

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

August 15, 2019

Present:

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

Staff and Consultants:

Jennifer Riechers, Agency Interim General Manager
Jennifer Smith, Agency Controller
Keli Kirkley, Agency Accountant
Reuben Ramirez, Agency Engineer Technician
Curtis Jeffrey, Agency Lead Water Operator
Stefanie Albright, (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
David Klein, (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
Dennis Lozano (Murfee Engineering Company, Inc.), District Engineer

I. CALL TO ORDER

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

II. ESTABLISH QUORUM

A quorum was established with the above-referenced Directors, staff, and consultants present.

III. PUBLIC HEARINGS

A. Conduct a public hearing on amendments to the WTCPUA's wholesale and retail water and wastewater rates, 10:00 a.m.

MOTION: A motion was made by Director Whisenant to open a public hearing on the amendments to the WTCPUA's wholesale and retail water and wastewater rates. The motion was seconded by Director Roberts, and the Board unanimously approved the Motion, opening the public hearing.

The vote was taken with the following result:

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

Voting Nay: None

Abstained: None

Director Whisenant commended Staff and the PUA consultants regarding the preparation of materials on the proposed rates. Director Walden reiterated this appreciation. No members of the public asked to address the Board on this matter.

MOTION: A motion was made by Director Whisenant to close the public hearing on amendments to the WTCPUA's wholesale and retail water and wastewater rates. The motion was seconded by Director Roberts, and the Board unanimously approved the Motion, closing the public hearing.

The vote was taken with the following result:

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

Voting Nay: None

Abstained: None

IV. PUBLIC COMMENT

V. CONSENT AGENDA (J. Riechers)

A. Approve minutes of July 18, 2019 regular Board Meeting.

B. Approve payment of invoices and other related bookkeeping matters, including:

1. Wastewater Transport Services, \$53,360, Repair to Lift Station No. 9.

This item was pulled for separate consideration and is provided as **Exhibit A**. Director Walden stated that this is a major lift station in Lake Pointe, and that there is corrosion in the existing cast iron line with replacement needed. He stated that for the repair a lot of pumping was needed because of increased flows, resulting in higher than anticipated costs. Director Walden stated that a preventative maintenance program was needed to address future repairs and maintenance.

MOTION: A motion was made by Director Whisenant to approve payment of the invoice for Wastewater Transport Services, \$53,360, Repair to Lift Station No. 9 as presented.

The vote was taken with the following result:

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

Voting Nay: None

Abstained: None

- A. **Approve Contractor Pay Requests including:**
 - 1. **Landmark Structures I, LP, Pay Request No. 16, \$40,612.50, 1340 Elevated Storage Tank Project.**

- D. **Approve Utility Conveyance Agreements to convey facilities to the WTCPUA from the following:**
 - 1. **Prominence Homes, LLC (Spillman Ranch, Phase 1, Section 10)**
 - 2. **Triple L, LLC (Premiere Dance Center)**
 - 3. **Destiny Hills Development, Inc. (Creeks Edge)**
 - 4. **Driftwood Golf Development, Inc.**

- E. **Approve the Consent to Assignment of the following agreements:**
 - 1. **UFCCA with Creeks Edge, Ltd to Destiny Hills Development, Inc (Creeks Edge Development)**

- F. **Approve Non-Standard Service Agreement to:**
 - 1. **Preserve at Oak Hill and terminate previously approved NSSA.**

MOTION: A motion was made by Director Whisenant to approve the Consent Agenda Items A-F, with the exclusion of Item B.1, provided as **Exhibits B-F**. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Whisenant, Goodwin and Brzoska

Voting Nay: None

Abstained: Director Walden

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.*
 - 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. *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.*
4. *John Hatchett, Sandra Hatchett and JPH Capital, LLP v. West Travis County Public Utility Agency, Civil Action No. 1:19-CV-00260 in the United States District Court for the Western District of Texas, Austin Division.*

This item was discussed in executive session.

B. Discuss, consider and take action on proposed modification to WTCPUA Rules and Policies regarding Opt-Out Provision for Automatic Read Meters (AMR).

Ms. Cary Terrall spoke on this item, stating that she does not want to be exposed to the radiation from meters without a choice if water service is to be received. She stated that these meters broadcast every 11 seconds. She stated samples of other utilities providing this opt out have been provided as options for customers. Ms. Terrall stated that all humans are being affected by wireless radiation and she would like to keep her home free of such radiation.

MOTION: A motion was made by Director Roberts to approve the proposed modification to WTCPUA Rules and Policies regarding Opt-Out Provision for Automatic Read Meters, provided as Exhibit G. The motion was seconded by Director Brzoska.

The vote was taken with the following result:

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

C. Discuss, consider and take action on review of Hays WCID #1 Wholesale Water Service Agreement.

This item was discussed in executive session.

