

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

The August 19, 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  
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  
Jason Baze, (Murfee Engineering Company, Inc.), District Engineer  
Andrea Wyatt, (Murfee Engineering Company, Inc.), District Engineer

**I. CALL TO ORDER**

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

**II. ESTABLISH QUORUM**

All Directors were present.

**III. PUBLIC COMMENT**

No public comment was received.

**IV. PUBLIC HEARINGS**

- A. Conduct a public hearing on amendments to the WTCPUA's Land Use Assumptions, Capital Improvement Plan and water impact fees, 1:15 p.m.**

Director Roberts opened the public hearing at 1:18 p.m. Mr. Klein stated that this public hearing on the proposed amendments on the Land Use Assumptions (“LUA”) and Capital Improvement Plan (“CIP”). Mr. Klein stated that the hearing was being held in accordance with Chapter 395 of the Texas Local Government Code after the board called for this hearing and published appropriate notice in the last regular meeting, and that the Impact Fee Advisory Committee (“IFAC”) had submitted recommendation.

Ms. Heddin next spoke on this item, providing a presentation on the impact fee study provided as **Exhibit A** and provided an overview of impact fees and the methodology of the study, stating that the study gives a year by year look over a 10-year period. Ms. Heddin stated that both existing and future projects would be included in the study, and then associated costs would be allocated for anticipated growth within the PUA’s boundaries in the third step of the analysis. Ms. Heddin described the fourth step in the analysis would be to calculate the impact fee and then hold a public hearing to adopt that fee. Ms. Heddin walked the Board through the process to formulate the LUA and CIP, and provided the numbers associated with these costs and projections.

Ms. Heddin stated that the proposal today involves the possibility to expand the PUA’s impact fee service area and associated land assumptions, primarily in the Highway 290 System to allow for additional growth in that area. She stated there is an anticipated growth of 16,350 LUEs in the entire system over the next 10 years, with approximately 10,000 of the connections occurring in the 290 System and the remaining 6,000 is for the 71 system. Ms. Heddin stated that for wastewater, 2400 new connections would be added to serve the Bee Cave area.

Ms. Heddin then addressed the CIP, assessing existing and future CIP necessary to meet expected growth, including \$125.5 million in water projects, \$80 million of which are newly identified projects. Additionally, Ms. Heddin noted that the PUA would have \$18 million in wastewater projects. Ms. Heddin then summarized the remaining portion of the study which allocated the costs to accommodate the growth and calculated the impact fee. Ms. Heddin walked through the specific methodology for calculating this fee based on the findings in the study, including taking into account tax credits to ensure customers are not paying twice for the same infrastructure.

Ms. Heddin next described the cash flow analysis, detailing ways the PUA could pay for proposed projects. Ms. Heddin anticipated that, without additional debt and based on the proposed schedule of projects, by 2024 the PUA would not have enough cash in the water impact fee fund and by 2027 would be close to \$20 million deficit in the water impact fee fund, if the PUA were to cash fund the projects. On the wastewater side, Ms. Heddin stated the PUA’s funds would be in the negative next year as expansion projects begin and continue over the next seven years.

Ms. Heddin provided an analysis of other funds available to the PUA to fund projects, including the PUA’s \$27 million dollar balance in the General Fund, and described the policy limits on using existing PUA funds and other policy concerns.

Ms. Heddin noted that the entire analysis presented to the Board assumed the PUA does not issue any debt. However, she noted that due to the shortfalls and concerns regarding draining all of PUA funds to the bare minimum, she ran an additional scenario where the PUA would issue additional debt to fund the anticipated projects. Ms. Heddin advised that the debt would help cash

flow and concerns relating to the 2031 CIP projects that are not included in the plan. She stated that for the Hwy 71 system the maximum allowable fee if the Board issues debt would be \$5,249, and for the Hwy 290 system the maximum allowable fee under issuance of debt would be \$8,605. Additionally, she noted that for wastewater the maximum allowable fee under the scenario with the issuance of debt would be \$12,199. Ms. Heddin then stated that assuming no new debt was issued and no interest expenses associated with impact fees were applicable, the maximum allowable for the Hwy 71 system would be \$4,780, the Hwy 290 system would be \$8,135 and wastewater would be \$11,218. Ms. Heddin reminded the Board that the PUA by policy may adopt the maximum allowable impact fees or something less than that. Ms. Heddin also provided a table with 90% of the maximum allowable, which is what the Board adopted in 2018.

