

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

September 19, 2019

Present:

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 Walden called the meeting to order at 10:02 a.m.

II. ESTABLISH QUORUM

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

III. CONSENT AGENDA

- A. Approve minutes of August 15, 2019 regular Board Meeting.**
- B. Approve payment of invoices and other related bookkeeping matters.**
- C. Approve Contractor Pay Requests including:**
 - 1. CFG Industries, LLC, Pay Application No. 13, \$47,025.00, Tank and Pump Station Coating Improvements;**
 - 2. SJ Louis Construction of Texas., Ltd. Pay Request No. 12, \$121,070.13, 1340 Transmission Main Project.**

3. **Landmark Structures I, LP, Pay Request No. 17, \$12,530.50, 1340 Elevated Storage Tank Project.**
 4. **RTS Solutions, Pay Application No. 4 and Final, \$13,411.81, Manual Meter Replacement Project.**
- D. **Approve Service Extension Request (SER) for:**
1. **Appaloosa Run Storage, 15 Water LUEs, 290 System.**
- E. **Approve Non-Standard Service Agreement (NSSA) for:**
1. **Appaloosa Run Storage, 15 Water LUEs, 290 System.**

MOTION: A motion was made by Director Goodwin to approve the Consent Agenda Items A-E, provided as **Exhibits A-E**. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

IV. OLD BUSINESS

At 11:36 a.m., Director Walden announced that the Board would convene in executive session to consult with its attorney under Texas Government Code § 551.071 regarding Items IV.A and IV.B, and regarding personnel matters under Texas Government Code § 551.074 regarding Item IV.B.

At 1:44 p.m., Director Walden 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 regarding pending and/or anticipated litigation, including :

1. *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.*
2. *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.*
3. *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 contract with General Manager.

This item was discussed in executive session.

MOTION: A motion was made by Director Whisenant to approve the contract with the General Manager, provided as Exhibit F. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

V. NEW BUSINESS

**A. Discuss, consider and take action on tariff amendment regarding:
1. Meter Opt-Out Program**

Director Walden pulled this item from consideration and will be considered at the October Board meeting.

MOTION: A motion was made by Director Whisenant to postpone this item until the October Board meeting. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

B. Discuss, consider and take action on annual review of WTCPUA Investment Policy.

Ms. Smith presented this item, provided as Exhibit G. She stated that this review is required by the Public Funds Investment Act, and changes suggested resulted from statutory changes made in the 86th Legislative Session.

MOTION: A motion was made by Director Goodwin to approve the annual review of the WTCPUA Investment Policy. The motion was seconded by Director Whisenant.

The vote was taken with the following result:

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

C. Discuss, consider and take action regarding review of LUE table regarding restaurants.

Director Goodwin presented on this item, stating that the Bee Cave City Council had received a lot of feedback regarding WTCPUA impact fees assigned to restaurants. He stated that he provided for the Council the history of the PUA and engineering information relating to the LUE table.

Director Goodwin stated that historical information provided by Adrian Overstreet with the Hill Country Galleria supported the accuracy of the information in the LUE table. Director Goodwin asked if the Board was interested in commissioning a study relating to the LUE table as this has had a great deal of discussion in the business community in Bee Cave. In response to a question from Director Goodwin, Director Whisenant stated that he had not received feedback of this nature from Hays County, and that in Bee Cave impact fees are amplified by the fact that customers typically receive water and wastewater service from the PUA.

Discussion ensued regarding impact fees, to which Ms. Riechers stated that no customers have been provided impact fee refunds based on the PUA's current policy. Ms. Riechers stated that the Galleria has one meter that is sharing usage with all the other businesses, and the Galleria handles the charges. She stated that it is not possible to pull data for these restaurants.

Director Goodwin stated that a restaurant like Maudie's has a large patio area, and asked how square footage is determined. Mr. Ramirez stated that the entire footprint of the restaurant is typically taken into account, and that many times the application is more preliminary and would likely include the patio area.

Discussion ensued regarding water and wastewater capacity and the LUE calculation table. Director Goodwin asked if impact fees for commercial versus residential use should be different due to the usage attributed to irrigation. Mr. Lozano stated that this is typically taken into account by doing separate irrigation use review.

Mr. Lozano provided information regarding examples of how other utility districts calculate LUEs. Director Walden stated that he is not convinced that restaurants are failing due to the PUA's impact fees, as there are restaurants in the area that are not PUA customers that have also closed, whereas there are many successful restaurants that are PUA customers. He stated that he thinks it would be beneficial for the PUA to take a closer look at the issue.

Mr. Lozano stated that there are some opportunities to look at the process and identify options for uniformity.

Ms. Riechers stated that she was amenable to reviewing the information. Director Walden stated that a review would be beneficial to back up what the PUA is doing.

Director Goodwin and Director Whisenant authorized the General Manager to prepare an analysis of LUE table based on usage of restaurants that have their own meter.

Ms. Riechers confirmed that this study only relates to restaurants. Director Walden asked that the tables for Round Rock, Cedar Park, and Dripping Springs also be considered.

D. Discuss, consider and take action on Second Amendment to Wholesale Water Services Agreement with Headwaters Municipal Utility District.

Ms. Riechers presented this amendment, provided as **Exhibit H**. She stated that this was a contract that was not previously amended to allow the customer to adjust its absorption schedule.

Ms. Albright stated that Headwaters MUD was also not given the opportunity to prepare a contract amendments in 2013 as the development had not yet started taking water and was not paying for usage at the time.

MOTION: A motion was made by Director Whisenant to approve the Second Amendment to Wholesale Water Services Agreement with Headwaters Municipal Utility District. The motion was seconded by Director Walden.

