

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

July 18, 2019

Present:

Don Walden, Vice President
Ray Whisenant, Secretary
Bill Goodwin, Assistant Secretary

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 10:08 a.m.

II. ESTABLISH QUORUM

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

III. PUBLIC COMMENT

IV. CONSENT AGENDA (J. Riechers)

- A. Approve minutes of June 20, 2019 regular Board Meeting and June 20, 2019 Budget Workshop.**
- B. Approve payment of invoices and other related bookkeeping matters including:**
 - 1. Quarterly Investment Report.**
- C. Approve Contractor Pay Requests including:**

1. SJ Louis Construction of Texas., Ltd. Pay Request No. 11, \$13,621.05, 1340 Transmission Main Project.
2. Landmark Structures I, LP, Pay Request No. 15, \$31,027.00, 1340 Elevated Storage Tank Project.
3. RTS Water Solutions, Pay App No. 3, \$22,100.76, Meter Replacement Project.

D. Approve Utility Conveyance Agreements to convey facilities to the WTCPUA from the following:

1. All Stor Bee Cave, Ltd.
2. Spillman Ranch, Phase 1, Section 10

This item was pulled from consideration and will be considered at the August Board meeting.

E. Approve Debt Service Payments to:

1. BOK Financial, Revenue and Refunding Bonds, Series 2017, \$3,391,975.
2. BOK Financial, Revenue and Refunding Bonds, Series 2013, \$3,126,187.50.
3. BOK Financial, Revenue and Refunding Bonds, Series 2015, \$1,042,131.25.
4. BOK Financial, Revenue and Refunding Bonds, Series 2019, \$198,952.08.

MOTION: A motion was made by Director Whisenant to approve the Consent Agenda Items A-E, with the exclusion of Item D.2, provided as Exhibits A-E. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

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

V. OLD BUSINESS

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

1. *William R. Holms v. West Travis County Public Utility Agency; in Travis County Court of Law #2; C-1-CV-17-003601.*
2. *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.*

3. *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.*
4. *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 legislative efforts and legislation in the 86th Legislative Session.

Ms. Albright stated that this was a standing item that would be removed from future agendas now that the legislative session was over.

C. Discuss, consider and take action on proposed modification to WTCPUA Rules and Policies regarding Opt-Out Provision for Automatic Read Meters (AMR).

Director Walden stated that this item was requested by Director Roberts, and recommended the item be postponed until the August meeting when Director Roberts is present.

D. Discuss, consider, and take action on review of Hays WCID No. 1 Wholesale Water Service Agreement.

Mr. Lozano stated that this is a complicated review and Murfee Engineering is still working on recently received documentation. Director Walden stated that this will be discussed in August.

VI. NEW BUSINESS

At 11:25 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 V.A, VI.A and VI.B, and regarding personnel matters under Texas Government Code § 551.074 regarding Item VI.B.

At 1:36 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 on review of FY 2020 Draft Budget.

This item was discussed in executive session.

B. Discuss, consider and take action on updated organizational chart.

Ms. Riechers presented on this item, provided as **Exhibit F**. She stated that four positions are proposed to be removed, including the Operations Manager, Customer Service Manager, Project Engineer, and Executive Assistant. She stated that there are three open positions, including pump and motor, and two in line maintenance. Director Walden confirmed that the Senior Engineer position is currently vacant and will be filled, for a total of four positions to be filled if approved. Director Goodwin confirmed with Bubba Harkrider that he is in charge of lift stations and discussed the schedule of inspection of the system. Director Goodwin asked that Ms. Riechers look into whether an additional position would be needed in wastewater.

Ms. Riechers confirmed that she will be assisting with customer service to enable the Customer Service Manager position to be removed as Diane Rendon will be handling the majority of the management.

Director Goodwin addressed the operations manager position and Ms. Riechers stated that at this time the supervisors are communicating with each other and with the Interim General Manager.

Ms. Riechers stated that she had met with the supervisors regarding the proposed organizational chart and that she didn't believe that the departments are stretched too thin. She confirmed that she goes to the operations meetings every two weeks and that the supervisors continue to communicate with her on the system operations.

Director Whisenant stated that the Board wants to communicate and that staff needs to continue to communicate to ensure efficient operations. Director Walden iterated that the Board is here to support staff in doing their jobs.

Director Walden suggested adding an additional operations position slot in wastewater to assist with the lift stations and to let the General Manager and supervisor address how to address the position.

The Board discussed the proposed changes to the organizational chart, and Director Whisenant stated that he would like this item to be brought back at the next meeting when the full board is present.

VIII. STAFF REPORTS

A. Interim General Manager's Report.

Ms. Riechers provided this report, provided as **Exhibit G**.

Director Goodwin confirmed that the executive assistant position was eliminated. Ms. Riechers stated that with the new office set up and customer service being at the front of the office the position is no longer necessary.

