

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

June 15, 2019

STATE OF TEXAS §

COUNTY OF TRAVIS §

The Board of Directors of the District met in regular meeting, open to the public, at the WCID Office located at 18606 Venture Drive, Point Venture, Texas 78645, on the 15th day of June, 2019, at 9:00 a.m., with the Directors present being Fred Marshall, Brian Probst, Barry Pasarew, Cindy Clemons and Chris Lippe.

Others in attendance were Allen Douthitt of Bott and Douthitt, PLLC, Matt McPhail of Willatt and Flickinger, PLLC, Scott Swiderski of Trihydro Corporation, Hal Lanham of AWR Services, Inc., Point Venture Townhomes Association president Charles Lantrip, and about two dozen property owners or residents of Point Venture.

1. CALL TO ORDER.

Board President Fred Marshall called the meeting to order.

2. ROLL CALL OF DIRECTORS.

Jean Cecala called roll of Directors.

3. CITIZEN COMMENTS:

This is an opportunity for citizens to address the Board of Directors concerning an issue of community interest that is not on the agenda. In accordance with the Open Meetings Act, Board of Directors is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them that are not on the agenda. There is a three (3) minute time limit on any communications.

Larry Bryan first addressed the Board with his concern of the water flowing out of the water plant and through his property. He wished to know if the District had a solution and how long it would take to rectify the situation. Board President Fred Marshall and Hal Lanham of AWR Services, Inc. assured Mr. Bryan that the District was working on solutions to eliminate the problem. Several suggestions were made and AWR Services, Inc. will work on ways to either divert the water until a more permanent solution can be made, or temporarily use the old water plant until the engineers find a solution.

All others who wished to address the Board said they would hold their remarks until Item 13.

4. MAY 1, 2019 SPECIAL MEETING MINUTES AND MAY 18, 2019 REGULAR MEETING MINUTES.

The proposed minutes of the May 1, 2019, special meeting and May 18, 2019, regular meeting minutes were presented for approval. Motion was made by Director Barry Pasarew to approve the minutes as presented and was seconded by Director Cindy Clemons. The motion carried unanimously.

5. ENGINEER'S REPORT – TRIHYDRO ENGINEERING.

Scott Swiderski, engineer for Trihydro Corporation gave the engineer's report. He said all bond projects are completed. He addressed the overflow problem at the water treatment plant ("WTP"). He realizes that more water storage is needed but comes at a price and there is not an immediate fix. He is working with AWR Services, Inc. to come up with a plan to alleviate the overflow or divert the water away from homes. He remarked that TCEQ requirements limit some solutions and would need

approval for others.

6. ENGINEERING AND CONSULTING SERVICES AGREEMENT – TRIHYDRO CORP.

At last month's Board meeting, Trihydro Corporation engineer, Scott Swiderski, approached the Board with the need to modify the original contract with River City Engineering and create a new contract with Trihydro Corporation. At that meeting, the Board asked for additional time to look at the contract and the original rate schedule. At this meeting, Mr. Swiderski asked for the Board's authorization to add money to the engineering account using the existing rate schedule. Director Chris Lippe made the motion to approve an amount not to exceed \$10,000 be allocated for engineering services of Trihydro Corporation. Director Pasarew seconded the motion. Motion carried unanimously.

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

This item was not discussed.

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

This item was not discussed.

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

Allen Douthitt of Bott and Douthitt, PLLC, asked the Board to preview the cash activity report on page 4 of the bookkeeper's report. He briefly discussed the disbursements paid through the bookkeeper's account of \$1,447.36 and then began listing expenditures to be approved at today's meeting. Some discussion ensued about whether to renew RVS Software, the District's current billing platform. Mr. Lanham of AWR Services, Inc. said they are ready to convert the billing to their system, AVR. The Board decided to wait on the disbursement of monies to RVS for renewing the District's current billing software. He also explained the two transfers – one from TexPool Operation account to BBVA Operation account of \$100,000 and another from BBVA Operating account to the Bookkeeper's account of \$11,393.02. Mr. Douthitt then discussed page 5 – Cash/Investments Activity Report. He said the 2018 audit is still not ready. The auditors, Maxwell, Locke, and Ritter are still reviewing it. He has contacted TCEQ about the delay and hopes to have it ready for Board approval by next month. He discussed with the Board the need to get through this calendar year with the current monies on hand. Only emergency items should be considered.

Mr. Lanham of AWR Services, Inc. told the Board that the only issues he foresees which may need immediate attention are the pumps at the wastewater treatment plant ("WWTP"). AWR field is compiling a list of repairs and improvements to be considered in future budgets. He relayed per Mike Bamer that the District is meeting permit at the WWTP. Mr. Lanham also discussed the grinder system situation. He said there is a huge variance in age and styles for these systems. AWR is making repairs as needed so the systems will work and maintenance workers will not have to go back to the same locations. He reported that some systems are in bad shape, need replacement, and the tanks are below grade. These systems are causing increased flows into the WWTP due to inflow and infiltration ("I&I"). He recommended the Board consider including improving and/or replacing aging systems from potential bond monies.

