

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

July 15, 2021

The July 15, 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

**I. CALL TO ORDER**

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

**II. ESTABLISH QUORUM**

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

**III. PUBLIC COMMENT**

No public comment on non-agenda items was provided.

**IV. CONSENT AGENDA**

- A. Approve minutes of May 20, 2021 regular Board Meeting.
- B. Approve payment of invoices and other bookkeeping matters, including;

1. BOK Financial, Revenue and Refunding Bonds, Series 2013, \$3,223,625.00
  2. BOK Financial, Revenue Bonds, Series 2015, \$800,181.25.
  3. BOK Financial, Revenue and Refunding Bonds, Series 2017, \$3,396,200.00
  4. BOK Financial, Revenue Bonds, Series 2019 \$613,475
  5. Quarterly investment report.
- C. Ratify Approval of Contractor Pay Requests paid in June, 2021:
1. Payton Construction, Pay Application 4, \$139,323.84, County Line 1308 Pump Station 1340 Conversion;
  2. DN Tanks, Inc., Pay Application 10 \$200,143.76, Southwest Parkway Ground Storage Tank.
- D. Approve Contractor Pay Requests including:
1. Payton Construction, Pay Application 5, \$25,710.16, County Line 1308 Pump Station 1340 Conversion;
  2. DN Tanks, Inc., Pay Application 11, \$215,964.83, Southwest Parkway Ground Storage Tank; and
  3. Austin Engineering Company, Pay Application 5, \$8,550.00, Lift Station 9 Rehab.

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

The vote was taken with the following result:

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

Director Smith arrived at 1:06 p.m.

## V. OLD BUSINESS

At 1:17 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 V.A; VI.B; and VI.F.

At 2:53 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, 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.**

This item was discussed in executive session.

## **VI. NEW BUSINESS**

- A. **Discuss, consider and take action regarding 87<sup>th</sup> Regular Session of the Texas Legislature.**
- B. **Discuss, consider and take action on letter from Signal Hill Area Alliance.**

This item was discussed in executive session.

MOTION: A motion was made by Director Smith to authorize staff to implement the lookback provision in the WTCPUA Rate Tariff to determine if changed use in commercial projects would result in additional assessment of impact fees based on actual water consumption. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

- C. **Discuss, consider and take action on Order and amendment to WTCPUA Administrative Financial Policies regarding approval of contract pay applications and scheduled bond payments by General Manager.**

Ms. Riechers presented on this item, provided as **Exhibit E**. Ms. Riechers stated this will give her as General Manager the permission to approve pay applications for contracts already approved by the Board and bond payments scheduled with approval of one Board member and ratification at the next meeting.

MOTION: A motion was made by Director Creveling to approve the Order Amending the WTCPUA Administrative Financial Policies regarding approval of contract pay

applications and scheduled bond payments by General Manager, provided as **Exhibit E**. The motion was seconded by Director Garza.

The vote was taken with the following result:

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

**D. Discuss, consider and take action on Order Setting Public Hearings on Amendments to the WTCPUA's Water and Wastewater Land Use Assumptions, Capital Improvement Plans and Impact Fees.**

Mr. Klein presented on this item. He stated that for the PUA to amend its water and wastewater land use assumptions, capital improvements plans, and impact fees, the PUA must follow the process provided in Chapter 395 of the Texas Local Government Code. He added that the first step in that process is for the Board to adopt an order calling public hearings on such amendments. Mr. Klein presented a draft order to the Board that calls two public hearings – one for amendments to the water land use assumptions, capital improvements plan, and impact fees, and one for amendments to the wastewater land use assumptions, capital improvements plan, and impact fees - and a copy of the order is incorporated herein as **Exhibit F**. He concluded that the public hearings would be held on August 19, 2021, the date of the regular meeting of the PUA Board of Directors, with the public hearing on water to start at 1:15 pm and the public hearing on wastewater to start at 1:30 pm..

MOTION: A motion was made by Director Roberts to approve the Order Setting Public Hearings on Amendments to the WTCPUA's Water and Wastewater Land Use Assumptions, Capital Improvement Plans and Impact Fees, as provided as **Exhibit F**. The motion was seconded by Director Creveling.

The vote was taken with the following result:

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

**E. Discuss, consider and take action on FY 2021 Audit Engagement Letter for Maxwell, Locke and Ritter.**

Ms. Smith presented on this item, provided as **Exhibit G**, stating that this is a standard audit letter for FY 2022.



