

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

January 19, 2017

Present:

Scott Roberts, President
Fred Goff, Vice President
Bill Goodwin, Assistant Secretary
Don Walden, Assistant Secretary

Staff and Consultants:

Robert Pugh, General Manager
Curtis Wilson, District Engineer
Jennifer Riechers, Agency Program Manager
Keith Parkan, Senior Engineer
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
Dennis Lozano (Murfee Engineering Company, Inc.), Agency Engineer
Autumn Phillips (Municipal Accounts & Consulting), Agency Bookkeeper

I. CALL TO ORDER

Director Roberts called the meeting to order at 9:00 a.m.

II. ESTABLISH QUORUM

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

III. PUBLIC COMMENT

Jason Young addressed the Board, stating that he recently sold his house in the Uplands and his last bill was over \$2,000. His house and irrigation system was inspected when he sold the house and no leaks were found. He would like to find out why his bill is so high and how he can get the bill reduced.

Ralph Horridge stated that he was asking for forbearance on surcharges that had been imposed on McDonalds. He stated that he has been working with the PUA on improving the quality of the wastewater. Director Roberts directed that staff should take no further action on the surcharges and bring this back as a future agenda item in February.

IV. CONSENT AGENDA

- A. Approve minutes of December 15, 2016 Board Meeting.**
- B. Approve bookkeepers report, payment of outstanding invoices and other related bookkeeping matters.**
- C. 30% Developer Reimbursement Payment to CCNG in the amount of \$597,367 for:**
 - a. Spanish Oaks Verde Trails.**
 - b. Spanish Oaks Section II.**
 - c. Spanish Oaks Section II-B.**
 - d. Spanish Oaks Section III-B.**
 - e. Spanish Oaks Section III-C.**
- D. Approve Contractor Pay Requests including:**
 - a. Pay Application No. 5 for Spillman Pond Liner Project; and**
 - b. Pay Application No. 9 for SH71 1280 Elevated Storage Tank Project.**

Director Roberts next presented the consent agenda, provided as **Exhibits A-D.**

MOTION: A motion was made by Director Goodwin and seconded by Director Roberts to approve the consent agenda items as presented, attached as **Exhibits A-D.**

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Goff, and Walden

Voting Nay: None

Absent: Director Whisenant

V. STAFF REPORTS

A. General Manager's Report

Mr. Pugh presented this item, provided as **Exhibit E.** He commended staff on the transition from US Waters Utility Group ("USWUG") bringing operations and customer service in-house. He further stated that a new engineering technician would be starting February 13, 2017, and a selection had been made for an operations manager. Ms. Smith confirmed that accounting personnel hiring had been delayed due to the additional work and transition staffing of bringing over USWUG functions.

Mr. Pugh stated that a task order for the Wallace Group (now CP&Y) would be presented in February for rehabilitation of certain wastewater facilities. Later in the year staff would consider presenting a task order for water treatment plant rehabilitation projects.

Mr. Pugh stated that the water treatment plant needed upgraded security and staff is requesting to move forward with the \$34,845.00 bid that was received to perform these necessary upgrades. Director Goff asked what additional work and expense would be added with the upgraded security system. Mr. Parkan stated that the cost is a one-time cost, and would allow the integration of facilities, and would not add to staff's current duties.

Director Goodwin congratulated staff for doing such a good job with the USWUG transition and stated that he knew there was much detailed work and long hours put into this transition to make it run smoothly.

Director Goodwin asked what the Bohls Pond level is, to which Mr. Parkan responded that the pond was at approximately 98%, and the plan is to dispose of additional effluent with the golf courses to manage the pond level.

Director Roberts asked about the status of the proposed project in Falconhead for additional irrigation land. Dennis Lozano stated that they had met with golf course staff, and that the next step is to speak to the property owners' association due to the identified land being adjacent to the association's land. He stated the meeting was positive and that they are working to move forward. He stated that for temporary relief the identified 30 acres would likely be able to take 30,000 gallons on a short-term basis.

Mr. Pugh stated that staff feels confident that the Bohls Pond can be kept under freeboard due to the extensive cooperation from the golf courses. Director Walden asked if the Spillman Pond could still be used in an emergency, but Mr. Pugh stated that this would likely not be an option at this time.

Director Roberts asked how a project could be added to the Capital Improvements Plan ("CIP"), and Mr. Wilson confirmed that the current projects are all the result of a study that was approved by the Board, and to add to the projects would mean a new study. Mr. Wilson stated that this study was anticipated to be conducted by Murfee Engineering. Mr. Lozano stated that to integrate a new project would mean that the Board would need to commission a new impact fee study and Murfee Engineering would take the existing projections and take a renewed look forward.

Director Roberts stated that he would like an item on the February agenda to discuss impact fees, the impact fee funds and how they are used, and what other entities do with their impact fee funds.

Director Roberts asked what it would take to bring the rate study and impact fee studies in-house. Ms. Smith stated that she could perform the retail study in-house, but would need more information on the wholesale rates. Director Roberts asked Ms. Smith to bring back to the Board in February the cost and feasibility of bringing rate studies and impact fee studies in-house.

MOTION: A motion was made by Director Goodwin and seconded by Director Walden to approve the security upgrade.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Goff, and Walden

Voting Nay: None

Absent: Director Whisenant

B. Controller's Report

Ms. Smith presented this report, provided as Exhibit F.

