden asked when the Raw Waterline No. 2 project is going to be bid. Mr. Lozano stated that LTISD is close to approving an easement, and the hope is that a meeting with Lake Pointe HOA and Lake Pointe MUD will resolve any issues, and then the site plan can be submitted to the City of Bee Cave, Travis County, and TXDoT. The hope is to advertise in December with a January award. Mr. Pugh stated that after meeting with LTISD, he anticipates approval of easements in November. Director Brzoska stated that the Lake Pointe HOA is on board with the easement, but that there are some security and safety concerns that need to be addressed.

D. Operations Report.

Mr. Cantu presented this item, provided as **Exhibit J**. He stated that local rainfall had not impacted the system except for some higher turbidity levels that had not affected water quality. Director Walden inquired about effluent pond levels, and Mr. Cantu stated that the ponds are 24% higher than they were at this time last year.

Director Brzoska asked about the service line break on Portola Court and asked about the remediation. Mr. Cantu stated that the line was repaired quickly, but the road and sidewalk repairs had been delayed due to weather.

VI. OLD BUSINESS

At 11:23 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/C/D; and VII. A/G/I/J/K; and pursuant to Texas Government Code § 551.074 regarding personnel matters for Items VI. C/D

At 2:00 p.m., Director Roberts announced that the Board would convene in open session and that no action had been taken in closed session.

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

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

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.**
3. **Cause No. D-1-GN-16-0005368; Travis County Municipal Utility District No. 12 vs. Public Utility Commission of Texas in the 250th District Court of Travis County, Texas.**

B. Discuss, consider and take action on Non-Standard Service Agreement with LTISD Middle School No. 3, 20 Wastewater LUEs.

MOTION: A motion was made by Director Roberts to approve the Non-Standard Service Agreement with LTISD Middle School No. 3, provided as Exhibit K. 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

C. Discuss, consider and take action on employee annual reviews and compensation.

This item was discussed in Executive Session. The Board deferred Items VI. C and D until the December meeting, to be held on December 13, 2018.

D. Discuss, consider and take action on annual review and compensation of General Manager.

This item was discussed in Executive Session.

VII. NEW BUSINESS

A. Discuss, consider and take action on Wholesale Water Agreement between WTCPUA and SJWTX, Inc., d/b/a Canyon Lake Water Service Company.

This item was discussed in Executive Session.

B. Discuss, consider and take action on Conveyance Agreements to convey facilities to the WTCPUA from the following:

1. **Sweetwater Crossing Phase 1.**
2. **Blue Blazes Development.**
3. **Lennar Homes of Texas, Land and Construction, Ltd., for Spanish Oaks-East Village.**

4. Falconhead Office Park.

5. Key Ranch Section 3.

MOTION: A motion was made by Director Goodwin to approve the Conveyance Agreements to convey facilities to the WTCPUA from Sweetwater Crossing Phase 1, Blue Blazes Development, Lennar Homes for Spanish Oaks-East Village, Falconhead Office Park, and Key Ranch Section 3, provided as Exhibit L. 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

C. Discuss, consider and take action on Tariff Revisions including:

- 1. Irrigation meter size and LUE allocations.**
- 2. Requests for modification of WTCPUA facilities not related to new service requests.**

Mr. Pugh presented the proposed tariff changes, included as Exhibit M. He stated that these edits would clarify the application process for service requests and an update to the fee schedule. Director Walden asked about timing for feedback on certain projects from the PUA. Mr. Pugh stated that review times for administrative reviews and relocation projects are typically 30 days, but some are quicker.

Director Goodwin stated that he is amenable with adding staff timelines for review to 2 weeks.

MOTION: A motion was made by Director Walden to approve the Tariff revisions including Irrigation Meter size and LUE allocations, provided as Exhibit N. 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

Director Goodwin asked about the irrigation meters and clarified that the edits would require applicants to estimate what their irrigation use would be. Mr. Pugh stated that staff has determined that there is a variety of methods used to analyze irrigation predicted use, and that this demand could be underestimated. He stated that language is proposed to set requirements on irrigation usage. Mr. Lozano stated that Mr. Pugh was accurate that determinations were in the

past made on meter size, but that later demand-based analysis was added. He stated that in the past, the usage-based analysis was not performed.

Mr. Pugh stated that the proposal is to use a more accurate evaluation process to determine use and payment of impact fees. Director Goodwin stated that it seemed that this would be a significant plan review for staff, to which Mr. Pugh stated that it would be relatively straightforward. Discussion ensued regarding tracking of meter reads for irrigation to confirm usage.

Director Goodwin stated that there was a LUE equivalent of 5 for the Spanish Oaks HOA, but that the use was closer to 40 LUEs. He stated that it's not clear how many impact fees were paid.

MOTION: A motion was made by Director Walden to approve the Tariff revisions regarding requests for modification of WTCPUA facilities not related to new service requests, provided as **Exhibit Q**. 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

- D. Discuss, consider and take action on Murfee Engineering Company engineering services proposals including:**
1. WTCPUA 1280 Tank Warranty Repairs, \$13,205.

