



Control Number: 48561



Item Number: 1

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PUC DOCKET NO. 48561

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PETITION BY THE WEST §
TRAVIS COUNTY PUBLIC §
UTILITY AGENCY AND THE §
CITY OF AUSTIN, TEXAS FOR §
APPROVAL OF SERVICE AREA §
CONTRACT UNDER TEXAS §
WATER CODE § 13.248 TO §
AMEND WATER CERTIFICATES §
OF CONVENIENCE AND §
NECESSITY IN TRAVIS COUNTY §

BEFORE THE PUBLIC UTILITY COMMISSION
FILING CLERK

PUBLIC UTILITY COMMISSION

OF TEXAS

**PETITION BY THE WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY AND THE
CITY OF AUSTIN FOR APPROVAL OF SERVICE AREA CONTRACT UNDER
TEXAS WATER CODE § 13.248 AND TO AMEND WATER CERTIFICATES OF
CONVENIENCE AND NECESSITY IN TRAVIS COUNTY**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW, the West Travis County Public Utility Agency (the "PUA"), and hereby files this Petition for Approval of Service Area Contract under Texas Water Code ("TWC") § 13.248 and to Amend Water Certificates of Convenience and Necessity ("CCNs") in Travis County (the "Petition"). In support thereof, the PUA would respectfully show as follows:

I. PETITION

1. Pursuant to TWC § 13.248 and 16 Texas Administrative Code ("TAC") § 24.117, contracts between retail public utilities designating areas and customers to be served ("Service Area Contracts") are valid and enforceable and are incorporated into the corresponding pre-existing CCNs of the retail public utilities if approved by the Public Utility Commission (the "Commission") after notice and hearing.
2. Retail public utilities may request approval of a Service Area Contract by filing a written petition with the Commission, which must include: (1) maps of the area to be transferred in accordance with 16 TAC § 24.119(a); (2) a copy of the executed contract or

1

agreement; (3) the number of customers to be transferred, if any; (4) notice information in accordance with 16 TAC § 24.117(c); and (5) any other information required by the Commission.

3. Petitions for approval of a Service Area Contract must include the following mapping information prescribed by 16 TAC § 24.119(a):

- a. a general location map identifying the requested area in reference to the nearest county boundary, city, or town;
- b. a detailed map identifying the requested area in reference to verifiable man-made and natural landmarks, such as roads, rivers, and railroads;
- c. one of the following for the requested area:
 - i. a metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor;
 - ii. a recorded plat;
 - iii. or digital mapping data in a shapefile format georeferenced in either NAD 83 Texas State Plane Coordinate System or in NAD 83 Texas Statewide Mapping System. The digital mapping data shall include a single, continuous polygon record.

4. Pursuant to 16 TAC § 24.117(c), for purposes of requesting approval of a Service Area Contract, notice is as follows:

- a. if no affected customers will be transferred, and the decision to enter into a Service Area Contract was discussed at a meeting of a city council, a water supply or sewer service corporation's board, district board, county commissioner's court, or other regulatory authority, a copy of the meeting agenda and minutes for the

meeting during which the item was discussed may be considered sufficient notice;
and

- b. if notice was provided in accordance with paragraph (a), above, the parties to the Service Area Contract must ensure that an affidavit attesting to the date that notice was provided and copies of the notice that was sent are filed with the Commission.
5. The City of Austin (“City”) and the PUA are both “retail public utilities,” as that term is defined by TWC § 13.002(19) and 16 TAC § 24.3(59).
6. The PUA is the holder of water CCN No. 13207, the boundaries of which are within Travis and Hays Counties, Texas (the “PUA CCN”).
7. The City is the holder of water CCN No. 11322, the boundaries of which are within Travis, Hays and Williamson Counties, Texas (the “City CCN”).
8. The PUA and the City (the PUA and City are each, a “Petitioner,” and are collectively, the “Petitioners”) entered into a certain “Water Service Area Transfer Agreement” (the “Contract”), dated April 26, 2018, pursuant to TWC § 13.248 and 16 TAC § 24.117, designating water service areas and customers to be served by each Petitioner, and transferring a portion of the City CCN to the PUA CCN (the “Transfer Area”). A copy of the Contract is attached hereto as **Exhibit A**.
9. This Petition does not contemplate transferring any existing retail water service customers of the City to the PUA.
10. The Contract was discussed by the Board of Directors of the PUA (“Board”) during its regular meeting held on Thursday, April 19, 2018. Copies of the meeting agenda and minutes for the April 19, 2018 meeting during which the Contract was discussed by the

Board are attached hereto as **Exhibit B**. Also included herein, as **Exhibit C**, is an affidavit from Mr. Robert Pugh, General Manager of the PUA, attesting to the date that notice was provided, and which includes a copy of the notice that was sent (the “Affidavit of Notice”).