Mr. Douthitt reported he has filed the Quarterly Investment Report for the District. The Public Funds Investment Act requires the District to have a trained Investment Officer review the portfolio for

suitability, safety, liquidity, marketability, diversification, and yield of its investments. The Investment Officer prepares the Investment Report quarterly describing the book value, market value, additions and changes, and accrued interest by account and fund.

Matt McPhail said that a discussion needs to take place for billing accounts which are closed leaving a balance. Mr. Douthitt said this is an ideal time to start with a clean slate as the District transitions to the new billing software. He recommended the Board put a process in place to address delinquent accounts.

He then asked for approval of disbursements and transfers noted in the bookkeeper's report on page 4. Director Brian Probst made the motion to accept the financials as presented. Director Clemons made the second. The motion was approved unanimously. Then Director Probst made a motion to approve all disbursements and transfers recommended by Mr. Douthitt and listed on page 4 of the report. Director Lippe seconded the motion. It carried unanimously.

10. TEMPORARY WASTEWATER SYSTEM IMPROVEMENTS

Engineer Scott Swiderski of Trihydro Corporation said the temporary EQ basin (frac tank) will arrive in the District within the next couple of weeks. He hoped to have the area, in which it will be located, ready by the end of the coming week. He said he has been working closely with AWR Services contractors and has mapped out a route to move the basin into the Village. Trihydro is targeting having the system in place and operational by July 4, 2019. He has also receiving quotes for new lift pumps and/or cleaning and repair the old ones at the WWTP.

President Marshall said he recently walked the proposed route for bringing in the frac tank with Point Venture POA President, Frank Engels. They discussed the need for tree trimming along Venture Boulevard North as well as the placement of the basin once it arrives. He said he had a "rough" commitment from Mr. Engels to work with the District in having the trees trimmed.

Mr. Swiderski said that traffic control has already been worked out for the day the basin arrives. A meeting between the trucking company, crane operator, AWR contractor and engineers has already taken place to work out the details of the basins delivery and set up. Director Probst asked that short-term costs be identified and relayed as soon as possible. Mr. Swiderski said he would get those figures to him.

11. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S PROPOSED BOND ELECTION.

Scott Swiderski reported he has turned in all engineering information to bond counsel, Jerry Kyle, of Orrick, Herrington & Sutcliffe, LLP, including the scope of the Bond project. He has asked Mr. Kyle if anything else is needed from the engineers to move forward and is awaiting his reply. The Board scheduled a special meeting for noon on July 10, 2019 to discuss the tax bond initiative. President Marshall pointed out the calendar in the Directors' folders with deadlines the District must meet to have the tax bond initiative on the November ballot.

****President Marshall rearranged the meeting to discuss Item 13****

13. WRITTEN COMMENTS TO THE MARINA PERMIT APPLICATION FROM LIQUID THRILLZ TO THE LCRA.

Board President Marshall opened the floor to residents to discuss their concerns of the proposed marina permit application from Liquid Thrillz to the LCRA.

Mr. John Anderson, who lives on Lakepoint Cove, explained his concern for swimmers around the docks near the barge. He felt with added boat and personal watercraft traffic the risks of accidents increase. He felt the drivers of these rented vessels would most likely be inexperienced which added another level of concern.

Mr. Herb Williams, who owns a home on Lakepoint Cove, charged the Board to address the only concern the District has – water quality. He explained that he has been in Point Venture a very long time and has watched how close in proximity the current docks, marina, and barge move together as the lake level drops. He felt the new marina will, in turn, move closer to the barge with the inevitable fluctuation of lake levels. He said pollution to the water intake of Point Venture is the District's only priority in his opinion. He stated he had spoken to someone at TCEQ who related that the decision to approve a variance was with Travis County WCID – Point Venture. He emphasized the Board's legal obligation to assure water quality if Liquid Thrillz requests a variance.

Mr. Charles Lantrip, Point Venture Townhome Association president, and townhome owner on Venture Blvd. South, questioned the legality of the application since the lease agreement presented to the LCRA was not for the location stated in Liquid Thrillz lease with the POA. He also said the lease didn't prohibit fueling of water crafts from the proposed marina.

Mr. Larry Ryden, Point Venture POA director, gave a brief history of Liquid Thrillz operations from the Point Venture marina. He said as far as he knows, there is no lease from the POA with Liquid Thrillz for the proposed new location.