Director Roberts asked Ms. Heddin about whether raising the rates on retail customers would affect wholesale customer rates. Ms. Heddin stated that per the contractual agreements, wholesale customer rates would increase but not due how the PUA would be fund the projects.

No public comments were received in the public hearing.

**MOTION:** A motion was made by Director Roberts to close the public hearing at 1:50 p.m. The motion was seconded by Director Smith.

The vote was taken with the following result:

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

**B. Conduct a public hearing on amendments to the wastewater impact fees, 1:30 p.m.**

Director Roberts opened the public comment at 1:50 p.m. No public comments were received in the public hearing.

**MOTION:** A motion was made by Director Roberts to close the public hearing at 1:51 p.m. The motion was seconded by Director Smith.

The vote was taken with the following result:

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

**V. CONSENT AGENDA (J. Riechers)**

**A. Approve minutes of July 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 6, \$191,423.74, County Line 1308 Pump Station 1340 Conversion;
  - 2. DN Tanks, Inc., Pay Application 12, \$398,323.80, Southwest Parkway Ground Storage Tank 2; and
  - 3. Austin Engineering Company, Pay Application 6 & Final Payment, \$27,750.00, Lift Station 9 Rehab.
- D. Approve Service Availability Letter and Non Standard Service Agreement for:
  - 1. Uplands Office, 39 Water LUEs, 23 Wastewater LUEs, 71 System.
- E. Approve quote from Generator Field Services for generator for Lift Station No. 9, \$69,641.00. F. Approve quote from Elliott Electric Supply for Preventive Maintenance on Raw Water Intake VFD for Pump No. 4, \$26,635.50.

**MOTION:** A motion was made by Director Smith to approve the consent agenda, provided as Exhibits B-F. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

**VI. 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 200<sup>th</sup> Judicial District Court, Travis County, Texas; Cause No. D-1-GN-20-002291.**

Ms. Albright gave brief update on the status of briefing with the Third Court of Appeals.

**VII. NEW BUSINESS**

At 2:51 p.m., Director Roberts announced that the Board would convene in executive session to discuss personnel matters pursuant to Texas Government Code § 551.074 regarding Items VII.C and VII.F.

At 3:23 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 order approving amendments to the WTCPUA's Land Use Assumptions and Capital Improvements Plan, and imposition of Water Impact Fees.**

Ms. Heddin presented on this item laid out the options for the Board, including the maximum allowable impact fees that may be adopted. Ms. Riechers stated that the IFAC recommendation was to adopt 90% of the maximum impact fee, provided as Exhibit G.

Director Roberts stated that City of Dripping Springs and Dripping Springs Water Supply Corporation have expressed some concerns that the capacity assumptions are too low. Ms. Riechers stated that the PUA is required to do a CIP update every five years, but it has typically done so in 3 years, where projections may be adjusted to address higher than anticipated growth.

Ms. Heddin stated that not assessing at 100% gives the Board some cushion if there are some minor over-calculations based on changing conditions. Ms. Heddin confirmed that setting the impact fees at 90% doesn't materially impact rates.

Ms. Heddin stated that she provided impact fee calculations, and the Board can accept these amounts or any amounts below these amounts. Ms. Heddin detailed the funding of the capital projects, and options for cash flow. She flagged that based on the timing of the projects, and the projections made regarding growth, there would be an approximate \$22 million shortfall in the water impact fee fund if all of the projects were to be cash funded. She stated that the wastewater impact fee fund is anticipated to be \$6 million if projects are cash funded.

Ms. Heddin followed that because of concerns with cash flow, she ran a second scenario that contemplated debt to cover the shortfalls in both impact fee funds. Ms. Heddin detailed the scenario of issuing debt.

Director Roberts asked about the impact of raising retail rates on wholesale rates, to which Ms. Heddin stated that the wholesale contracts are tied to project absorption schedule, and the amount of impact fees could impact these rates.