11. **Exhibit D**, attached hereto, contains a large-scale general location map; two more detailed, smaller-scale maps; and a cd-rom containing digital mapping data in a shapefile format, all of which identify/depict the requested Transfer Area.

II. CONCLUSION AND PRAYER

For these reasons, the West Travis County Public Utility Agency respectfully requests that (1) this Petition be deemed properly filed with the Commission; (2) that the Commission approve the Contract as provided under TWC § 13.248 and 16 TAC § 24.117; (3) that the Commission enter an order transferring a portion of the City of Austin’s water CCN No. 11322 to the PUA’s water CCN No. 13207, as requested herein; and (4) that all other orders, acts, procedures and relief be granted as are necessary to enforce the Contract.

Respectfully submitted,

LLOYD GOSSELINK
ROCHELLE & TOWNSEND, P.C.
816 Congress Ave., Suite 1900
Austin, Texas 78701
(512) 322-5800
(512) 472-0532 (Fax)



DAVID J. KLEIN
State Bar No. 24041257

MARIS M. CHAMBERS
State Bar No. 24101607

ATTORNEYS FOR THE WEST TRAVIS
COUNTY PUBLIC UTILITY AGENCY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was transmitted by fax, hand-delivery and/or regular, first class mail on this 31st day of July, 2018 to the parties of record, in accordance with 16 Tex. Admin. Code § 22.74.



David J. Klein

Exhibit A
The “Contract”

WATER SERVICE AREA TRANSFER AGREEMENT

This WATER SERVICE AREA TRANSFER AGREEMENT (the "*Agreement*") is made and entered into by and between the City of Austin ("*City*") a home rule municipality organized and existing under the laws of the State of Texas, and the West Travis County Public Utility Agency (the "*PUA*"), a public utility agency organized under Texas Local Government Code, Chapter 572 (the City and PUA are each, a "*Party*", and are collectively, the "*Parties*"), effective on April 26th, 2018 (the "*Effective Date*").

RECITALS

WHEREAS, City is the holder of water certificate of convenience and necessity ("*CCN*") No. 11322, the boundaries of which are within Travis, Hays and Williamson Counties, Texas;

WHEREAS, the PUA is the holder of water CCN No. 13207, the boundaries of which are within Travis and Hays Counties, Texas;

WHEREAS, Texas Water Code ("*TWC*") § 13.248 authorizes contracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the Public Utility Commission ("*PUC*") after public notice and hearing;

WHEREAS, the City's and PUA's water CCN boundaries are adjacent to each other in certain locations;

WHEREAS, John C. Kuhn, individually, is the owner of a 10.734 acre tract of land ("*Transfer Tract*"), more specifically depicted in Exhibit A, attached hereto and incorporated herein for all purposes, which is located partially within the water CCN of the City and partially within the water CCN of the PUA;

WHEREAS, the Parties desire that the City transfer the portion of its water CCN that overlaps with the Transfer Tract to the PUA's water CCN;

WHEREAS, the City and each District have determined that they are each authorized to enter into this Agreement pursuant to Chapter 791, Texas Government Code.

NOW THEREFORE, for the good and valuable consideration contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. **Purpose.** This Agreement shall be a "contract" designating areas and customers to be served by the Parties in accordance with TWC § 13.248.

2. **Transfer of the CCN Transfer Area.** The City transfers and conveys to the PUA, and the PUA accepts from the City, the portion of the City's water CCN No. 11322 that overlaps with the Transfer Tract; and the Parties hereby agree to the modification of the boundaries of their water CCNs, accordingly. The PUA agrees to take all necessary steps and pay all costs to prepare, file, and advance an application(s) at the PUC to transfer such water CCN boundaries from the City's water to the PUA's water CCN. The City agrees to cooperate with the PUA in advancing such application(s), should the need arise.
3. **No Continuing Obligation to Serve.** The Parties agree that upon PUC approval of the application(s) to transfer of the Transfer Tract from the City to the PUA, the City shall have no further obligation to provide retail water service to the Transfer Tract. If the PUC does not agree to allow the transfer of the Transfer Tract, the Parties agree to continue to discuss how best to achieve the purpose of this Agreement
4. **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, the Constitution and laws of the State of Texas.
5. **Entire Agreement.** This Agreement reflects the entire agreement and supersedes all prior and contemporaneous agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.
6. **Notice.** All Notices by the PUA to the City shall be in writing and mailed by Certified Mail, Return Receipt Requested, addressed to:

