

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
OF TRAVIS COUNTY WCID – POINT VENTURE

September 19, 2020

STATE OF TEXAS §

COUNTY OF TRAVIS §

The Board of Directors of the District met by remote access in regular meeting, open to the public, at the WCID Office located at 18606 Venture Drive, Point Venture, Texas 78645, on the 19th day of September, 2020 at 9:00 a.m. The meeting was held only by remote access in accordance with the March 16, 2020 order by Governor Abbott temporarily suspending certain requirements of the Texas Open Meetings Act to advance the goal of limiting face-to-face meetings to slow the spread of COVID-19. No persons were at the meeting location; however members of the public had access to the meeting by calling one of the following toll-free numbers: (877) 853-5247 or (888) 788-0999 and entering the following information: Meeting ID: 892 6058 1722 and password: 848296. The public also had digital access to a meeting packet through both email and the District's website.

Others in attendance were Matthew McPhail of Willatt & Flickinger, PLLC, Scott Swiderski of Trihydro Corporation, Allen Douthitt of Bott & Douthitt PLLC, Hal Lanham, Tammy Hargett and Jean Cecala of AWR Services, Inc., and residents Roy Ables, Gene Glass and Carl Eckhardt. Also in attendance was Brett Lanham.

1. CALL TO ORDER.

Board President Fred Marshall called the meeting to order at 9:02 a.m.

2. ROLL CALL OF DIRECTORS.

Jean Cecala called roll of Directors. The Directors present were Fred Marshall, Chris Lippe, Annette Kikta, Brian Probst, and Barry Pasarew thus constituting a quorum.

3. PUBLIC COMMENTS.

There were no public comments.

4. AUGUST 15, 2020 REGULAR MEETING MINUTES AND SEPTEMBER 10, 2020 SPECIAL MEETING MINUTES.

The proposed minutes of the August 15, 2020 regular meeting special meeting were presented for approval. Motion was made by Director Chris Lippe to approve the minutes of the August 15, 2020 regular meeting as presented. Motion was seconded by Director Barry Pasarew. Motion unanimously approved.

Hal Lanham of AWR Services asked the Board to consider changes to clarify a portion of the September 10, 2020 special meeting minutes. Director Brian Probst made the motion to approve the September 10, 2020 special meeting minutes as presented. The motion was seconded by Director Pasarew and unanimously approved.

5. PUBLIC HEARING ON TAX RATE.

At 9:05 a.m. President Fred Marshall announced that a public hearing on the District's tax rate would open. He asked if anyone had comments about the proposed tax rate. No comments were made. The public hearing was closed at 9:06 a.m.

A discussion then began on the District's proposed budget for 2021. Mr. Allen Douthitt of Bott & Douthitt, PLLC, accountant for the District, briefly went over the proposed budget. Mr. Douthitt said the appraisal roll from Travis County Central Appraisal District projected \$248,559,695 taxable property value in the District. The proposed tax rate is \$0.465/\$100 valuation for maintenance and operations (M&O) and \$0.2759/\$100 value for debt services.

Mr. Douthitt said he made a few small changes in the budget from what was proposed last month. One change was

assuming the tap fees would remain neutral. He also adjusted the grinder pump line item due to the recent changes made in the District. The budget is projecting a surplus of approximately \$290,000.

Mr. Hal Lanham of AWR Services suggested the Directors should add two items to the budget. The first is the replacement of the turbidity meters at the old Water Treatment Plant (WTP). Mr. Lanham strongly urged the Board to get these replaced as soon as possible. Parts can no longer be purchased for the old meters and the plants will go down if these fail. He quoted an estimated cost of \$55,000 to replace all five meters at the WTP. Mr. Lanham then asked the board to consider adding testing and painting approximately 25 old fire hydrants in the District at a cost of \$2,750. He reminded the Board that once this testing takes place, most likely, repairs or replacements may be necessary.

President Marshall said these two items were on the engineer's spreadsheet and these items will definitely be looked at closely. Mr. Marshall also said that with the help of Mr. Roy Ables he believes the correct count of fire hydrants in the District is approximately 68 and that information was forwarded to the engineer.

Director Anne Kikta wanted clarification whether these two items suggested by Mr. Lanham were just on the engineer's list or actually in the budget. She explained that with the monies from the projected surplus, the items could be added to the 2021 budget. Director Probst addressed these concerns and explained that both of these items are in the budget.

Mr. Lanham requested that he and AWR Services would be included in future budget discussions. AWR has identified numerous maintenance type items that need to be included in each year's budget. President Marshall said that the District has the maintenance list that came from AWR Services and the engineers.