Title 30 of the Texas Administrative Code (30 TAC) §290.41(2)(B) requires that all potable raw water intakes be at least 1,000-feet from publically accessible boat launching marinas. This proposed structure would be within approximately 700 feet of the District's raw water intake barge when the lake is at full capacity. A variance has already been given for the current Point Venture POA marina which brings it to within 834 feet of the barge when the lake is full.

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 Item No. 10b. The Board went into closed session at 11:18 a.m. The Board entered into Executive Session at 11:20 a.m.

At 12:26 p.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.

President Marshall explained that Matt McPhail, attorney for the District, had drafted a letter on behalf of the Board with comments about the proposed marina application from Liquid Thrillz to the LCRA. Director Probst made a motion to authorize sending the letter to LCRA with amended edits once approved by the Board President or Vice-President. Second was made by Director Lippe. Motion carried unanimously.

The Board requested a copy of the final letter be sent to the Point Venture Townhome Association administrator.

12. MANAGER'S REPORT – AWR SERVICES.

Mr. Hal Lanham gave the general manager's report. The Board was furnished a written report for May activity in the District. From the report were the following items.

Several issues involving the raw water pump station and the water treatment plants (“WTP”) have been found and addressed by AWR Services. One issue is two cla-vals on the raw water pump station barge do not appear to be functioning properly. Contractors are preparing a proposal for repairs of the two valves. Another issue that is being addressed with approval from President Marshall is the replacement of the existing SCADA PC at Plant “A” (old WTP). The current PC is malfunctioning and not capable of providing the functionality needed to communicate with the new WTP “B”. Another WTP issue was an improperly functioning blower motor at the WTP. It has been removed, delivered for testing, adjusted, and placed back in service. Also, SCADA alarms from the raw water pump station are failing to open and close. AWR met with contractors where a site visit to the barge was performed to check pumps and perform assessment of cla-vals for pump. Contractors will provide AWR with a quote for repairs. The repairs may need to be a line item in the 2019-20 budget.

AWR responded to two possible water leaks. One was groundwater due to the recent rains. The other was a true leak and required interruption of service to approximately 20 homes in the District. A boil water notice was issued to those homes while repairs were made and a bacteriological sample was tested. After receiving notification from the lab that the sample was “clear”, residents affected were notified of the rescinded boil water notice.

AWR coordinated with contractors to complete the repair of the elevated storage tank booster pump. The pump was balanced and the proper sitting position was ensured. Once on site, the pump was installed, wired to the control panel, bolted in, tested, and put back into service.

Mr. Lanham then reported that he had received two quotes for the fence to be built behind the District’s office between the leased townhome and Village properties. He needed the Board’s approval to contract with Capitol Fence & Deck to build the fence. Director Probst made the motion to approve AWR Services, Inc. to contract with Capitol Fence & Deck to build the fence for up to \$4,400. Director Clemons gave the second. Motion carried unanimously.

a. BILLING AND COLLECTION FOR SOLID WASTE WITHIN THE DISTRICT.

The Board asked attorney, Matt McPhail, to coordinate with bookkeeper, Allen Douthitt, to discuss options for the District for billing of garbage and recycle. The contract for these services is between the Village of Point Venture and Waste Connections. The District is presently the billing agent.

14. TCEQ INTAKE SETBACK AND RESTRICTIVE ZONE REQUIREMENTS, GRANTED EXCEPTIONS, ENFORCEMENT AND DISTRICT OBLIGATIONS.

This item was not discussed.

15. DISTRICT REGULATIONS REGARDING PROTECTION OF WATER INTAKES.

Mr. McPhail provided an example for the Board to study to create a District policy about Boat Docks and Marinas that could affect the water intake structure and its components.

16. DISPOSAL OF EFFLUENT AND GOLF COURSE IRRIGATION.

This item was not discussed.

17. GRINDER PUMP MAINTENANCE AGREEMENT PLAN.

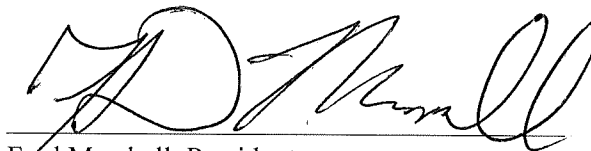
A brief discussion about the possibility of including all homes on the District’s grinder maintenance plan was held. AWR recommends the District try to standardize the size of tanks and equipment used.

18. RATE ORDER.

This item was not discussed.

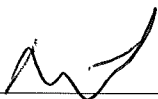
19. ADJOURN THE MEETING.

Motion was made by Director Probst to adjourn the meeting. The motion was seconded by Director Clemons. The motion carried unanimously. Meeting adjourned at 12:46 p.m.



Fred Marshall, President
Travis County WCID – Point Venture

ATTEST:



Brian Probst, Secretary-Treasurer
Travis County WCID – Point Venture

(SEAL)