

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

April 21, 2022

Board:

Scott Roberts President
Jack Creveling, Vice President
Walt Smith, Secretary/Treasurer
Clint Garza, Director
Jason Bethke, Director

Staff and Consultants:

Jennifer Riechers, Agency General Manager
Jennifer Smith, Agency Controller
Eric Morgan, Agency Operations Manager
Lauren Kalisek (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
David Klein (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
Kathryn Thiel (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
Gary Kimball (Specialized Public Finance, Inc.), District Financial Advisor
Jerry Kyle (Orrick Herrington & Sutcliffe LLP), Bond Counsel
Ben Morrison (Orrick Herrington & Sutcliffe LLP), Bond Counsel

I. CALL TO ORDER

The meeting was called to order by Director Roberts at 1:04 p.m.

II. ESTABLISH QUORUM

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

III. PUBLIC COMMENT

No public comment was received.

IV. CONSENT AGENDA

- A. Approve minutes of March 17, 2022, regular Board Meeting.
- B. Approve payment of invoices and other bookkeeping matters, including:
 - 1. Quarterly Investment Report

- C. Approve payment of Contractor Pay Requests including:
1. Qro Mex Construction Co. Inc., Pay Application 2, \$202,678.17, Sawyer Ranch 1340 Water Main Conversion;
 2. Preload, LLC, Pay Application 4, \$309,855.19, Hamilton Pool Road Ground Storage Tank 2;
 3. Payton Construction, Pay Application 14, \$11,736.30, 1340 Pump Station Conversion;
 4. TTE, LLC, Pay Application 1, \$49,436.16, West Bee Cave Pump Station Upgrade.

D. Approve Change Orders including:

1. Qro Mex Construction Co. Inc, Change Order 1, \$3,519.52, Sawyer Ranch 1340 Water Main Conversion;
2. SJ Louis Construction of Texas, Ltd., Change Order 1, \$17,346.19, 1080 Transmission Main Segment A.

MOTION: A motion was made by Director Creveling to approve the consent agenda, provided as Exhibits A-D. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

V. OLD BUSINESS

A. Discuss, consider and take action regarding Amendment of General Manager Contract (L. Kalisek)

(This item may be taken into Executive Session under the consultation with attorney and personnel matters exception).

At 1:28 p.m., Director Roberts announced that the Board would convene in executive session under the consultation with attorney and personnel matters exception. Ms. Kalisek stated for the record that the Board would be discussing Item V.A. and VI.H.

At 2:12 p.m., Director Roberts announced that the Board would reconvene in open session and that no action had been taken in executive session.

MOTION: A motion was made by Director Roberts to approve the proposed amendments, provided as Exhibit E, increase the General Manager's term by 2 years until 2024, and provide incentive pay at an increase of 25% of annual base pay today or that is amended in the future. The motion was seconded by Director Smith.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

VI. NEW BUSINESS

A. Discuss, consider and take action on Recommendation of Award for sale of \$40,000,000 West Travis County Public Utility Agency Revenue Bonds, Series 2022, including adoption of resolution authorizing issuance of such Bonds (J. Smith).

Garry Kimball presented the bid tally for sale of \$40 million bonds, provided as Exhibit E, noting that the WTCPUA received 6 bids, which Mr. Kimball considered to be a very strong showing given the volatility of the bond market at present. Mr. Kimball presented that the winning bidder was SAMCO Capital Market and their 14 syndicates at a 3.989 interest rate.

Mr. Kimball further explained that a 5-year call was placed on this issue instead of the traditional 10-years to allow for greater flexibility. Mr. Kimball noted that the 5-year date matches the date on the District's largest piece of debt. Director Roberts asked if this bond amount was sufficient to cover needs due to inflation and anticipated new infrastructure projects. Mr. Kimball confirmed that the WTCPUA has capacity to issue more debt and has seen other clients do the same. Mr. Kimball recommended that the Board award the sale of bonds to SAMCO Capital Market.

MOTION: A motion was made by Director Roberts. The motion was seconded by Director Creveling.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

B. Discuss, consider and take action on Interlocal Agreement with Hays County related to the Relocation of Water System Improvements (Darden Hill Road at Sawyer Ranch Road Roundabout Project (G. Murfee).

George Murfee presented this item, provided as **Exhibit G**, and explained that Hays County move forward with the project and the associated bid process. Mr. Murfee noted that all that is required of the WTCPUA are the costs associated with putting in the new waterlines. Director Roberts expressed appreciation to the County.

MOTION: A motion was made by Director Garza. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

C. Discuss, consider and take action on subdivision and replat of surplus property out of 17 acre tract on Hwy. 71 for future sale as workforce housing (G. Murfee).

Mr. Murfee presented this item, provided as **Exhibit H** which was a work order for Murfee Engineering to commence the replat of the property and determine impervious cover requirements as discussed at the March Board meeting.

MOTION: A motion was made by Director Garza. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

D. Discuss, consider and take action on replat of property at 3100 and 3012 Napa Dr. to allow for conveyance to Lake Pointe MUD (G. Murfee).

