

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

October 17, 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 17th day of October, 2020 at 10:30 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: 864 5048 0744 and password: 676597. The public also had digital access to a meeting packet through both email and the District's website.

In attendance were Matthew McPhail of Willatt & Flickinger, PLLC, Scott Swiderski of Trihydro Corporation, Allen Douthitt of Bott & Douthitt PLLC, Dan Wegmiller of Specialized Public Finance, Jerry Kyle of Orrick, Herrington and Sutcliffe, Hal Lanham, Tammy Hargett and Jean Cecala of AWR Services, Inc., and residents Roy Ables, Carl Eckhart, and Laurie Glass. Others on the call were Andrew Fawthrop and representatives from Inframark and Crossroads Utility Services.

1. CALL TO ORDER.

Board President Fred Marshall called the meeting to order at 10:32 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. SEPTEMBER 19, 2020 REGULAR MEETING MINUTES.

The proposed minutes of the September 19, 2020 regular meeting special meeting were presented for approval. Motion was made by Director Anne Kikta to approve the minutes of the September 19, 2020 regular meeting as presented. Motion was seconded by Director Barry Pasarew. Motion unanimously approved.

5. TERMINATION OF PROFESSIONAL SERVICES AGREEMENT BETWEEN THE DISTRICT AND AWR SERVICES, INC.

Mr. Hal Lanham of AWR Services, Inc. said that AWR has submitted a letter of termination of its contract with the District with the required 90 days' notice. He informed the Directors that he was amenable to termination of less than 90 days if that is the Board's desire. AWR will help make this a smooth and professional transition to whatever new management company the Board hires.

Mr. Matt McPhail, the District's attorney, responded that his office had received, by certified mail, the letter dated October 13, 2020. The final date for termination of the AWR contract can be decided once the Board is able to research and hire a new management company. Director Chris Lippe made a motion to accept the termination of professional services agreement between the District and AWR Services, Inc. Director Kikta seconded the motion. Motion was unanimously approved.

6. PROFESSIONAL SERVICE CONTRACT FOR NEW DISTRICT OPERATOR.

Mr. Matt McPhail said that due to the request by AWR Services Inc. to terminate their contract, he had received two draft contracts, one from Inframark and one from Crossroad Utility Services. Each company gave a brief overview of their company and the services it offers. Directors asked questions and then President Fred Marshall appointed a sub-committee to explore both companies and create a matrix to evaluate each. Sub-committee members appointed were Directors Kikta and Lippe.

A special board meeting was then scheduled for Thursday, October 22, 2020, at 2:00 p.m. to further discuss the contracts and possibly hire a new management company.

President Marshall rearranged the agenda to Item 13.

13. MANAGER'S REPORT – AWR SERVICES.

Mr. Hal Lanham of AWR Services, Inc. gave the manager's report. He briefly went over the written report and again encouraged the Directors to consider fire hydrant maintenance and repair a number one priority. Mr. Lanham said that AWR Services has been in contact with two contractors but they have not heard back from either. Mr. Lanham believes this conversion will most likely be passed to the new management company. Mr. Lanham then informed the Board that a blower motor at the Wastewater Treatment Plant ("WWTP") had failed and will need to be repaired or replaced. Additionally, Mr. Lanham said that water loss continues to be an issue in the District. AWR had the master meter rebuilt but that has not helped.

Director Kikta made the motion to accept the manager's report and it was seconded by Director Pasarew. Motion unanimously approved.

President Marshall rearranged the agenda to Item 8.

8. DISCUSS MATTERS RELATING TO THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX BONDS, INCLUDING THE ANTICIPATED SCHEDULE FOR ISSANCE OF THE BONDS, AND RELATED MATTERS.

Mr. Dan Wegmiller of Specialized Public Finance addressed the Board about the timeline leading up to the funding of the bond projects. Mr. Wegmiller said he is in the process of building the offering document that reflects the District's financials, legal description of the District's debt, and a description of the District. This document will be ready by the Board's regular November meeting. He will be working with the District, Bott & Douthitt and the prior audit report to complete this document. Once the offering document is ready, it will be sent for a bond rating update. The District is currently rated at BAA3. Mr. Wegmiller hopes to affirm that rating. This process usually entails written questions and answers. Occasionally a conference call is required and Mr. Wegmiller will contact the District if he needs a Director to be a part of the call.

