

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

August 15, 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 15th day of August, 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: 872 4188 0927 and password: 227433. The public also had digital access to a meeting packet through both email and the District's website.

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

1. CALL TO ORDER.

Board President Fred Marshall called the meeting to order at 9:05 a.m.

2. ROLL CALL OF DIRECTORS.

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

3. PUBLIC COMMENTS.

Cristin Cecala addressed the Board with three topics. First, she and AWR Services have reached an agreement for finishing her grinder pump repairs. Next, she asked about the follow up from the statement made by Brett Lanham at last month's meeting. Finally, she had comments about the revised grinder pump agreement. President Marshall asked Ms. Cecala if she would address these items when the Board came to that agenda item and she said she would.

4. JULY 18, 2020 REGULAR MEETING MINUTES.

The proposed minutes of the July 18, 2020 regular meeting were presented for approval. Motion was made by Director Brian Probst to approve the minutes of the July 18, 2020 regular meeting as presented. Motion was seconded by Director Chris Lippe. Motion unanimously approved.

5. ENGINEER'S REPORT – TRIHYDRO CORPORATION.

Engineer Scott Swiderski of Trihydro Corporation gave the engineer's report. At the water treatment plants ("WTP"), Mr. Swiderski said a few minor issues regarding the Trident Package Plant have caused alarms which were handled by AWR Services operators. The equipment representative, WesTech, will be contacted to help troubleshoot these issues. Fluid Meter Service has repaired two cla-vals on the barge and the raw water intake is operating normally. Scott added that after submitting the report, he understood from AWR that one Cla-Val part was still needed and it was on back order. Fluid Meter Service would be on site the following Monday to finish their work.

At the Wastewater Treatment Plant ("WWTP"), he reported that Pump Solutions was recently on site to examine the plant lift station pumps to help determine the cause of high alarms. The pumps were cleaned and put back into operation. Pump Solutions did note that two different kinds of pumps are installed in that lift station. The lead and lag pump order

was changed and since then no alarms have been triggered. Additionally, Terracon was at the site recently conducting test borings for determining site subgrade conditions. This information will aid the structural design decisions for the new WWTP basins.

Trihydro is still working closely with the Texas Commission on Environmental Quality (“TCEQ”) on the bond application report. TCEQ has asked for clarification on a couple of items and Mr. Swiderski believes approval is very close.

Director Probst asked what is being done about the clear well overflow problem at the WTP and why this problem cannot be solved. Both Hal Lanham of AWR Services and Mr. Swiderski said that another storage tank would help alleviate the problem, but that costs money the District doesn’t have. Director Probst asked how often an operator was at the plant. Mr. Lanham said that operators average 5 to 6 hours a day at the plant. Mr. Lanham said that this Trident plant should not require a lot of maintenance due to its design. The old plant, however, is very high maintenance. He also reminded the Board that the engineers failed to design enough clearwell storage to accommodate the amount of backwash water generated by the new plant. President Marshall asked that the Board receive options for immediate actions to try to prevent these overflows including changes in operations. Mr. Lanham said AWR Services would put together a proposal.

6. PROPOSED BOND PROJECTS.

Mr. Swiderski of Trihydro Corporation submitted for the Board’s consideration a general overview for the bond program. Several deficiencies in the District exist but the main projects are building a new WWTP and improvements in the effluent irrigation system. Mr. Swiderski has identified other projects with preliminary costs. Once Trihydro has a clear direction, the costs will be refined. He recommended going over the list with the Board which was listed by priority. Mr. Swiderski said that the Board and Trihydro need to have a procedure in place to assess projects and order their priority.

On the list after the WWTP and improved irrigation, Mr. Swiderski ordered improvements as follows – drainage and regrading improvements, asset management, zebra mussel irrigation, wastewater collection system (lift stations), existing WTP improvements, ground storage tank replacement, elevated storage tank rehabilitation, and water distribution system. Mr. Swiderski asked that the Board identify other projects to add to the list.

Director Kikta believes converting the irrigation system from chlorine gas to bleach should be added to this list, but zebra mussels should be a maintenance project, not part of the bond program. Mr. Swiderski said that the conversion to bleach from chlorine gas could be included in the building of the WWTP. Director Kikta wished to see this conversion happen much quicker than that. Mr. Swiderski said that the problem is regulating the bleach when pumps come on. Director Kikta also recommended that the WWTP have safety measures in place since chlorine gas will continue to be used for now. Mr. Hal Lanham said AWR could put in some temporary safety equipment that is not extremely costly. He will bring a proposal to the Board at next month’s meeting of an interim safety upgrade until the new WWTP is built.

Director Kikta also believes that water loss issues should be included in this list. Director Kikta added that the old flush stations that are still in existence should be removed. She thinks these may be contributing to the water loss in the District. Director Kikta reported that fresh water is currently standing in the one on Southwind Rd.