Director Pasarew asked if the proposed 2021 budget has included a possible rate increase. President Marshall said that at this time a service increase is not in the budget.

6. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2020.

Mr. Matt McPhail summarized the proposed tax rate numbers - \$0.4650/\$100 value for M&O, \$0.2759/\$100 value for debt service for a total of \$0.7409/\$100 value from which the 2021 budget is based. Director Pasarew asked what the current tax rate is for the District. The current rate is \$0.6409/\$100 value. The Certified Appraisal Roll was returned by Travis County for the District with a net taxable value of \$248,559,695. Director Probst made the motion to approve the order for the District's Appraisal Roll and set the District's 2020 tax rate of \$0.4650 for M&O, \$0.2759 for debt services for a total of \$0.7409 per \$100 of taxable value. Director Pasarew seconded the motion. Directors voting FOR the order were Fred Marshall, Brian Probst, Chris Lippe, Annette Kikta, and Barry Pasarew. Directors voting AGAINST or ABSTAINING from the vote were none.

7. ORDER AMENDING BUDGET FOR 2019-2020.

No action was taken.

8. ORDER APPROVING 2020-2021 BUDGET.

The discussion about the budget took place before the tax rate was set. Director Kikta added that she would like to see maintenance items included as line items in the budget. Director Kikta believes that the budget should reflect maintenance items each year to assure that money is allotted for these.

Director Probst made the motion, which was seconded by Director Pasarew to approve the order for the 2020-2021. Directors voting to approve the 2020-2021 budget were Fred Marshall, Chris Lippe, Brian Probst, Barry Pasarew and Annette Kikta. Motion approved unanimously.

9. AMENDED INFORMATION FORM.

Mr. McPhail explained that each time the tax rate is changed this information form needs to be updated. He said only one new item has been added in Notice to Purchaser about possible annexation, which he believes does not affect Point Venture. Director Probst made the motion to approve the amended information form. Motion was seconded by Director Chris Lippe. Motion carried unanimously.

10. ENGINEER'S REPORT – TRIHYDRO CORPORATION.

Engineer Scott Swiderski of Trihydro Corporation gave the engineer's report. The water treatment plant ("WTP") is operating normally. The programmer of the SCADA system is scheduled to come out and modify the plant systems. Chapman Marine performed a barge inspection in August to review the underwater conditions and remove zebra mussel growth from the barge and water intake. The intake screens had a thick coating of mussels which were removed. Once these were removed it was discovered that because of the screen conditions they required replacing. Trihydro recommended purchasing new basket screens and having them coated with copper alloy to minimize future growth of the zebra mussels. Approximate cost for the baskets and coating was \$2500 plus labor. Director Kikta asked if this maintenance item was going to be repaired now. The finance committee gave Mr. Swiderski permission to immediately do the necessary repairs.

The Wastewater Treatment Plant ("WWTP") is operating normally as the peak season starts to draw to a close. Trihydro was recently on site to review the irrigation chlorination system and confer with AWR personnel about converting from gas to liquid bleach. AWR is working with the pump supplier to determine the appropriate pump to install.

Trihydro requested status updates on the bond application report from the Texas Commission on Environmental Quality ("TCEQ"). TCEQ acknowledged the request and stated they are still reviewing.

Trihydro also met with Director Anne Kikta and golf course personnel to review the golf course irrigation system and discuss improvements. After the discussion, Trihydro drafted an improvement approach of first rectifying the drainage issues, then reviewing improvements to sprinkler heads and lines. A drip irrigation system is in the design stages based on TCEQ permit requirements.

Director Kikta asked about a temporary fix for the WTP backwash system. Mr. Lanham said that operators are making every effort to manage backwash water. Two grinder pumps have been placed into service to help move water to keep the tanks from overflowing. However, in high usage, these small pumps cannot keep up. Mr. Lanham reminded the Board that the sooner a permanent fix could be done, the better. Director Kikta wanted to know if there was any money in the budget to fix this problem now. Director Probst said the money is in the budget but the modifications cannot be accomplished until the bond is funded around the first of the year. Mr. Swiderski assured the Board that Trihydro and AWR Services are diligently working to solve this backwash problem. He said the measures they are using are only temporary. Mr. Hal Lanham said that two permanent fixes have been suggested to the engineers and committee. First are bigger tanks to store the water. A second fix would be to have a lagoon dug to send the water, let it settle, then feed it back into the plant. A final solution will be engineered once the Board decides how they want the plants to operate in the future. One recommendation from Trihydro is to do a WTP study and determine if we want to add to the Trident or continue on with the filtering system and upgrade those or combine those plants into one functioning plant.