Director Walden and Director Roberts presented on this item. Direction was given for the District Engineer to work with legal counsel and the General Manager to draft a letter to WCID No. 1 regarding issues related to connections based on the wholesale water contract and bring back to the Board for consideration.

VI. NEW BUSINESS

At 11:09 a.m. Director Roberts announced that the Board would convene in executive session to consult with its attorney pursuant to Texas Government Code § 551.071 regarding Items VI. A and C, and Items VII. A, B, D, E, I and J, and pursuant to Texas Government Code § 551.074 regarding Items VII. B, D and E.

At 1:01 p.m., Director Roberts announced that the Board would reconvene in open session and that no action had been taken in executive session.

A. Discuss, consider and take action on review of FY 2020 Draft Budget.

MOTION: A motion was made by Director Walden to approve the budget for Fiscal Year 2020, provided as Exhibit H. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

Voting Nay: None

Abstained: None

B. Discuss, consider and take action on updated organizational chart.

MOTION: A motion was made by Director Walden to approve the updated organizational chart, provided as Exhibit I. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

Voting Nay: None

Abstained: None

C. Discuss, consider and take action on possible engineering study of SCADA system (B. Goodwin).

Director Goodwin stated that every year the PUA funds SCADA maintenance or improvements, and he would like to suggest that the PUA engage CP&Y to conduct a study of the entire SCADA system to assess what work is needed. He stated that he would like feedback from the Board.

Director Whisenant stated that the further the PUA goes in the operation of the utility, the efficiency of SCADA is necessary. He stated that he is in favor of staff bringing back a proposal.

Director Walden stated that he is in favor of requesting a proposal from CP&Y.

MOTION: A motion was made by Director Walden to direct staff to obtain a proposal from CP&Y to review the SCADA. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

Director Whisenant asked that in addition to the cost proposal, the Board needed to see a detailed scope of what work would be done associated with the expense.

Ms. Riechers stated that in May there was a meeting with the supervisors regarding SCADA, but there is not a clear conclusion on the direction that the PUA needs to take regarding the future of SCADA. She stated that a new party looking at the system would be beneficial to provide an opinion regarding the long-term needs.

D. Discuss, consider and take action on contract with General Manager.

This item was discussed in executive session.

Director Roberts directed attorney to prepare final agreement as directed in executive session for consideration in September.

E. Discuss, consider and take action on employee longevity pay policy.

This item was discussed in executive session.

MOTION: A motion was made by Director Roberts to approve the employee longevity pay policy, provided as Exhibit J. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

F. Discuss, consider, and take action on a Recommendation of Award for the Raw Water Line No. 2 CIP Project.

Mr. Lozano presented on this item, provided as Exhibit K. He stated that Murfee Engineering recommended awarding the bid to the lowest bidder, Cash Construction Company, Inc. in the amount of \$4,374,565.

MOTION: A motion was made by Director Roberts to approve the recommendation of award for the Raw Water Line No. 2 CIP Project. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

Voting Nay: None

Abstained: None

G. Discuss, consider and take action on Murfee Engineering Request for Budget Adjustment for TLAP Major Amendment Application Engineering Services Agreement, \$50,000.

Mr. Lozano presented on this item, stating that this project has changed over time and detailed a letter explaining the increased budget, provided as **Exhibit L**. He stated that with the draft permit in hand now, he is more confident of the administrative path forward assuming that the permit is issued without protest.

Director Whisenant asked about the likelihood of protest, to which Mr. Lozano stated that the first notice had been published, but there have been no communications. He stated after the second notice, there may be direct comments relating to the draft permit once made available.

MOTION: A motion was made by Director Whisenant to approve the Murfee Engineering Request for Budget Adjustment for TLAP Major Amendment Application Engineering Services Agreement, in the amount of \$50,000. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

Voting Nay: None

Abstained: None

H. Discuss, consider and take action on proposed changes to wholesale and retail water and wastewater rates.

Ms. Heddin presented on this item, provided as **Exhibit M**. She stated that the last time that rates were adjusted was in 2016 associated with changed debt and operations and maintenance expenses. She also noted that the PUA issued bonds in 2019 for the final installment purchase to the LCRA and some capital projects. Ms. Heddin stated that since 2016, the PUA has experienced growth and increased revenue. She then presented the explanation of wholesale and retail rate adjustments and proposed rates provided in the presentation.

Next, Ms. Heddin indicated that notices for the new wholesale rates were sent to all wholesale customers, along with offering each of them individual meetings to discuss the proposed rate adjustments. Five wholesale customers – Headwaters MUD, Deer Creek, Barton Creek West

WSC, Hays County WCIDs No. 1 and No. 2, and the City of Dripping Springs – requested meetings; and Ms. Heddin noted that the PUA held meetings for each of those customers and that no issues were flagged to PUA Staff.

