

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

September 21, 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 21st day of September, 2019, at 9:00 a.m., with the Directors present being Fred Marshall, Barry Pasarew, Chris Lippe, Brian Probst and Cindy Clemons.

Others in attendance were Allen Douthitt of Bott and Douthitt, PLLC, Scott Swiderski of Trihydro Corporation, Hal and Brett Lanham of AWR Services, Inc., Matthew McPhail of Willatt & Flickinger, PLLC, and two Point Venture property owners, Lance Bass and Roy Ables.

1. CALL TO ORDER.

Board President Fred Marshall called the meeting to order.

2. ROLL CALL OF DIRECTORS.

Jean Cecala called roll of Directors.

****President Marshall rearranged the meeting to discuss Items 15, 6, 7, 5, 8 and 9, respectively****

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

Allen Douthitt of accounting firm Bott & Douthitt PLLC gave the report for the financial affairs of the District. He directed the Board members to the items that needed approval for payment and funds transfers. He said only a few outstanding invoices still needed reviewing. He cautioned the Board that finances are tight until the end of the year and recommended holding off on any large, non-emergency expenses. Director Brian Probst made a motion to approve vendor payments and fund transfers as recommended by Mr. Douthitt. It was seconded by Director Barry Pasarew. Motion unanimously approved.

6. ORDER AMENDING BUDGET FOR 2018-2019.

Mr. Douthitt then went over the amended budget he had provided to the Board explaining each difference from the original budget for 2018-19. He answered questions from the Directors. Director Brian Probst made a motion to approve the amended budget for 2018-19 from information supplied by the District's accounting firm. Director Cindy Clemons seconded the motion. Motion approved unanimously.

7. ORDER APPROVING 2019-2020 BUDGET.

Mr. Douthitt then discussed the 2019-2020 proposed budget. He explained that certified values for the District have decreased slightly. The Board has discussed increasing the tax rate by 7.64 percent. This tax rate increase would also increase the average home values tax burden by approximately \$138 per year. Director Probst wanted the Directors to understand that this proposed budget had risks. Previously he had

asked management for AWR Services for a projected budget for water and wastewater expenses. Director Probst did not receive these projected costs so now the Directors would be required to approve a budget without knowing the potential risks or opportunities. Mr. Hal Lanham, President of AWR Services, Inc. responded that a list of projects had been transmitted to the District's engineer for consideration in both the budget and capital improvement budget. The engineer, Scott Swiderski, stated he had received those projects and was working on a project list. Director Probst then made the motion, which was seconded by Director Chris Lippe to approve the order for the 2019-2020 budget with the understanding that it had potential risks and opportunities. Directors voting to approve the 2019-2020 budget were Fred Marshall, Chris Lippe, Brian Probst, Barry Pasarew and Cindy Clemons. Motion approved unanimously.

At 9:37 a.m. the regular meeting went into a public hearing on the proposed tax rate.

1. PUBLIC HEARING ON TAX RATE.

Mr. Douthitt went through the proposed rates for 2019. Maintenance and Operations rate is a proposed \$0.4409 per \$100 taxable value and Debt Services proposed rate is \$0.2000 per \$100 taxable value. This would be a total of \$0.6409 per \$100 of taxable value. This is a 7.64 percent increase from last year's tax rate.

Director Marshall asked if the public had any comments. Property owner, Lance Bass, discussed the need for each entity in the Village of Point Venture to take into consideration the burden they are placing on property owners as each entity continues to escalate either its tax rate or monthly fees. Director Probst thanked Mr. Bass for speaking and asked him to challenge each entity about what they are spending money on and if the increased taxes and/or fees are driven by spending.

The public hearing closed at 9:48 a.m. and the regular meeting resumed.

8. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2019.

The Certified Appraisal Roll was returned by Travis County for the District with a net taxable value of \$238,099,562. Director Probst made the motion to approve the order for the District's Appraisal Roll and set the District's 2019 tax rate at \$0.6409 per \$100 of taxable value. Director Pasarew seconded the motion. Directors voting for the order were Fred Marshall, Brian Probst, Chris Lippe, Cindy Clemons, and Barry Pasarew. Motion carried unanimously.