Director Kikta asked if the turbidity meters at the WTP can be funded now. Director Probst asked Mr. Swiderski if the temporary fixes will allow the District to wait until the beginning of 2021 to do the replacements. Mr. Swiderski said that there is no way to tell if the meters will last that long, but believes waiting until the beginning of 2021 is acceptable. He noted the plant operators have been able to maintain operations, but the system is on borrowed time. Ultimately Mr. Swiderski recommended waiting until the District felt more financially secure before replacing turbidity meters, with the understanding that if failure takes place the District can proceed with repairs. He added that he would contact the equipment representative to determine the appropriate date for ordering so that it coincides with the first of the year.

Director Kikta made a motion to accept the engineer's report. The motion was seconded by Director Pasarew and unanimously approved.

11. PROPOSED BOND PROJECTS IN DISTRICT AND DISCUSSION OF BOND RELATED PROJECTS AND ISSUANCE OF CONTRACT AGREEMENTS.

Mr. Swiderski reminded the Board that last month a list of proposed bond projects was presented. Mr. Swiderski recommended creating a sub-committee to begin prioritizing the projects. President Marshall reminded the Board that a lot of work is before the Board in the next few months. President Marshall wanted the entire Board to have a significant discussion together before putting together a committee.

12. RENEWAL OF TRIHYDRO GENERAL SERVICE AGREEMENT.

Mr. Swiderski said this is a yearly renewal of the general service agreement between the District and Trihydro. This agreement is based from the existing agreement. Mr. Swiderski said there is no rate increase from Trihydro. Rates have not been increased since the initial service agreement which was several years ago. Mr. Swiderski also recommended a separate agreement specific to the bond program. This would allow for more details. Director Lippe made the motion to approve the renewal of Trihydro General Service Agreement. Director Kikta seconded the motion. Motion unanimously approved.

13. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS – BOTT AND DOUTHITT, PLLC.

Mr. Allen Douthitt of Bott and Douthitt, PLLC, gave the financial report for the District. Currently bills are all being paid through the bookkeeper's account due to COVID-19 virus orders from the governor. Mr. Douthitt briefly went over invoices paid by the District in August and presented the July financials. Most of the items have been processed with the exception of Steven's Paving. The check is ready but is being held until the work on the road repairs is completed. Trihydro also submitted an unpaid invoice for the bond application so is was added in this month's disbursements. Director Probst then made a motion to approve payment of the monthly bills and authorize fund transfers as recommended by Mr. Douthitt. It was seconded by Director Lippe. Motion unanimously approved.

14. RESOLUTION REGARDING ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY AND INVESTMENT STRATEGIES.

A resolution regarding the annual review of the District's investment policy and investment strategy was presented by Matt McPhail. This is required annually. No changes were made from last year. Director Brian made the motion to approve the resolution for the Annual Review of District Investment Policy and Investment Strategies. The motion was seconded by Director Pasarew. Motion unanimously approved.

15. APPROVAL OF CONSTRUCTION PLANS AND PAY ESTIMATES, CHANGE ORDERS AND ACCEPTANCES OF COMPLETION WITH RESPECT TO CONSTRUCTION CONTRACTS.

No action was taken on this item.

16. ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION AND ADMINISTRATION OF CONSTRUCTION CONTRACTS.

No action was taken on this item.

17. MANAGER'S REPORT – AWR SERVICES.

Mr. Hal Lanham of AWR Services, Inc. gave the manager's report. The water distribution meter has been rebuilt. Mr. Lanham believes the meter was part of the previous significant water loss in the District. Mr. Lanham said that metering typically contributes to seven to eight percent water loss. The cla-vals on the barge are being repaired. One has already been rebuilt and parts are on order to repair the second one. When these were taken apart they were full of zebra mussels.

Mr. Lanham addressed the invoicing previously mentioned in the September 10, 2020 minutes. Mr. Lanham said AWR has submitted information in the past on how AWR calculates its time. The hours come straight out of a software program in which the employees submit their time. Invoices are then generated from this software. This information was submitted months ago to the finance committee. It was accepted by the finance committee and AWR invoices have been paid. More recently, because of AWR's focus on producing quality water, the documents requested were delayed in being sent to the committee. These documents have since been submitted. Mr. Lanham asks that the committee submit any questions they may have in writing and these will be answered as soon as possible.

Mr. Lanham then asked if any documentation has been submitted as proof of the allegations made by Brett Lanham against AWR and its employees. Mr. McPhail said the investigation is ongoing and there is nothing to report. Mr. Lanham said that in AWR invoicing adequate documentation will be found.