Director Bethke stated that historically interest rates are low, and recommended 90% assessment of impact fees, and that the calculations include issuing debt.

Director Creveling asked if the current proposal is rate neutral, to which Ms. Heddin stated that current projections are rate neutral.

Kyle Danhaus, General Manager of DSWSC addressed the Board. Discussion ensued regarding the DSWSC wholesale agreement and assessment of impact fees. Director Roberts stated that the PUA is building infrastructure to send more water to the DSWSC, and recommended moving forward as soon as possible with a new agreement. Director Garza stated that there are many platted lots in DSWSC and that it may be best to determine what impact fee is to be paid by the

DSWSC and include that in the new wholesale agreement. Director Roberts stated that the PUA wants to provide water to DSWSC, and that the PUA has a fiduciary responsibility to ensure that this water is paid for.

Discussion ensued regarding Chapter 395 restrictions and whether staff could recalculate impact fees based on \$30 million of debt for water projects and \$10 million for wastewater projects for future consideration. Mr. Klein stated that due to the information changing, if the Board were to recalculate impact fees, the public needs to have different information noticed and that another public hearing would need to be called. Discussion ensued regarding the process for debt issuance and adoption of impact fees, and whether to schedule a new public hearing.

Ms. Smith stated that she is comfortable with establishing impact fees at 95% collection, and that this will include the legal cushion recommended, take into account future debt, and would not result in needed additional public hearings.

Ms. Heddin stated that at 95% of the maximum allowable assessment, impact fees would be \$4,986 for the 71 System, \$8,175 for the 290 System, and \$11,590 for Wastewater.

**MOTION:** A motion was made by Director Roberts to approve the Order Approving Amendments to the WTCPUA's Land Use Assumptions and Capital Improvements Plan, and imposition of Water Impact Fees, provided as Exhibit H and the Order Approving Amendments to the WTCPUA's Wastewater Impact Fees, provided as Exhibit I, setting the impact fees at 95% of the maximum allowable assessment. The motion was seconded by Director Garza.

The vote was taken with the following result:

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

Mr. Klein clarified that the effective date would be October 1, 2021.

**MOTION:** A motion was made by Director Smith to establish the effective date for the new water and wastewater impact fees as October 1, 2021. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

**B. Discuss, consider and take action on order approving amendments to the WTCPUA's Wastewater Impact Fees.**

This item was considered in conjunction with Item VII.A.

**C. Discuss, consider and take action on FY 2022 budget.**

This item was discussed in Executive Session. Ms. Smith presented this item, provided as **Exhibit J**. She provided a high level overview of the budget, and stated that fund balances would be decreased by \$22 million relating to capital projects spending. She stated that the fund balance in the general fund is being built to provide for early retirement of debt, and asked for direction from the Board as to whether this path should continue to be pursued.

Director Smith referenced the maintenance budget items and a general discussion ensued regarding the differing budget amounts.

Director Smith asked about the public relations consultant line item and offered to provide assistance in preparing a request for qualifications.

Director Smith asked about fuel storage, and recommended looking into whether this is feasible for the PUA. Ms. Riechers stated that this was something that they had also discussed with Bee Cave and would continue to look into options.

Director Creveling stated that he would like to implement a tool to simplify tracking of costs relating to projects as they move forward with the CIP.

Next, Ms. Smith talked about timing on debt issuance and stated that the PUA's financial advisor recommended moving forward now with a debt issuance due to historically low rates. Discussion ensued regarding debt restructuring, and Ms. Smith stated that she would continue to review.

**MOTION:** A motion was made by Director Smith to approve the Fiscal Year 2022 budget, provided as **Exhibit J**, including the directed adjustment to the General Manager's compensation. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

**D. Discuss, consider and take action on Order amending WTCPUA's Wholesale Water and Wastewater Rates.**

Ms. Riechers presented this item, provided as Exhibit K, stating that these adjustments relate to the amortization schedules incorporated for each wholesale customer, and that the adjustments are effective October 1, 2021.

**MOTION:** A motion was made by Director Roberts to approve the Order Amending WTCPUA's Wholesale Water and Wastewater Rates, provided as Exhibit K. The motion was seconded by Director Creveling.