Director Smith asked how often the PUA changes its outside auditor, and Ms. Smith stated that the team has been changed but the firm has not. Ms. Smith stated that she recommended having one year using the new financial software system before considering soliciting a new auditor.

MOTION: A motion was made by Director Creveling to approve the Audit Engagement Letter with Maxwell, Locke and Ritter, provided as **Exhibit G**. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

**F. Discuss, consider and take action on Draft Land Use Assumptions (LUA) and Capital Improvement Plan (CIP) report and Impact Fee Study.**

This item was discussed in executive session.

Mr. Murfee provided an update on the LUA and CIP, provided as **Exhibit H**. Mr. Murfee discussed the LUA and flows of the water treatment plant, showing actual flows and peak usage as well as future planning. He stated that 33 MGD is the current capacity of the two existing raw water lines, and within the next 10 years, the PUA is going to need to look into an alternative water source. He stated that a big driver on growth is Dripping Springs, but there are also other needs on the 71 System. He anticipated approximately 16,000 additional LUEs will be added to the PUA System over the next 10 years.

Director Roberts asked about Rough Hollow and whether their capacity was included in the report, given their request to release LUEs. Mr. Murfee confirmed that this development was currently included in the assumptions. Mr. Murfee stated that expansion of Hamilton Pool Road was identified in the projections as well. Discussion ensued regarding potential projections, changes in use or demands, and potential expansion of service.

Discussion ensued regarding expansion in Highway 290. Mr. Murfee stated that there is also expansion anticipated in the Highway 71 System, and that LTISD has bought a school site on Highway 71 that is likely supported by infill projections.

Mr. Murfee next detailed current CIP projects that are in progress, as well as projects that are recommended to be added. Discussion ensued regarding the potential 290 development as well as significant infill. Mr. Murfee also identified certain projects that would be needed for redundancy and explained that these facilities would likely initially be budgeted for the Facilities Fund versus CIP, unless specific growth is identified.

Director Bethke stated that all costs that relate to growth should be included in the CIP, including costs for redundancy, safety, and technology upgrades, to the extent such costs are to meet the

needs of new growth. Discussion ensued as to whether certain projects in the CIP would be system-wide versus attributed to each system.

The Board discussed potential capacity needs in the Highway 290 System and the impacts of unknown infill demands. Ms. Riechers stated that planning is important, but that the Board could update CIP in the future and was required to review the CIP/LUA at least every five years.

Director Roberts left the meeting at 3:34 pm.

Mr. Murfee stated that a Ranch Road 12 waterline and 1340 pump station improvements would be added in as System-wide improvements and asked if there were further directions from the Board.

Director Smith stated that Hays County will receive \$44.7 million from the federal government and that \$10 million of that is set aside for county-wide use with \$8.5 million to each precinct. None of these funds may be used on infrastructure, except that water, wastewater, and broadband may be funded. Director Smith stated that he is willing to look to water facilities and future planning, and is working with the County to see how additional water can be brought to north Hays County. He stated these funds may support the PUA's efforts over the next 10 years to find additional water sources.

Director Bethke stated that he is supportive of everything discussed, and reiterated that growth should pay for growth as it is important to existing ratepayers. He further stated that his concern is that there is a lot of upfront capital anticipating growth that will come, and wants the Board to think about how these projects will actually be funded upfront.

Mr. Murfee next discussed wastewater capacity projections and CIP. He stated that aquifer injection is being proposed, hypothetically in the Bee Cave Park. He stated that the difficulty of BWR has been the direct injection of treated water to the system, and that this project would instead utilize aquifer injection with the same treatment process. Mr. Murfee stated that this CIP would likely close out the wastewater system. Discussion ensued regarding potential new projects in Bee Cave and possible impacts to the wastewater system and projections.

Ms. Riechers stated that the report will be finalized ahead of the August meeting.

**G. Discuss, consider and take action on update from Nelisa Heddin Consulting regarding the Impact Fee Study.**

Ms. Heddin presented an update regarding the Impact Fee Study, provided as Exhibit I. She stated that currently the Highway 71 impact fee is coming in at \$4,500, and detailed the costs that are included in the fee. She provided the same presentation relating to the Highway 290 impact, which is currently \$8,100 for 290. She further stated that the wastewater impact fee is currently \$11,206. She stated these are the maximum allowable fee that may be charged, and currently the PUA is assessing 90% of the impact fees allowed. She stated that the water impact fees will likely increase based on the projects added in.