The vote was taken with the following result:

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

E. Discuss, consider and take action on Murfee Engineering Company engineering services proposal including:

1. Lift Station 9 Rehabilitation Project, \$95,000.00

Mr. Lozano presented this item, provided as **Exhibit I**. He detailed the project and bidding process included in the backup materials. Director Walden confirmed that this is a cost “not to exceed,” and Mr. Lozano stated that Murfee Engineering has experience with this type of project and he is comfortable that this is a conservative estimate.

Director Walden asked how this project fits into the five-year maintenance program, to which Ms. Riechers stated that this project was not included in the Facilities Fund at this time. Mr. Lozano confirmed that there were likely some items related to the lift station in the maintenance program, but not of this scope.

Director Brzoska asked if this project would impact the raw waterline project, to which Mr. Lzoano stated that he did not anticipate this project would impact the raw waterline project and there should not be any areas of overlap.

Director Goodwin asked about the type of coating that would be utilized, to which Mr. Lozano stated that they are looking at options that are not prone to corrosion.

MOTION: A motion was made by Director Whisenant to approve Murfee Engineering Company's engineering services proposal including the Lift Station 9 Rehabilitation Project in the amount of \$95,000.00. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

F. Discuss, consider and take action regarding Amendment to Easement Agreement between the WTCPUA and 71 Bee Cave, Ltd.

Mr. Klein presented on this item, provided as Exhibit J, and stated that it was requested by Director Roberts. He provided a brief background on this issue. The Board stated that this item will be postponed until the October Board meeting.

MOTION: A motion was made by Director Whisenant to postpone this item until the October Board meeting. The motion was seconded by Director Walden.

The vote was taken with the following result:

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

VI. STAFF REPORTS

A. Interim General Manager's Report.

Ms. Riechers presented this report, provided as Exhibit K. She confirmed that she recently had lunch with the general managers for HCMUD and LMUD.

She confirmed a meeting with the Terrace and Backyard regarding potential changes to the project, and that staff is considering how to officially address the plan changes and contract issues. Ms. Riechers stated that the reservation of capacity expires in December, so staff is encouraging finalizing discussions before this point.

Director Goodwin flagged that a company had recently hit and damaged an effluent line, and confirmed that a waterline was also hit a few days before the meeting. He stated that the permit

for this project provided by the City of Bee Cave stated that the PUA should approve the crossing. Director Goodwin stated that the contractor tried to get approval, to which Ms. Riechers stated that the contractor came in one day and asked about the locates. She stated that staff is researching the tickets to determine what had occurred with the third party, and Director Goodwin stated that there may be some concerns with the locator. Mr. Ramirez stated that the stub out hit on Tuesday and was marked after the fact.

Ms. Riechers confirmed that there is one operator position open at this time.

Ms. Riechers confirmed that there was an update provided to Lake Pointe MUD on the raw waterline project. Director Walden stated that periodic meetings would be a good idea.

Director Walden confirmed that the PUA is maintaining PRVs in the system.

Director Goodwin asked about SB 239 and notification in billing. Ms. Albright stated that this is an obligation for certain water districts to include certain information on utility bill, but that the PUA does not have the obligation under this legislation to provide this information. Discussion ensued regarding the requirements of the bill, and Ms. Albright confirmed that the concerns have arisen only regarding district customers of the PUA that provide their own wastewater, but the PUA provides water and wastewater billing services.

B. Controller's Report

Ms. Smith presented on this item, provided as Exhibit L. She stated that the PUA was revenue positive in the last month due to weather patterns. She stated total expenditures, including lower bond payments, are down compared to the prior year. Ms. Smith confirmed that she does not anticipate any budget amendments for the fiscal year.

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

Mr. Lozano presented this item, provided as Exhibit M. He stated that a notice to proceed will occur shortly regarding the raw waterline project.

Director Goodwin asked how many pressure planes are in the system, to which Mr. Lozano said 8-10 depending on the method used to count them, and there 6 major pressure planes.

Director Walden asked when the Southwest Parkway Pump Station work would be started to which Mr. Lozano stated that The Nature Conservancy easements have been recorded, which is a significant step forward.

Ms. Riechers addressed the CP&Y report, provided as Exhibit N. She stated that there were no bids on the SCADA review project, and that companies had stated that many companies are busy with work and chose not to bid. She stated that they will re-address the matter soon. Ms. Riechers stated that the SCADA review is moving forward and she anticipates a proposal for the study will be brought back in October.

D. Operations Report.

Mr. Jeffrey presented the operations report, provided as Exhibit O. Director Walden asked about the peak flow coming through the raw waterline, to which Mr. Jeffrey said the flow varies, but the flow is close to the rated capacity at times. Director Walden asked if there had been any major events in the past month, to which Mr. Jeffrey said there were no malfunctions or issues requiring equipment.

Director Goodwin asked if there was a difference seen in the capacity management since the watering days were changes to 6 days. Mr. Jeffrey stated that he has seen a difference, and Thursdays are still the highest demand days.

Director Walden asked for data regarding the storage tank levels on Hamilton Pool Road. Mr. Jeffrey stated that here are times that water is utilized so the levels may seem low when really the water is being re-directed. He stated this would not have been possible last summer.

VII. ADJOURNMENT

MOTION: A motion was made by Director Brzoska to adjourn the meeting.
The motion was seconded by Director Walden.

The vote was taken with the following result:

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

The meeting adjourned at 1:46 p.m.

PASSED AND APPROVED this 17th day of October 2019.



Scott Roberts, President
Board of Directors

ATTEST:



Ray Whisenant, Secretary/Treasurer
Board of Directors