The vote was taken with the following result:

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

**E. Discuss, consider and take action on WTCPUA Organizational Chart.**

Ms. Riechers presented this item, provided as Exhibit L. She stated that two new positions are reflected with two vacancies, and that other adjustments are made in accordance with budget recommendation.

**MOTION:** A motion was made by Director Roberts to approve the updated Organizational Chart, provided as Exhibit L. The motion was seconded by Director Creveling.

The vote was taken with the following result:

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

**F. Discuss, consider and take action on annual review of General Manager.**

This item was discussed in Executive Session. Director Roberts directed that the budget be adjusted to increase the General Manager's salary to \$210,000 per year.

**G. Discuss, consider and take action on letter from Lake Travis Independent School District.**

Ms. Albright presented on this item, provided as Exhibit M. She stated that the PUA needs and easement on Hamilton Pool Road relating to planned facilities, and that LTISD is willing to grant an easement to the PUA. However, as a governmental entity, LTISD cannot "gift" this easement



to the PUA and is requesting a commitment of 11 water LUEs to apply to a future school site on the Highway 71 System.

**MOTION:** A motion was made by Director Roberts to authorize the General Manager and general counsel to prepare an agreement between the PUA and LTISD in accordance with the terms offered in the LTISD letter. The motion was seconded by Director Garza.

The vote was taken with the following result:

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

**H. Discuss, consider and take action on report from Murfee Engineering Company regarding decommissioning of Lake Pointe Wastewater Treatment Plant**

Andrea Wyatt with Murfee Engineering presented on this item, provided as Exhibit N. She provided a presentation regarding potential repair and rehabilitation that may be needed for the WWTP, and stated that because the work is uncertain, it is difficult to determine how much a rehabilitation would cost. She detailed the rehabilitation work that could be needed, and flagged that the Bohls WWTP was planned to expand. Expanding Bohls to incorporate decommissioning of the Lake Pointe WWTP would cost approximately \$15 million, and the decommissioning itself would cost approximately \$760,000.

In response to a question from Director Creveling, Mr. Murfee stated that this decommissioning and associated expansion of the Bohls WWTP are not included in CIP and would come from the Facilities Fund.

Director Bethke stated his support for decommissioning of the facility. Ms. Smith stated that decommissioning is budgeted for the Facilities Fund. Ms. Wyatt stated that there will still need to be a lift station at the Lake Pointe WWTP site.

**MOTION:** A motion was made by Director Roberts to approve the decommissioning of the Lake Pointe Wastewater Treatment Plant and the 1.5 MGD expansion of the Bohls Wastewater Treatment Plant. The motion was seconded by Director Creveling.

The vote was taken with the following result:

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

**I. Discuss, consider and take action on Order and Amendment to WTCPUA Administrative Financial policies related to fund balances.**

Ms. Smith presented this item, provided as Exhibit O.

**MOTION:** A motion was made by Director Smith to approve the Order to amend the WTCPUA Financial Policies, provided as Exhibit O. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

**VIII. STAFF REPORTS**

**A. General Manager's Report.**

Ms. Riechers presented this item, provided as Exhibit P.

**B. Controller's Report.**

Ms. Smith presented this item, provided as Exhibit Q.

**C. Operations Report.**

Mr. Morgan presented on this item, provided as Exhibit R.

**D. Engineer's Report including:**

**1. Capital Improvements Plan Update**

Mr. Murfee presented on this item, provided as Exhibit S. He stated that the PUA had submitted an application to LCRA for additional firm water, anticipated to be 15,000 acre feet now with an additional 3,000 acre feet available when the new reservoir is complete. He also stated that there was a \$1.6 million project to extend a line from Ranch Road 12 to Fitzhugh Road that would loop the system. Ms. Riechers stated that she recommended this be included in the five-year update of the CIP, even if the project needs to be built before then.

Mr. Murfee also gave a report regarding SER requests from the City of Dripping Springs for Anarene and Cannon, and followed that there is an additional project that will also be requested.

**IX. ADJOURNMENT**


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

The vote was taken with the following result:

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

The meeting adjourned at 3:54 p.m.

Dated: September 16, 2021.



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Walt Smith, Secretary  
Board of Directors