Director Kikta asked if the Board has given directive to AWR to go ahead with the conversion from gas to liquid bleach for the irrigation system. Mr. Swiderski said he has been working with AWR about the design of introducing chlorine into the system. The pump representative wants to come out and review the project. Both Trihydro and Mike Bamer, AWR operations manager, believe the bleach should be introduced into a well and then drawn it into the system from there. It will require adding a new line along the embankment of the pond and into the well to pump it. Mr. Swiderski said timing on the conversion depends on ordering and receiving parts and components.

President Marshall asked Mr. Lanham to have AWR personnel put the irrigation hoses back out to water in the roughs at the golf course. Wet weather storage levels are already beginning to climb.

Mr. Gene Glass wanted to know what was going to be done about the hoses crossing the cart paths. Mr. Swiderski said that sleeves will be run under the cart paths when the drip irrigation is put into place. However, this year, the temporary approach would still be in place. President Marshall proposed having a small contractor build better wooden structures to house the hoses to protect them. Mr. Glass contends that these structures are tearing up golf carts. Director Kikta wanted to know why the District does not just burrow under the cart paths then use those same sleeves for the drip irrigation. President Marshall said that is not currently in the budget. Mr. Marshall added that if the Board knew where the permanent locations for crossing the path were going to be he would agree to do the more expensive option, but since those areas have not been identified he believes the less expensive option should be done this year.

Mr. Glass also asked that the irrigation into the roughs would be monitored better this year so as not to allow ponding, pooling, and run-off. Mr. Lanham recommended that the watering hours would be limited to when AWR personnel is on site. Director Pasarew made the motion to accept the manager's report. It was seconded by Director Lippe. Motion approved unanimously.

18. DISPOSAL OF EFFLUENT AND GOLF COURSE IRRIGATION.

No discussion or action was taken on this item.

AGENDA ITEMS RELATED TO ELECTIONS

19. Directors Election

- a. Amended Order Calling Directors Election

PUNTOS DEL ORDEN DEL DIA RELATIVOS A ELECCIONES

19. Eleccion de Directores

- a. Orden Enmendada para Convocar una Eleccion de Directores

Mr. Matt McPhail said this amended order is necessary because Travis County has updated their early polling locations. Director Kikta made the motion to approve the Amended Order Calling Directors Election. The motion as seconded by Director Pasarew. Motion unanimously approved.

20. RATE ORDER.

President Marshall would like to refer to the committee on this item. The first issue would be tap fees and collateral damage incurred for road repairs on some of these new taps. Mr. Marshall believes the District needs to remain cash neutral on new taps. Mr. McPhail said that one other update is regarding grinder pumps due to the recent changes. No action was taken on this item.

21. REPORT FROM COMMITTEE INVESTIGATION PREVIOUS PUBLIC COMMENTS MADE BY BRETT LANHAM AND REVIEW OF RESPONSE FROM MANAGER.

Director Lippe said the committee has had only a few days to begin reviewing the materials. Director Probst added that he is still waiting on answers to questions that he asked at the September 10, 2020 special meeting. Mr. Lanham asked that the questions be submitted in writing and would be answered in kind.

President Fred Marshall announced that the Board of Directors will now go into closed session for consultation with the District's attorney pursuant to Sections 551.071 of the Texas Government Code regarding matters related to Agenda Items No. 21 and 22. The Board entered into a closed session at 10:30 a.m.

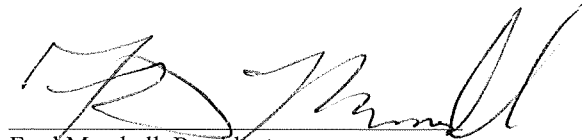
At 11:20 a.m., President Marshall announced that the Board of Directors has concluded its closed session and is returning to open meeting, and that no action was taken during the closed session.

22. CONTRACT AMENDMENT WITH AWR SERVICES INC.

No action was taken.

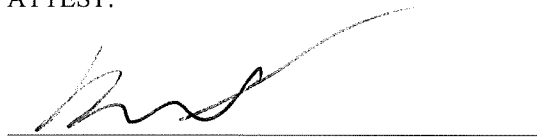
23. ADJOURN THE MEETING.

Motion was made by Director Kikta to adjourn the meeting. The motion was seconded by Director Pasarew. The motion carried unanimously. Meeting adjourned at 11:21 a.m.



Fred Marshall, President
Travis County WCID – Point Venture

ATTEST:



Brian Probst, Secretary
Travis County WCID – Point Venture

(SEAL)