9. AMENDED INFORMATION FORM.

Matthew McPhail of Willatt and Flickinger PLLC, attorney for the District, remarked that no significant changes were made to the previously approved form except for the amended tax rate. Director Clemons made the motion to approve the amended information form. Motion was seconded by Director Pasarew. Motion carried unanimously.

President Fred Marshall moved back to the regular order of the agenda.

3. PUBLIC COMMENTS. No public comments at this time.

This is an opportunity for members of the public to address the Board of Directors concerning any issue that is not on the agenda. The response of the Board to any comment under this heading is limited to making a statement of specific factual information in response to the inquiry, or, reciting existing policy in response to the inquiry. Any deliberation of the issues is limited to a proposal to place it on the agenda for a later meeting. Each speaker offering public comment must sign an Attendance Sheet at or prior to commencement of the meeting and shall be limited to 3 minutes, unless more than 10 members of the public have signed up to speak during this meeting. In such case, speakers offering public comment shall be limited to 1 minute each.

4. AUGUST 17, 2019 REGULAR MEETING MINUTES.

The proposed minutes of the August 17, 2019, regular meeting minutes were presented for approval. Motion was made by Director Clemons to approve the minutes as presented. Motion was seconded by Director Pasarew. The motion carried unanimously.

10. ENGINEER'S REPORT – TRIHYDRO CORPORATION.

Engineer from Trihydro Corporation, Scott Swiderski gave the engineer's report. He had recently received a list from AWR Services Operations Manager Mike Bamer of maintenance and repair work needed within the District. He said the budget is the deciding factor for each of these items. He also expressed a desire to meet prior to the Board's monthly meetings with AWR Services to keep abreast of any new items that may come up. He reported to the Board that a certified electrician needs to look at the control panel at the Whispering Hollow lift station. He went on to say that he feels that everything electrical needs to be reviewed, prioritized, and repaired. One of the long-term goals is to protect the panels from the environment.

Wet weather storage tanks are near empty. He recommended maintenance on the older tank while it is empty. Director Marshall asked that AWR Services have someone look into the tanks and verify the true level of each. Director Marshall believed that the newer storage tank could be totally emptied. Mr. Swiderski relayed to the Board that the golf course removed all the temporary irrigation. He went on to say that these should not be removed because permitting by TCEQ requires they be available at all times. He will double check the verbiage of the permit.

One transfer pump at the Wastewater Treatment Plant ("WWTP") was pulled and found totally clogged and a hole was discovered in one section of the screen. The second pump also needs to be pulled and Mr. Swiderski believes it will be in much the same condition as the first one. He said once the second pump is pulled, screens should be replaced. It will cost approximately \$7,500 to pull the second pump and replace both screens. He doesn't wish to spend too much money on repairs at the plant as a new WWTP will be built in the next few years. Mr. Swiderski's recommendation, based on budget restraints, was to do nothing at this time. Management and Directors discussed having the repairs done in January of 2020.

Hal Lanham of AWR Services explained that the clarifier at the WWTP is not doing a good job. It is unable to separate solids and liquids. He believes the "squeegees" may be totally worn out. The clarifier needs cleaning to make sure the rakes are working and do maintenance. Mr. Swiderski agreed with Mr. Lanham. He thought that while flows are low, the clarifier could be drawn down and the rakes evaluated and repaired quickly.

Mr. Swiderski then reported that Charlie Carlisle from PrimeSpec Construction inspected the stand pipe of the Elevated Storage Tank ("EST") and found three leaks. He went on to say that the EST has control equipment in it that is in danger of being damaged due to the leaks. Director Chris Lippe asked what action would be taken. Mr. Swiderski said that Tuesday he would investigate the stand pipe, get more evaluations and proposals for repairing the stand pipe leaks. The galvanized storage tank next to the EST has also been leaking for a while and is getting worse.