Director Roberts asked about the budgeting process, and Ms. Smith stated that last year the process started in June with a budget adopted in September. He confirmed that this budget does not account for reduced legal fees due to litigation matters being settled and cost savings due to bringing operations, billing and customer service in-house. Director Roberts asked whether rates could be decreased, to which Ms. Smith stated that a reduction may be possible, but the numbers would have to be studied. Director Goodwin confirmed that to reduce rates a rate study would need to be conducted. Mr. Pugh stated that the PUA's current rate consultant charged approximately \$41,000.00 to conduct a retail and wholesale rate study.

Mr. Pugh stated that in the second quarter staff planned to present a rate outlook based on the actual budget numbers and future liabilities. Director Roberts stated that he would like a February agenda item to review this information more in-depth.

C. Engineer's Report

1. Capital Improvements Plan Update;

2. Operations Report.

Mr. Wilson presented on this item, provided as Exhibit G. He stated that operationally the PUA is producing 4 MGD per day of water and that operations have successfully transitioned to PUA staff. He stated that three air release valves have been repaired to date, and these valve failures may have contributed to a great deal of water loss. Director Roberts stated that given the rate of failures, wouldn't it make sense to replace the facilities that are failing. Mr. Wilson confirmed that this is the case and that staff would be looking into a program to do so.

Discussion ensued regarding the raw water intake and repair work necessary for pump facilities. Director Goodwin stated that Murfee Engineering was given a work order in October to assess the needs for the raw water intake, but did not include purchase of pumps or other materials. Mr. Lozano stated that the engineers could move forward with procuring pumps. Director Walden stated that he would like to see this project move forward. Director Goff stated that there are recommendations made by Mr. Pugh relating to the raw water intake facilities and he would like

to follow Mr. Pugh's recommendations. Mr. Lozano stated that the PUA currently has 3 pumps that will pump up to 17 MGD. The short-term work will bring a fourth pump online soon. This will bring the capacity capability up to 22 MGD to meet demand, but having 2 pumps down does not bring the capacity capability down significantly.

Mr. Lozano confirmed Mr. Pugh's opinion that two pumps would provide more support especially during high use periods. Director Walden stated that an expansion project to serve new growth would be a CIP project eligible for impact fee funding, and Mr. Lozano clarified that a "like in kind" replacement would not be a CIP project.

The Board directed staff to schedule a special meeting on January 24, 2017 at 10:00 a.m. at the WTCPUA offices to discuss the raw water intake replacement project.

VI. OLD BUSINESS

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

1. Cause No. D-1-GN-16-000538; *Travis County Municipal Utility District No. 12 vs. Public Utility Commission of Texas* in the 250th District Court of Travis County, Texas.

This item was discussed in Executive Session.

2. *Travis County Municipal Utility District No. 12 v. West Travis County Public Utility Agency*; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-16-002274.

This item was discussed in Executive Session.

3. Cause No. D-I-GN-15-002149; *West Travis County Public Utility Agency v. Severn Trent Environmental Services, Inc.*, in the 98th District Court of Travis County, Texas and Cause No. D-I-GN-15-002169; *Severn Trent Environmental Services, Inc. v. West Travis County Public Utility Agency*, in the 98th District Court of Travis County, Texas.

This item was discussed in Executive Session.

4. *CCNG Development Co., L.P. v. West Travis County Public Utility Agency and Lower Colorado River Authority*; in the 345th Judicial District Court, Travis County, Texas; Cause No. D-1-GN-14-000163.

This item was discussed in Executive Session.

Director Roberts announced that the Board would go into executive session at 10:34 a.m. pursuant to Texas Government Code § 551.071 – Consultation with Attorney to address the following matters:

Items VI. A. 1-4; Item VII. A

Director Roberts announced that the Board would go back into open session at 12:17 p.m. and that no action was taken in executive session.

VII. NEW BUSINESS

A. Discuss, consider and take action on appointment of two new members to the Impact Fee Advisory Committee position.

Mr. Pugh presented on this item, stating that an order was prepared for Board consideration to add two new members to the Impact Fee Advisory Committee (IFAC), provided as **Exhibit H**. Mr. Pugh stated that one recommendation was Mr. Adrian Overstreet as a developer candidate.

MOTION: A motion was made by Director Walden and seconded by Director Roberts to expand the IFAC committee from 5 to 7 members, and appoint Adrian Overstreet as developer representative.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goff, and Walden
Voting Nay: Director Goodwin
Absent: Director Whisenant

Director Walden stated that it would be preferable to have a retail customer from the 290 system as the additional member.

B. Discuss, consider and take action on adoption of a WTCPUA Records Retention Policy.

MOTION: A motion was made by Director Goodwin and seconded by Director Walden to adopt the Records Retention Policy.

The vote was taken with the following result:

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

C. Discuss, consider and take action regarding Engineering Proposals including:

a. Change Order No. 5 for Spillman Pond Liner Project.

Mr. Wilson presented this item, provided as Exhibit I, stating that this item allows for the rental times for the frac tanks to be extended.

MOTION: A motion was made by Director Goodwin and seconded by Director Walden to approve Change Order No. 5 in the amount of \$51,430.95 for the Spillman Pond Liner Project.

The vote was taken with the following result:

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

VIII. ADJOURNMENT

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

The vote was taken with the following result:

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

The meeting adjourned at 12:17 p.m.

PASSED AND APPROVED this 16th day of February, 2017.



Scott Roberts, President
Board of Directors

ATTEST:


Ray Whisenant, Secretary/Treasurer
Board of Directors