Regarding cash flow, water projects in the impact fee study are approximately \$112 million, with wastewater projects estimated at \$19 million, with a total of \$131 million of impact fee CIP projects over next 10 years currently being considered. Additionally, there are an estimated \$44 million in other projects budgeted for the Facilities Fund. As of today, \$175 million in capital spending is planned over next 10 years. Over next 3 years CIP is anticipated to come online, including the Bohls Wastewater Treatment Plant expansion, Uplands Water Treatment Plant expansion, and projects on the 290 system with \$77 million in spending planned over next 3 years from the Impact Fee Fund. The PUA has \$36 million in current impact fee funds, so that even with growth, the PUA is looking at a short-term cash shortfall of \$14 million, assuming growth is as anticipated. Ms. Heddin stated that staff and consultants are working to resolve and come up with strategies to address shortfalls. The first option relates to approximately \$16 million in the General Fund. Another option is to issue debt to pay for some of the projects, which will affect the impact fee if used for CIP projects, and would impact rates if used for non-CIP projects. The other option is to look at project timing and see if some projects could be pushed later to help with cash flow.

Ms. Heddin stated that they will continue to refine the numbers and bring a recommendation next month to the Board.

Director Creveling asked if the CIP projects could be accomplished by cash funding, to which Ms. Heddin stated that the only way to do so would be to take general fund cash and apply them to CIP projects. She stated that there are legal questions as to how this could be accomplished.

Director Bethke stated that the purpose of the General Fund excess cash was that these funds were being collected to pay down debt more quickly and lower rates. He is concerned that if the funds were to be used for something else there may be some issues with ratepayers. He stated that he has no opposition to debt for these type of projects, and that in this case it should be a viable option. He also asked if the impact fees could be collected earlier and asked that this be looked into. Director Bethke stated that there is a desire for rates to be lower, and he wants to be thoughtful to ensure that rates are at least stable.

Ms. Heddin stated that if the Board adopted at least a 90% impact fee then impacts to rates would be minimized.

Director Smith stated that there are essentially two systems, Highway 290 and Highway 71, and he wanted to look at how to assess where growth is occurring. Director Garza stated that growth was addressed differently in the past with a cap that limited growth, making it much easier to accrue cash reserves. He stated that the Board is now going in a different direction. Director Smith stated that even though he is representing Hays County on the Board, he wants to ensure to look to the whole system. He stated that in the future he would like to see two separate systems as there are different needs.

**H. Discuss, consider and take action regarding Texas Open Meetings Act suspensions.**

Ms. Albright provided an update on this item, stating that the Governor intends to reinstate Texas Open Meetings Act provisions that were suspended during the COVID-19 pandemic effective September 1, 2021. Ms. Albright stated that she would work with Ms. Riechers regarding the requirements to allow for videoconference participation after September 1st if feasible, but anticipated that the meetings after September 1 would be fully in person.

**I. Discuss, consider and take action on proposal from Murfee Engineering, Inc. for Fitzhugh Road Line Relocation for \$163,800.**

Mr. Murfee presented on this item, provided as Exhibit J, and provided details relating to the project.

MOTION: A motion was made by Director Smith to approve the proposal from Murfee Engineering, Inc. for Fitzhugh Road Line Relocation for \$163,800, provided as Exhibit J. The motion was seconded by Director Roberts.

The vote was taken with the following result:

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

**VII. STAFF REPORTS**

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

Ms. Riechers presented this report, provided as Exhibit K. She stated that the recent rain has affected rate revenue as well as effluent ponds.

**B. Controller's Report.**

Ms. Smith presented this item, provided as Exhibit L. She stated that the PUA is positive on all budget variances.

**C. Operations Report.**

Mr. Morgan provided this report, provided as Exhibit M. Director Smith asked if all repairs from the February 2021 freeze had been made, to which Mr. Morgan replied that they had.

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

**1. Capital Improvements Plan Update**

This report was provided by Mr. Murfee, provided as Exhibit N.



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

The meeting adjourned at 4:24 p.m.

PASSED AND APPROVED this 19th day of August, 2021.

A handwritten signature in blue ink, appearing to read "Scott Roberts Pres", is written over a horizontal line.

Scott Roberts, President  
Board of Directors