He then went on to say that the Cla-valves on pumps one and three on the barge are failing. Also, although the backwash system at the Water Treatment Plant ("WTP") is functioning, there were still a couple of overflows in the last month. He recommends expanding the opening between the two clear wells to try to improve this issue.

Next Mr. Swiderski discussed the road repairs that still need to be finished from the waterline improvement project. He has been in contact with Prota's superintendent who said he keeps being put off by the road repair contractor. Mr. Swiderski said that the any new striping damaged during these repairs will also be fixed.

Additionally, he discussed a need to incorporate a standard for grinder pump systems in the District. The current policy needs a major overhaul and would like to see preferred and equivalent pumps detailed in the policy. Attorney Matt McPhail interjected that he is working on more detailed specifications in the policy. He would like to coordinate with the engineer on the design side. He recommended a subcommittee from the Board be appointed to work with AWR Services, the engineer, and him to get this policy finished.

Finally, Mr. Swiderski said that he will be at two different meetings in October to discuss the coming Bond projects. One, open to the public, is Thursday, October 17. Mr. McPhail recommended the Board post this information meeting like a regular meeting, but specify on the agenda that no action will be taken. The meeting will only be for the purpose of information dissemination.

No action was taken on the new agreement provided by Trihydro Corporation for a new agreement between it and the District.

11. INVOICE FOR PLANT EQ BASIN IMPROVEMENTS.

Scott Swiderski also led this discussion. He said the invoice for these improvements was much higher than expected. He said the contractor ran into some unforeseen things. He said the work was good quality and it was considered a "rush" job. He said the money was acceptable for the work done and recommended paying the invoice. Director Clemons made the motion to approve payment of the invoice from PrimeSpec Construction for Wastewater Treatment Plan EQ Basin Improvements in the amount of \$90,056.27. Director Pasarew seconded the motion. Motion carried unanimously.

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

This item was not discussed.

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

This item was not discussed.

14. REMOVAL OF GARBAGE/RECYCLE/ADMINISTRATIVE FEE FROM DISTRICT'S MONTHLY BILLING.

President Marshall said the Village of Point Venture had wanted to take over billing for garbage and recycle in January. The Village of Point Venture has a contract with Waste Connections for garbage and recycling service. The WCID Point Venture has been billing, on behalf of the Village, for those services on its utility bills. The Village reached an agreement with Waste Connections to send out a separate billing for garbage and recycling. The change will go into effect October 1, 2019.

At this time, Mr. Lanham of AWR Services said that billing for the District would not be transitioning to AVR from RVS. He felt the change would be detrimental to customers due to several factors including a potential in increased costs for payment processing to the customers; and each customer, who was taking

advantage of automatic payments, would be required to resubmit their bank or credit card information because this information would not automatically transfer to the new system.

Motion was made by Director Pasarew to approve removing Garbage/Recycle and Administrative Fees from the District's Monthly Billing effective October 1, 2019. The motion was seconded by Director Probst. Motion unanimously approved.

16. DISTRICT REGULATIONS REGARDING PROTECTION OF WATER INTAKE.

No action was taken on this item. The District will continue to monitor its barge and consult with its attorney if future issues arise.

17. MANAGER'S REPORT – AWR SERVICES.

Mr. Hal Lanham said that the majority of items on the written report had already been discussed during this meeting. The only thing he wished to add was that he wished to get permission from the Board to start exploring contractors to outsource doing grinder pump repairs.

18. DISTRICT WEBSITE. PROPOSAL(S) FOR CREATION OF DISTRICT WEBSITE.

Brett Lanham of AWR Services said he has discussed creation of a dedicated website for the District with Mr. McPhail. He gave a proposal from Mark Maxwell of Maxwebs to create and convert up to 10 pages of information with photos for \$1500. An additional \$240 per year is charged by the web host and a fee of \$100 a month is charged to maintain the website. He said that Mr. Maxwell is very responsive and maintains several water district websites. Mr. McPhail explained that with legislative updates the District really needs to have its own website to be sure it is in compliance with the law. He also recommended that each Director be assigned a separate email for District business and use it. He said the need for the website is not immediate because it is currently in compliance. This is due to the efforts of Jean Cecala and Lance Clinton. Mr. McPhail recommended the Board approve starting the process in January 2020. The motion was made by Director Lippe and seconded by Director Pasarew to develop and activate a new District website in January 2020. Motion carried unanimously.