Director Probst was concerned that many of the items on this list were not in the original scope of the bond and the estimates are approximately \$3.5 million over the original bond. Director Probst would like to get a firmer grasp on what is within scope of the original bond and then prioritize additional projects. Mr. Swiderski explained that when the original bond application was put together, the major issues were on that list. But as time has gone on, other serious issues have come up; and in this new list he is trying to earmark projects that any possible surplus money from the bond could be utilized. Mr. Swiderski wants to make the Board aware of everything that has been found in the District that needs attention – either immediately or in the future. Mr. Swiderski would like the Board’s input on prioritizing additional projects. Mr. Swiderski went on to explain why some of the projects made this new list.

Mr. Jerry Kyle of Orrick, Herrington and Sutcliffe the bond attorney for the District added that the Board would need to be cognizant of what representations were made to the community for the bond application and that what has been

presented to TCEQ falls in line with the prioritization of projects. Mr. Swiderski concluded the discussion stating the reason for this list is to identify projects and the Board to prioritize.

7. 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 July and presented the June financials. Mr. Douthitt said the District is currently \$28,000 over budget due to additional maintenance fees and costs to install taps. That puts the District at \$115,000 down to plan. Director Probst asked Mr. Hal Lanham if he would be available next week to examine payroll questions that were brought up at last month's meeting. Mr. Lanham said he could be available.

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 Kikta. Motion unanimously approved.

8. ORDER ADOPTING BUDGET.

Mr. Douthitt presented a preliminary budget to the Directors from the work done to date by his firm. Mr. Douthitt briefly went through the document explaining different line items. Mr. Douthitt said that the Operations & Maintenance ("O&M") tax rate would be a little higher increasing to \$0.4650 from \$0.4409. Revenues are fairly consistent for the District. On the expense side Mr. Douthitt took the known expenses and added money to the operations and management budget to make it a closer to the current rate. This budget would anticipate a surplus of approximately \$300,000. Director Pasarew wanted to know if the proposed budget included water and sewer rate increases. Mr. Douthitt said no. President Marshall asked the Board to please study the budget and contact Mr. Douthitt for any other items that may need to be included and or not represented.

Director Pasarew wanted to know if emergency maintenance costs were considered in this proposed budget. President Marshall said that Director Kikta is working with Mr. Swiderski of Trihydro to put together that list. Director Probst said that emergency maintenance is mostly imbedded in this proposed budget.

Resident Cristin Cecala asked for clarification of the tax increase. Ms. Cecala asked why the Board is considering a tax increase when the budget already has a surplus of over \$300,000. Mr. Douthitt said the District currently has inadequate cash reserves for the size operation of this District. The increase in taxes is to help shore up the reserve. Mr. Douthitt said a district of this size should have at least 6 months of operating reserve, but he recommends a year.

Director Probst added that the rest of the tax increase is going towards the bond repayment. The new bonds should fund over the next several months, with required payments being made every February and August.

Ms. Cecala also asked if the District had to officially propose budget this month and then adopt the budget the following month. Mr. Douthitt said that today's discussion is a workshop to discuss the budget and it will be formally adopted next month.

Mr. Matthew McPhail of Willatt and Flickinger, the District's attorney, said the Board would go into executive session due to new requirements passed in the legislation last year on tax rates. The full board needs to be briefed of these changes before discussing the proposed tax rate.

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. 9. The Board entered into a closed session at 10:14 a.m.

At 11:05 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.

9. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2020 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF.

Mr. McPhail said the District needs to set a proposed tax rate at today's meeting to be publicized before the next meeting. The proposed rate set by the board will be the highest amount that may be adopted as a final rate. At next month's meeting, the Board can decide to adopt the proposed rate or a lower one.

Dan Wegmiller of Specialized Public Finance reminded everyone that last year's tax rate was \$0.6409. At several meetings leading up to the bond election it was communicated that if bonds were approved the District would require a \$0.197 tax rate increase which would ultimately increase the rate to \$0.8409/\$100 taxable value. This year's proposed tax rate is \$0.7409 which is split \$0.465 for operations and \$0.2759 for debt.

Resident Cristin Cecala had a question about the new proposed roll back rate and the proposed tax increase by the District. Director Probst answered that the District is staying below the roll back rate. Mr. Wegmiller added that the District is actually a couple of cents below the current roll back rate for this District.

Director Probst made a motion to approve the order setting the District's proposed tax rate for 2020 at \$0.4650 for M&O and \$0.2759 for debt service for a total of \$0.7409 and providing for publication of notice thereof. Director Kikta seconded the motion. Voting FOR the proposed tax rate were Directors Fred Marshall, Chris Lippe, Anne Kikta, Barry Pasarew and Brian Probst. Voting against – NONE. Absent – NONE. Present and not voting – NONE.