I. Discuss, consider and take action on Order amending WTCPUA’s Wholesale Water and Wastewater Rates.

MOTION: A motion was made by Director Roberts to approve the Order amending WTCPUA’s Wholesale Water and Wastewater Rates, as provided as Exhibit N. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

J. Discuss, consider and take action on Order amending WTCPUA’s Retail Water and Wastewater Rates.

MOTION: A motion was made by Director Roberts to approve the Order amending WTCPUA’s Retail Water and Wastewater Rates, as provided as Exhibit O. The motion was seconded by Director Walden.

The vote was taken with the following result:

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

K. Discuss, consider and take action on Order amending WTCPUA Water Conservation and Drought Contingency Plan, and ratify action taken by General Manager regarding the same.

Ms. Riechers presented this item, provided as Exhibit P. She stated that the proposed changes to the Water Conservation and Drought Contingency Plan (the “Plan”) were made to (i) the scheduled irrigation days in Drought Contingency Plan Stage 2, where PUA customers can irrigate their land with an irrigation system twice per week; and (ii) re-establishing a Stage 3 so that PUA customers can still irrigate their land, but less frequently. She noted that currently, the Plan transitions from allowing customers to irrigate twice a week to zero times a week. She stated that the changes had been vetted with Mr. Lozano.

Director Roberts asked what are the circumstances triggering the PUA to prohibit watering with an irrigation system, to which Mr. Lozano replied the amount of water stored in Lakes Travis and Buchanan, based on LCRA's defined trigger points in its Water Management Plan.

Director Goodwin confirmed that the PUA is currently in Stage 2, but not due to the water levels of the Lakes, but due to the storage capacity in the PUA water system itself. The PUA Staff and consultants agreed that the storage capacity is a trigger as well. Ms. Riechers stated that the PUA has already seen improvements in storage based on the new watering schedule and that it is hoped that conditions will continue to improve in these high water demand times.

Director Goodwin confirmed that two subdivisions on Hamilton Pool Road ran out of water one night due to storage constraints from irrigation demand. This situation was what instigated the change in the plan. Ms. Riechers confirmed that the revised Plan also re-introduces a Drought Contingency Plan Stage 3 based on the need to adjust watering schedules.

Director Goodwin stated that transitioning the irrigation schedule for the PUA customers from 4 to 6 nights a week was necessary because the PUA was having difficulty meeting demand when watering was done over 4 nights a week during this peak season. He confirmed that implementing these changes are necessary due to the struggles the PUA is having keeping up with capacity due to irrigation use.

Mr. Lozano stated that in rainy years, this problem is faced more than in drought years because the landscaping looks good at the beginning of the season, so irrigation starts immediately when the hot months begin.

Director Goodwin stated that capital improvements and additional storage will assist in the future with the PUA's storage capabilities.

Director Whisenant stated that communication will assist with enforcement of the program.

Director Roberts discussed with Ms. Smith the budgeted revenue and rate stabilization funds and asked whether there should be a financial plan for Stage 4 restrictions. Ms. Smith stated that there are reserve funds that would assist in those circumstances.

MOTION: A motion was made by Director Goodwin to approve the Order amending WTCPUA Water Conservation and Drought Contingency Plan, and ratify action taken by General Manager regarding the same, provided as Exhibit Q. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

VIII. STAFF REPORTS

A. Interim General Manager's Report.

Ms. Riechers presented report, provided as Exhibit R. She flagged that water consumption has significantly increased and on July 31-August 1 some areas had a drop in pressure. She stated that the watering schedule was changed, and communication efforts were undertaken to notify residents of this change and some improvement has been seen.

Discussion ensued regarding capital projects planned and potential benefit to storage, as well as impacts on storage throughout the system. Director Walden asked for Mr. Lozano to bring back a schedule of planned projects.

B. Controller's Report

Ms. Smith provided this report, provided as Exhibit S. She stated revenues had increased in July and expected this increase to continue due to consumption.

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

Mr. Lozano presented this report, provided as Exhibit T.

Director Goodwin inquired as to the SER report and asked if service availability letters were issued to commercial customers requiring an NSSA, to which Mr. Ramirez replied in the affirmative. Director Goodwin asked that the SER process flyer be revised to make this clear.

D. Operations Report.

This item was presented as Exhibit U. Director Whisenant addressed materials regarding Lift Station 9 and stated that the Board needs to view these facilities and anticipate work in the next year. Director Walden asked about the power outage from June, and Mr. Jeffries stated that this event occurred before the last Board meeting, but that the report included information on the steps taken since the last Board meeting to address concerns from an extended power outage.

VIII. ADJOURNMENT

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

The vote was taken with the following result:


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

Voting Nay: None

Abstained: None

The meeting adjourned at 1:20 p.m.

PASSED AND APPROVED this 19th day of September 2019.


~~Scott Roberts, President~~ Donald Walden,
Board of Directors Vice President

ATTEST:


Ray Whisenant, Secretary/Treasurer
Board of Directors