19. DISPOSAL OF EFFLUENT AND GOLF COURSE IRRIGATION.

President Marshall had received an email this week from course manager, Justin Orbin about over seeding this fall. Mr. Orbin didn't believe that over seeding helped get rid of any more effluent than if it hadn't been done. Scott Swiderski said he would look into the permit but believed that the golf course is obligated by the permit to over seed so effluent can be used.

20. SALE OF SURPLUS PROPERTY (DISTRICT'S VEHICLES AND UTILITY EQUIPMENT).

President Marshall let the Board know that the Townhome Association had purchased some small lawn equipment. He recommended using an auction site to sell the vehicles. The auction site has associated fees and it was decided that the Board would absorb the larger portion of the fees.

A possible barter with a contractor to fix the standpipe and pull the pumps and replace the screens at the WWTP was also discussed.

AGENDA ITEMS RELATED TO ELECTION

21. Discuss and consider matters related to District bond election to be held on November 5, 2019 (the "Election"), including engineering, financial, legal and other matters related thereto.

PUNTOS DEL ORDEN DEL DÍA RELATIVOS A ELECCIONE

Debatir y considerar asuntos relacionados con la elección de bonos del Distrito a celebrarse el 5 de noviembre de 2019 (la "Elección"), incluso asuntos de ingeniería, financieros, legales y demás en relación con esto.

No action was taken on this item.

22. GRINDER PUMP SERVICE AGREEMENTS.

Matt McPhail related to the Board that every customer in the District must have a contractual agreement with the District for grinder pump services. He is in the process of revising the document and it must be sent to every customer in the District. He added that the current agreement needs a major overhaul to be in compliance with Texas law.

23. RATE ORDER.

Directors engaged in a brief discussion about the current rate order. A subcommittee had previously met and had looked at other rates in this area. The subcommittee recommended no changes to rates at this time.

24. 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. He said no significant changes were made and it is in compliance for the next audit. Director Probst 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.

25. RESOLUTION ADOPTING RULES REGARDING PUBLIC'S RIGHT TO ADDRESS THE BOARD OF DIRECTORS.

Recently changed legislation has passed regarding the public's right to address the Board of Directors at an open meeting. Because of these changes the Board considered a resolution which describes the process for addressing an item at a meeting and imposing reasonable time limits on the public to speak on an agenda item. A motion was made by Director Lippe and seconded by Director Pasarew to approve the resolution Adopting Rules Regarding the Public's Right to Address the Board of Directors. Motion was unanimously approved.

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. The Board went into closed session at 1:15 p.m.

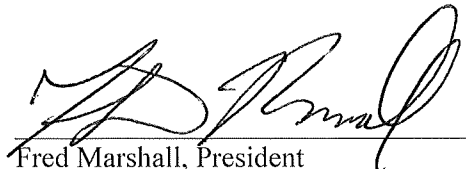
At 2:27 p.m., President Marshall announced that the Board of Directors has concluded its closed session and is returning to open meeting, and that no action was taken during the closed session.

The Board then appointed a subcommittee of Directors Chris Lippe and Brian Probst to work with AWR Services, Inc. to amend the contract between it and the District. A motion was made by Director Probst that was seconded by Director Clemons to authorize this subcommittee to work with the District's attorney to amend the contract with AWR Services, Inc. Four directors voted for the motion. Director

Pasarew was absent. Motion carried.

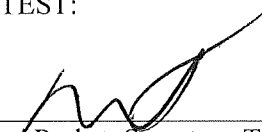
26. ADJOURN THE MEETING.

Motion was made by Director Probst to adjourn the meeting. The motion was seconded by Director Clemons. The motion carried unanimously. Meeting adjourned a 2:35 p.m.



Fred Marshall, President
Travis County WCID – Point Venture

ATTEST:



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

(SEAL)