Mr. Murfee presented the item, provided as **Exhibit I**, which was a work order for Murfee Engineering to commence the replat of the property at the request of Lake Pointe MUD. Mr. Murfee described to the Board the site where the Lake Pointe treatment plant is located and the water quality pond at issue, which is on WTCPUA property but is maintained by Lake Pointe MUD. Mr. Murfee stated that his team would review regulations related to impervious cover and the City of Bee Cave and Travis County's jurisdictional authority. Mr. Murfee recommended the Board follow the same process as previous item C. Director Bethke inquired about the amount of impervious cover the WTCPUA would need on site. Director Roberts asked whether the District was ready to take the plant offline and replace the plant with a lift station, which would moot the issue of needing to increase impervious cover. In response to Director Bethke's question on timing of the replat, Mr. Murfee stated his team was working with the County. Director Garza estimated that it would take at least a year. Board members directed staff to

communicate with Lake Pointe MUD about how best to accommodate their plans for the property given that the replat may take more than one year.

MOTION: A motion was made by Director Bethke. The motion was seconded by Director Garza.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

E. Discuss, consider and take action on Service Availability Letter for:

- 1. Anarene, Amended SAL, 3,393 LUEs, 290 System;**
- 2. 8921 Hwy. 290, 188 LUEs, 290 System;**
- 3. Ledgestone Terrace Apartments, 385 LUEs, 290 System;**
- 4. 11017 Fitzhugh Rd., 180 LUEs , 290 System;**
- 5. Ariza 290 West, 147 LUEs, 290 System.**

Director Roberts stated that the Board would take action on items 1, 4, and 5, postponing action on items 2 and 3, which were provided as **Exhibit J**. Director Creveling asked whether the LUEs associated with items 1, 4 and 5 were based on existing or future capacity. Mr. Murfee and Ms. Riechers discussed the capacity and details of the projects at issue and the phases of development for each of the proposed projects based on the completion of WTCPUA improvements. Director Roberts asked whether the City of Dripping Springs would have to pay LCRA for raw water rather than the WTCPUA. Ms. Riechers confirmed that was correct. Director Roberts and Ms. Kalisek discussed the conditions of service.

MOTION: A motion was made by Director Roberts to approve items 1, 4, and 5. The motion was seconded by Director Bethke.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

F. Discuss, consider and take action on Non-Standard Service Agreements for:

- 1. 8921 Hwy. 290, 188 LUEs, 290 System;**
- 2. Ledgestone Terrace Apartments, 385 LUEs, 290 System;**
- 3. 11017 Fitzhugh Rd., 180 LUEs, 290 System;**
- 4. Ariza 290 West, 147 LUEs, 290 System;**

Director Roberts stated that the Board would take action on items 3 and 4, postponing any action on items 1 and 2, provided as **Exhibit K**.

MOTION: A motion was made by Director Smith approving items 3 and 4. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

G. Discuss, consider and take action on Effluent Rebate Incentive program (J. Riechers).

Jennifer Riechers presented this item, provided as Exhibit L, noting that it would encourage TLAP users to have a lower effluent volumetric rate and that the rebate program to incentivize them to take more water than they need when PUA effluent ponds are at maximum capacity. Ms. Riechers recommended the Board approve the program.

MOTION: A motion was made by Director Creveling. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Creveling, Smith, Garza, and Bethke

Voting Nay: None

Abstained: None

Absent: None

H. Discuss, consider and take action on amendment of Water Capital Improvement Plan regarding reroute of transmission main from Hamilton Pool Road to Crumley Road. (S. Roberts).

(This item may be taken into Executive Session under the consultation with attorney exception).

At 1:28 p.m., Director Roberts announced that the Board would convene in executive session under the consultation with attorney and personnel matters exception. Ms. Kalisek stated for the record that the Board would be discussing Item V.A. and VI.H.

At 2:12 p.m., Director Roberts announced that the Board would reconvene in open session and that no action had been taken in executive session.

MOTION: A motion was made by Director Roberts to authorize staff to move forward with process to amend the Water CIP to add transmission main from Hamilton Pool Road to Crumley Road to Fitzhugh Road to Ranch Road 12. The motion was seconded by Director Garza.

The vote was taken with the following result:

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

VII. STAFF REPORTS

A. General Manager's Report.

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

B. Controller's Report.

The Controller's Report was presented by Ms. Smith, and provided as Exhibit N. Ms. Smith noted that there was a large negative variance due to the amount paid for the Weekley Homes settlement agreement. Ms. Smith stated that she would be bringing a budget amendment proposal to the May Board meeting.

C. Operations Report.

Mr. Morgan presented this item, provided as Exhibit O.

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

This item was provided as Exhibit P.

VIII. 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, Creveling, Smith, Garza, and Bethke
Voting Nay: None
Abstained: None
Absent: None

The meeting adjourned at 2:12 p.m.

PASSED AND APPROVED this 19th day of May, 2022.


Walt Smith, Secretary
Board of Directors