Director Walden referenced the July 8 power outage. Curtis Jeffrey stated that the power was out for 6 hours, which was the longest the system had been out. He stated that every system that had a general performed as expected, and that the water plant had a valve that drained to a lift station

that stayed open due to the power outage and put additional flow to a lift station causing an issue. He confirmed for the Board that staff is working on a fix for this issue as well as address SCADA to address such circumstances. Discussion ensued regarding power sources for the raw water intake and generators used by the Agency.

B. Controller's Report.

Ms. Smith presented this item, provided as Exhibit H. She stated that the expenditure line items are as anticipated and that revenue is slightly down. She stated that she expects the next three months to reflect additional income, and that she projects a surplus of \$3 million at the end of the fiscal year.

Director Walden asked what the affect would be of having less of a surplus than anticipated, and Ms. Smith stated that the impact will be long-term regarding the PUA's ability to pay off debt early.

Director Goodwin flagged items regarding unexpected items regarding repair of the SCADA system.

Director Walden flagged the line item related to SER expenses, and Ms. Smith confirmed that these fees are generally reimbursed by developers, but there is a lag between billing and reimbursement.

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

Mr. Lozano provided this report, provided as Exhibit I.

Director Walden asked about the Provence Phase I Section 3A and confirmed with staff that the SER deposit had been paid.

Director Walden stated that there are several items in the SER list that show that the PUA is waiting on the applicant for execution of agreements. Mr. Ramirez confirmed that residential (1LUE) SERs have 3 months, and that commercial or larger nonstandard requests have 4 months.

In response to a question from Director Goodwin, Mr. Ramirez confirmed that Service Availability Letters and NSSAs are sent simultaneously. Director Goodwin confirmed with Mr. Ramirez that the SER backlog had been addressed.

Mr. Lozano stated that the TLAP permit amendment draft permit had been released from TCEQ and comments provided by staff. He stated that the TCEQ has also published a rulemaking to address the potential for credits for reuse. He stated that Murfee Engineering is drafting comments that are due at the end of July, and this will impact both the PUA and its wholesale customers. He stated that the Draft Permit includes credits under the current program, but that under the proposed rules the PUA could get credits for its 210 customers. Mr. Lozano stated that in order to obtain the credit, years of data is required, which assumes that the system has been built. Discussion ensued

regarding the proposed rule changes and options for addressing capacity and peaking in a utility system. Mr. Lozano referenced technology and history regarding aquifer storage and recovery (“ASR”) and the potential for banking water in the future for the PUA as a component of the DPR in the future. Director Goodwin confirmed that other utilities use potable water in ASR. Director Goodwin confirmed that the current Draft Permit anticipate direct injection of the DPR water into the water system.

Director Walden asked that future CIP project reports be organized by (1) system-wide; (2) Bee Cave/Highway 71; and (3) 290 System project. Director Walden confirmed that there are no CIP projects that are designed to serve a single tract of land, and Mr. Lozano confirmed that CIP projects are system projects. Director Walden confirmed that there have been requests for projects to be included in CIP that served single projects, and Mr. Lozano stated that the PUA’s CIP has not worked this way in the past.

D. Operations Report.

Director Walden addressed this report, provided as Exhibit J.

Director Goodwin asked about the retail customer delinquency summary, and flagged that there are a lot of delinquencies in the Bee Cave System. Ms. Riechers stated that there are only a few customers that make up the delinquencies and that the PUA is working on the collections. Ms. Rendon confirmed that there are outstanding balances for accounts that are no longer active and that the PUA is moving forward with collecting these final balances. Discussion ensued regarding utility billing and the ability for the PUA to collect on past due amounts.

Director Whisenant inquired regarding the collections, and confirmed that there are different circumstances when there is a tenant. Ms. Albright stated that there is existing case law and statutes relating to how billing is handled for owners and tenants. Ms. Riechers stated that the new billing software will allow for differentiating between tenants and owners. Ms. Riechers confirmed that service is terminated after 30 days for nonpayment.

VIII. ADJOURNMENT

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

The vote was taken with the following result:

Voting Aye: Directors Goodwin, Whisenant, and Walden

Voting Nay: None

Absent: Directors Roberts and Brzoska

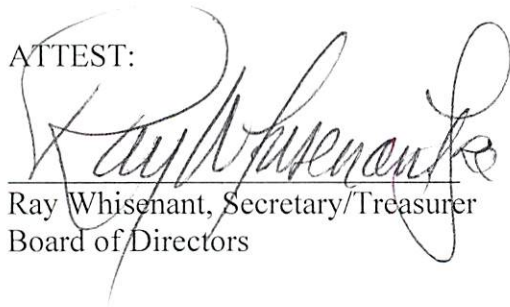
The meeting adjourned at 1:36 p.m.

PASSED AND APPROVED this 15th day of August, 2019.



Don Walden, Vice President
Board of Directors

ATTEST:



Ray Whisenant, Secretary/Treasurer
Board of Directors