Mr. Lozano presented this item, provided as **Exhibit P**. He stated that this is for Murfee Engineering's review and the coating inspector of the identified repairs.

MOTION: A motion was made by Director Whisenant to approve Murfee Engineering Company's proposal for the 1280 Tank Warranty Repairs. 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

- 2. WTCPUA Zebra Mussels Control System, \$75,820.**

Mr. Lozano presented this item, provided as **Exhibit Q**. He stated that this was a need identified in the raw waterline project and is a growing problem statewide. Only small amounts of zebra mussels have been found at PUA facilities, and it is recommended that this issue be addressed.

He stated that using potassium permanganate dosing is the proposed approach, as this chemical is currently used in the treatment process. He recommends moving the dosing to the raw water intake.

Director Walden asked if the cost and scope was acceptable to Mr. Pugh, to which Mr. Pugh responded affirmatively.

Director Roberts inquired about aspects of the proposal and asked if construction administration was typically a percentage of a project. Mr. Lozano stated that this could be a method to determine engineering fee, but Murfee Engineering looks at the hours needed and other factors of the projects to confirm the amount of a proposal. Director Roberts asked about the cost of construction, to which Mr. Lozano stated that he would obtain this information. He also asked that Murfee Engineering review the literature review fee and other items in the proposal, and that this be brought back next month.

E. Discuss, consider and take action on Murfee Engineering Company additional fee requests including:

1. 1340 Water Line: Additional Services, \$50,000

The Board determined that this item would be discussed at the next meeting.

2. 1080 Transmission Main Easement Identification and Acquisition, Design, Approval and Construction Administration, \$77,050.

Mr. Lozano stated that surveying was not included in the original cost of this project, and that Murfee Engineering was requesting an adjustment to the contract administration price. Director Walden stated that there is a 15% charge related to this fee and stated that the charge should be removed.

MOTION: A motion was made by Director Walden to approve the 1080 Transmission Main Easement Identification and Acquisition, Design, Approval and Construction Administration removing the 15% surcharge to Murfee Engineering. 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

3. RWI Expansion and Upgrade Project, Design Services, \$6,610.

Mr. Lozano presented on this item, provided as Exhibit R. He stated that this amount is for additional design and administration work associated with changes needed to the project.

MOTION: A motion was made by Director Whisenant to approve the RWI Expansion and Upgrade Project, Design Services in the amount of \$6,610. 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

- F. Discuss, consider and take action on authorizing General Manager to execute Conservation Credit Purchase Agreement closing between Hickory Pass, LP, and West Travis County Public Utility Agency including:**
- 1. Purchase of 28 GCWA Conservation Credits at \$7500 per credit in the amount of \$210,000.**

Mr. Pugh presented this item, provided as **Exhibit S**. He stated that closing of the conservation mitigation credits is required within 60 days of issuance of the USFWS 10a permit.

Director Walden asked if there are any limitations on the reselling of credits, to which Mr. Pugh stated he was not aware. Director Roberts asked that this be addressed following executive session.

This item was discussed in Executive Session.

MOTION: A motion was made by Director Roberts to authorize the General Manager to execute the Conservation Credit Purchase Agreement closing between Hickory Pass, LP and the WTCPUA, provided as **Exhibit S**. 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

- G. Discuss, consider and take action on Amendments to WTCPUA Personnel Policy Manual regarding discretionary bonuses.**

MOTION: A motion was made by Director Roberts to approve amendments to the WTCPUA Personnel Policy Manual regarding discretionary bonuses, with the changes directed by the Board. 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

The Board discussed that the approval of bonuses should be at the sole discretion of the Board. Ms. Albright read aloud the policy, attached as **Exhibit T**, with the included revision regarding Board discretion.

H. Discuss, consider and take action on Consent to Assignment to Falconhead Offices LLC from St. Croix Capital Advisors, LLC for Falconhead Office Park.

This item was provided as **Exhibit U**.

MOTION: A motion was made by Director Walden to approve the Consent to Assignment to Falconhead Offices LLC from St. Croix Capital Advisory, LLC for Falconhead Office Park. 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 Wholesale Water Service Agreement between Lazy 9 MUD and WTCPUA.

This item was discussed in executive session.

J. Discuss, consider and take action regarding water supply and capacity issues in Hays County, including wholesale water contracts and service.

This item was discussed in executive session.

K. Discuss, consider and take action on draft Agreement for Emergency Water Service between the City of Austin, and WTCPUA.

This item was discussed in executive session.

VIII. ADJOURNMENT

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

The vote was taken with the following result:

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

The meeting adjourned at 2:04 p.m.

PASSED AND APPROVED this 15th day of November, 2018.


Scott Roberts, President
Board of Directors

ATTEST:


Ray Whisenant, Secretary/Treasurer
Board of Directors