Mr. Wegmiller anticipates the bonds to be ready to be sold by the first or second week in December 2020. He expects to sell the full \$14.5 million bond. Mr. Wegmiller said that interest rates are at an historical low. Mr. Wegmiller said that funding could possibly take place in late December 2020 or early January 2021.

He has looked at current refunding opportunities for the District. Current refunding is not available for the callable 2023 issue. This may be possible though in the future.

Mr. Jerry Kyle of Orrick, Herrington and Sutcliffe also addressed the Board. Mr. Kyle said he would be working with Mr. Wegmiller on the preparation of the offering document, working on receiving the bids and submitting the transcript Of proceedings to the Attorney General's office for review and approval.

He addressed the "unlimited tax" statement. State law provides that the tax is sufficient, whatever rate is necessary to pay the debt service of the bond. This, however, does not give the Board authority to levy a tax any higher than is necessary to pay the bond.

President Marshall returned to the regular agenda order.

7. ENGINEER'S REPORT – TRIHYDRO CORPORATION.

Engineer Scott Swiderski of Trihydro Corporation gave the engineer's report. Mr. Swiderski reported that the water treatment plant ("WTP") continues to operate under normal conditions. Reprogramming of the SCADA system has not happened yet, but will be scheduled soon.

Trihydro contacted several screen and marine contractors for quotes and to add new strainer baskets to the existing raw water barge. Dynamic Pump Systems ("DPS") has been selected to supply the new coated baskets at a cost of \$3,874.29 and the order has been placed. Trihydro is also reviewing marine contractors to provide labor to install the new screens.

Mr. Swiderski confirmed that the failed blower motor at the WWTP is original equipment from 1999. Mr. Swiderski will look at options to get the blower motor functional.

Mr. Swiderski is working with AWR Services and Central Texas Water Maintenance to provide the appropriate chlorine bleach pumps for the effluent irrigation system. Once materials are delivered, coordination of installation will take place to introduce liquid bleach into the wet well of the irrigation pump system.

AWR recently repaired a wastewater discharge line just outside the Whispering Hollow Lift Station structure. Additionally, AWR reported that at least two fire hydrants are not working properly. Water flows through the hydrants but the valves are difficult to operate.

Trihydro also received notification from the Texas Commission on Environmental Quality ("TCEQ") at the end of September that the Bond Application Report was approved. TCEQ provided consent documents for attorney signature so that the TCEQ Executive Director can move forward with issuing the order. Bond application was authorized as submitted and no conditions were stated outside the normal TCEQ requirements.

Mr. Swiderski again encouraged the Board to start refining the bond projects list by appointing a sub-committee to work with engineers. Trihydro has already begun preliminary engineering of the new WWTP. Mr. Swiderski also said that because of the transition of management companies, he would like to get the new company involved in this process as soon as possible.

Director Kikta made a motion to approve the engineer's report. Director Pasarew seconded the motion which was unanimously approved.

President Marshall rearranged the agenda to Item 10.

10. 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 September and presented the August financials. Even though the District sold some large maintenance equipment in August it is still down \$110,000 for the year.

President Marshall asked Mr. Douthitt to address a rumor that the District has not been paying its management company, AWR Services, Inc. for the last six months. Mr. McPhail also said that an Open Records Request may be made if anyone would like to see those paid invoices. Mr. Douthitt then stated that the District has always paid AWR in a timely manner just as every other vendor of the District's. The District and AWR agreed early in 2020 to reduce AWR's bill each month by 1/6th to get in compliance with the contract. Mr. Douthitt said that his firm actually discovered that AWR had under billed the District. This underpayment has been adjusted and payment was made within a couple of days of discovering the error.

The only time payment has not been made to a vendor or consultant on a submitted invoice is when there has been a genuine question about the charges. The Board has a duty to verify that submitted amounts are legitimate and that public funds are spent responsibly. In almost all cases, any amounts due to the District's manager, consultants and third-party vendors requiring further investigation by the Board have been resolved by the next Board meeting.

Director Brian Probst then made a motion to approve the financial report, payment of the monthly bills and authorize fund transfers as recommended by Mr. Douthitt. It was seconded by Director Pasarew. Motion unanimously approved.

