

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

October 5, 2020

The October 5, 2020 Board of Directors special meeting was held with limited attendance and via videoconference 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 a 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  
George Murfee (Murfee Engineering Company, Inc.), District Engineer

**I. CALL TO ORDER**

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

**II. ESTABLISH QUORUM**

A quorum was established with the above-referenced Directors present.

**III. PUBLIC COMMENT**

Rick Skadden addressed the Board as a resident of Bee Cave. He stated that he is opposed to the proposal to remove the 20% impervious cover requirement and that this impervious cover requirement was a crucial component of agreements made between USFWS and the LCRA. He said the commitment to USFWS was the basis on which the system was built, and inquired as to whether the USFWS had been consulted prior to proposing to remove this requirement.

Jennifer Walker spoke as a Homestead resident and PUA customer. She stated that she would like answers to questions. One, by eliminating impervious cover it looks as though the PUA is giving in to developer and wants to know what is in the settlement agreement. Two, if the PUA allows more dense development, there will be more infrastructure needed. What is required and how will

that be financed and how will it impact the existing customers? Three, the environmental impact. Ms. Walker stated that Director Creveling and Director Garza are wearing two hats, and the PUA has no obligation to provide service to Provence and will be violating USFWS requirements. She stated this is gross disregard of the environment and the customers served by the PUA.

Paula Kneipper stated that she is concerned about the agenda items, specifically the decision to remove impervious cover requirements. She also has concerns same as Jennifer Walker regarding the obligations to comply with agreements. Further, she has concerns with settlement of the lawsuit, and although she understands that settlement is confidential, she wanted to know at what point the terms of the settlement become public as there is a high level of interest in the outcome. Finally, she stated that she has never seen an organization run where you comment before you know what is being addressed. She voiced concern over what would be discussed as the Board has not stated what the terms of the settlement are and why they are being considered.

Christy Muse with the Shield Ranch next addressed the Board and reiterated previous comments. She asked that the Board step back and look at the long game historically and long-term consequences of the decisions the Board is facing. Ms. Muse stated she was part of the conversations regarding the construction of the Highway 290, Hamilton Pool Road, and Highway 71 waterlines that were controversial. They spent years on community engagement and debate, and a much lower impervious cover is what was needed. She went on to state that Mr. Hatchett has known about the 20% impervious cover requirements from the beginning. Ms. Muse asked that the Board continue with the responsibilities with impervious cover, and that density cannot be handled in the Hill Country.

JJ Prayer addressed the Board and stated that these are troubling issues that continue to arise. As a long-time ratepayer and Hamilton Pool Road resident, the community has been opposed to the additional waterline. Between 2013 and 2019, the PUA took the position that there would be no efforts to increase the Hamilton Pool Road pipeline. When the issue would arise, the motion would get rejected by the Board. He stated that this developer has not been playing by the rules, and was granted additional LUEs. Despite this, this developer is still requesting even more LUEs. He stated that he is at a loss as to why the PUA is considering these actions, and they will have a long-term impact on the residents.

Israel Zuela addressed the Board and stated that he agreed with the statements previously made. He stated that as a Rocky Creek resident these agenda items are a big concern, and that the developers of Rocky Creek abided by the rules and built a beautiful community. He stated concern that if he waters outside of the watering schedule he has to pay a fine, but the developer for Provence is able to get water by making demands. Further, he is concerned about the environmental impact and traffic from adding units. Mr. Zuela also asked what this would do to current rates and home values, and voiced that he is very much opposed to the proposals.

#### **IV. NEW BUSINESS**

At 1:23 p.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 IV. A, B and C.

At 2:13 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 regarding pending litigation, settlement offers, and agreement for settlement of litigation, relating to the following:**

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.*
4. *Masonwood HP, Ltd v. West Travis County Public Utility Agency, in the 345<sup>th</sup> Judicial District Court, Travis County, Texas; Cause No. D-1-GN-20-002238.*

This item was discussed in executive session.

**B. Discuss, consider and take action on Approval of Compromise and Settlement Agreement with John Hatchett, Sandra Hatchett, JPH Capital, LLP, Masonwood HP, and Travis County MUD 22.**

This item was discussed in executive session.

**MOTION:** A motion was made by Director Creveling to authorize the Litigation Committee consisting of Directors Garza and Creveling, in consultation with the General Manager and legal counsel, to negotiate and approve the Compromise and Settlement Agreement in substantially the form submitted to the Board, and provided that any additional edits are consistent with the Term Sheet provided to the Board, and authorize the President to execute the final Agreement. The motion was seconded by Director Smith.

The vote was taken with the following result:

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

**C. Discuss, consider, and take action regarding Amendment to the WTCPUA Water and Sewer Service and Development Policies.**

This item was discussed in executive session.

Director Bethke stated that the Board listened to public comments and the questions presented. He stated that the Board is not anti-growth and as the PUA continues to expand service, this expansion could result in lower rates. He stated that the proposed changes to the Service and Development Policies is to simplify the administrative function of the utility and reduce rates. The Board takes the MOU seriously and will stay in compliance with the MOU and will continue to apply the MOU to the service area. Finally, regarding the expansion of development, Director Bethke confirmed that new infrastructure should be paid by those who are developing and not existing rate payers.

**MOTION:** A motion was made by Director Bethke to approve the Order Adopting Amendments to the Service and Development Policies as presented by staff and provided as Exhibit A. The motion was seconded by Director Garza.

The vote was taken with the following result:

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

## V. ADJOURNMENT

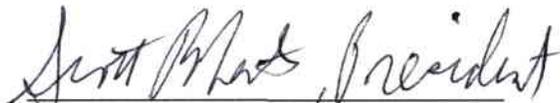
**MOTION:** A motion was made by Director Creveling to adjourn the meeting. The motion was seconded by Director Smith.

The vote was taken with the following result:

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

The meeting adjourned at 2:18 p.m.

PASSED AND APPROVED this 22nd day of October, 2020.

  
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Scott Roberts, President  
Board of Directors