10. ORDER ON AUTOMATIC ELECTION TO APPROVE TAX RATE.

No action was required on this item as it does not apply.

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.

13. MANAGER'S REPORT – AWR SERVICES.

Mr. Hal Lanham of AWR Services, Inc. gave the manager's report. AWR coordinated with contractors to rebuild the existing 8" distribution meter. Mr. Lanham believes this will help in improving water loss numbers. AWR has also coordinated with contractors to perform repairs to the barge clams. One valve was rebuilt and the other requires a comprehensive repair and parts are on order. Chapman Marine is also scheduled to dive the barge, remove zebra mussels and take pictures this coming week.

Issues recently came up at two of the lift stations. Mr. Lanham said problems on aging systems are not uncommon. All three lift stations now have new panels. Whispering Hollow lift station was totally refurbished early last year and now new panels were installed at the other two stations. New pumps were also installed at the boat yard storage and Mariners lift stations. President Marshall asked Mr. Lanham about the warranty on the two pumps which failed recently at Whispering Hollow. Mr. Lanham responded that both were covered under warranty so the replacement pumps should be no cost to the District.

- a. Fire Hydrant Flushing and Upkeep.

AWR checked a hydrant at Summit and Valley Hill which was difficult to operate and tried to exercise it with motorized equipment. This did not improve its functionality. Mr. Lanham believes all of the old hydrants need to

be checked. Mr. Lanham said that with the help of Trihydro he believes the District has 54 fire hydrants of which 29 are new, added during the recently completed waterline improvement project. For a cost of \$2,750 AWR could have each of the 25 older hydrants actuated, pressure tested, static and flow tested, determine any repairs needed, cleaned and painted. The hydrants' caps will also be color coded to match the pressure in the hydrant and will be compliant with all local codes and standards. Mr. Lanham believes that during this testing AWR will most likely find hydrants that are difficult to operate or don't function at all. If this happens, then the District would need to fund the repairs of those hydrants. He suggested putting this item in the new budget.

Director Kikta left the meeting.

14. GRINDER SYSTEM SERVICE AGREEMENT.

Mr. McPhail first addressed the question by Ms. Cecala posed during public comments. She had asked why the TCEQ code that was in the first agreement has been removed. Mr. McPhail explained that based on feedback received, and to avoid confusion, the language was removed. Ms. Cecala contended that the code reads that the District shall maintain grinder pumps and the new proposed agreement states the customer will. Director Probst suggested referencing the code in the revised agreement to show the District is following the law. Director Probst recommended waiting to approve the agreement until the proper language is added. President Marshall proposed a special meeting once Mr. McPhail and the committee were able to make more revisions. No action was taken on this item.

15. DISPOSAL OF EFFLUENT AND GOLF COURSE IRRIGATION.

Wet weather storage tank levels continue to drop due to high temperatures and higher irrigation on the golf course. Friday's levels were at approximately 1.5 million gallons of effluent stored in the tanks.

16. RATE ORDER.

Mr. McPhail requested the Directors to go over the newly reorganized rate order document. The document has been made easier to read. Changes in the document will most likely need consideration by the Board at next month's meeting. No action was taken on this item.

17. CONTRACT AMENDMENT WITH AWR SERVICES INC.

Mr. Hal Lanham said that AWR is waiting final action from the Board on grinder pump service agreement. His company has a draft amended contract ready once that decision has been made. No action was taken on this item.

AGENDA ITEMS RELATED TO ELECTIONS

18. Directors Election

- a. Order Calling Directors Election

PUNTOS DEL ORDEN DEL DIA RELATIVOS A ELECCIONES

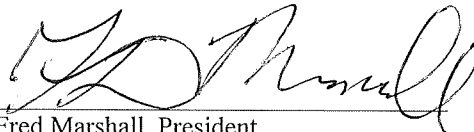
19. Eleccion de Directores

- a. Orden para convocar una Eleccion de Directores

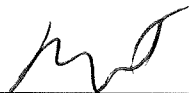
Mr. McPhail announced that three candidates had filed for positions on the ballot. The Board would need to approve an order calling for a directors election in November 2020. Motion was made by Director Probst to adopt the order calling for a Directors Election. The motion was seconded by Director Pasarew. Motion unanimously approved.

20. ADJOURN THE MEETING.

Motion was made by Director Probst to adjourn the meeting. The motion was seconded by Director Pasarew. The motion carried unanimously. Meeting adjourned at 11:39 a.m.


Fred Marshall, President
Travis County WCID – Point Venture

ATTEST:



Brian Probst, Secretary
Travis County WCID – Point Venture

(SEAL)