President Marshall rearranged the agenda back to Item 9.

9. PROPOSED BOND PROJECTS IN DISTRICT AND DISCUSSION OF BOND RELATED PROJECTS AND ISSANCE OF CONTRACT AGREEMENTS.

Mr. Scott Swiderski briefly discussed the proposal for professional engineering services agreements. Mr. Swiderski explained that this is a separate agreement for engineering just for the bond program. This contract is written with the assumption that it will take approximately three and a half years to engineer and manage the bond project. Director Lippe made a motion to approve the Professional Engineering Service Agreement with Trihydro for the \$14.5 million bond. Director Kikta seconded the motion. The motion was unanimously approved.

11. 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.

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

No action was taken on this item.

14. GRINDER PUMP SERVICE AGREEMENTS AND REPAIRS IN DISTRICT.

Mr. Matt McPhail said that the new management company would need to be informed about the new grinder pump service agreement.

Mrs. Jean Cecala of AWR Services, Inc. told the Board a customer who recently had a new pump installed by AWR Services personnel had asked about who would warranty the new pump. The District and AWR have always returned failed pumps to the supplier for testing and warranty work as a courtesy to the customer. Mrs. Cecala was asked to contact the supplier to find out how the warranty of new pumps worked.

15. DISPOSAL OF EFFLUENT AND GOLF COURSE IRRIGATION.

President Marshall said he received word from the Property Owners' Association ("POA") President, Frank Engels, that an irrigation pump for the golf course had failed so the golf course can only put out half the volume onto the course at this time. AWR Services has not put the hoses out to water the roughs so President Marshall has contacted a small contractor to begin putting hoses out on Monday. This contractor will also install the ramps once the ramps are delivered.

Director Kikta said that the golf course has used all the sprinkler heads from the driving range to replace heads along the course. She feels the \$35,000 investment to replace the sprinkler heads on the driving range would be a good thing as this would allow more effluent to be dispersed. Director Pasarew asked if it is the District's responsibility to pay for those new sprinkler heads and President Marshall replied not necessarily. Mr. Swiderski of Trihydro reminded the Board that the driving range is earmarked to add drip irrigation as part of the bond program. He would like to know where any replaced sprinkler heads would go on the driving range. Design for the drip irrigation still needs to be completed.

AGENDA ITEMS RELATED TO ELECTIONS

16. Directors Election

- a. Amended Order Calling Directors Election

PUNTOS DEL ORDEN DEL DIA RELATIVOS A ELECCIONES

16. Eleccion de Directores

Mr. McPhail said that the returns will be canvassed at the next regular board meeting in November unless the Board would prefer a special meeting. No action was taken on this item.

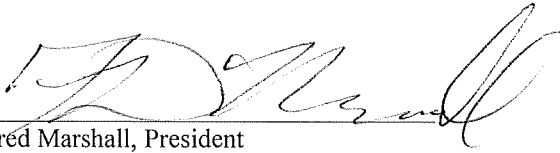
17. RATE ORDER.

President Marshall said the committee has been working on adjustments to the tap fees. It looks like the base fee will be increased to try to recuperate road repair expenses from the tap installations. Mr. McPhail said that although the District's overall fees are low the tap fees are comparable to other Districts, but in practice should relate to the actual current costs to the District. The District, however, does not have an impact fee at all. A draft rate order is ready to go with only a minor adjustment to the tap fee. Everything else will remain the same. Mr. McPhail would like to present these changes at the next Board meeting. He will send it to the Board before the November meeting for review and input.

President Marshall said that the new management company's fees would have to be considered before finalizing the tap fees. The District knows its costs with the current management company but these expenses could change with new management. No action was taken on this item.

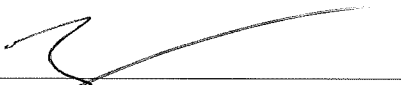
18. ADJOURN THE MEETING.

Motion was made by Director Pasarew to adjourn the meeting. The motion was seconded by Director Lippe. The motion carried unanimously. Meeting adjourned at 12:14 p.m.



Fred Marshall, President
Travis County WCID – Point Venture

ATTEST:



Manuel Macias, Secretary
Travis County WCID – Point Venture

(SEAL)