City of Austin
Attn: Director
625 E. 10th Street, Suite 800
Austin, Texas 78767

All Notices by the City to the PUA shall be in writing and mailed by Certified Mail, Return Receipt Requested, addressed to:

West Travis County Public Utility Agency
Attn: Robert Pugh, General Manager
12117 Bee Cave Rd., Bldg. 3, Ste. 120
Bee Cave, Texas 78738

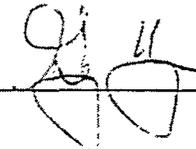
Any notice or other communication required or permitted under this Agreement shall be deemed to be delivered when delivered by United States mail, registered or certified, with return receipt requested and postage prepaid, on the date of receipt, refusal or non-delivery as indicated on the return receipt. Notice in any other manner shall be considered delivered if and when received by the other Party to be notified and acknowledged in writing by the Party to be notified. Either Party may change its address by giving written notice of such change to the other party.

7. **Successors and Assigns.** This Agreement shall bind the Parties and their legal successors, but shall not otherwise be assignable by any Party without prior written consent of the other Party, which consent shall not be unreasonably withheld. All of the respective obligations of each of the Parties shall bind that Party and shall apply to and bind any successors or assigns of that Party.
8. **Venue.** Actions taken by either Party in connection with this Agreement shall be deemed to have occurred in Travis County, Texas.
9. **Recitals.** The above recitals are true and correct and are incorporated into this Agreement for all purposes.
10. **Multiple Originals.** This Agreement may be executed in a number of counterparts, each of which shall be for all purposes deemed to be an original, and all such counterparts shall together constitute and be one and the same instrument.
11. **Authority.** The Parties represent that the individuals named below are duly authorized to execute this Agreement on behalf of their respective Party.
12. **Enforceability.** The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms, and that each Party is entering into this Agreement in reliance upon the enforceability of this Agreement.

[The remainder of this page is intentionally left blank.]

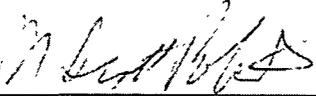
IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple copies, each of which shall constitute an original, effective on the Effective Date, on the dates set forth below:

CITY OF AUSTIN, TEXAS,
a Texas home rule municipality

By:  _____

Date: 4/26/18

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY,
a Texas public utility agency

By:  _____
Scott Roberts, President

Date: April 19, 2018

ATTEST:  _____
Ray Whisenant, Secretary

Date: April 19, 2018

Exhibit A –Transfer Tract



Land Surveyors, Inc.
8000 Anderson Square Road, Suite 101
Austin, Texas 78757
Office: 512.374.9722
Registered Firm #10015100

METES AND BOUNDS DESCRIPTION

BEING 10.734 ACRES OF LAND OUT OF THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT NUMBER 2554 AND THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT NUMBER 2520; BOTH IN TRAVIS COUNTY, TEXAS AND BEING A PORTION OF A 32.89 ACRE TRACT OF LAND CONVEYED TO JOHN C. KUHN BY INSTRUMENT OF RECORD IN VOLUME 13012, PAGE 1067 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar found for the northwest corner of said 32.89 acre tract, being the southwest corner of a 20.013 acre tract of land conveyed to George V. Launey IV and Susan Finkelstein by instrument of record in Document Number 2014121957 of the Official Public Records of Travis County, Texas and being in the east line of a 200.00 acre tract of land conveyed to the City of Austin by instrument of record in Volume 13257, Page 3045 of the Real Property Records of Travis County, Texas; from which a 1/2" rebar found for an angle point in the west line of the 32.89 acre tract, being the east line of said 200.00 acre tract bears South 06°47'07" East a distance of 89.99 feet (record: South 04°59' East a distance of 89.84 feet);

THENCE North 77°46'03" East (record: North 79°59' East), along the north line of the 32.89 acre tract and the south line of the 20.013 acre tract, passing at a distance of 698.56 feet a 1/2" rebar found in the north line of the 32.89 acre tract, being the southeast corner of the 20.013 acre tract and being the southwest corner of a 1.11 acre R.O.W. Easement Tract conveyed to John C. Kuhn by instrument of record in Document Number 2004121849 of the Official Public Records of Travis County, Texas and continue for a total distance of 702.86 feet to a calculated point for the POINT OF BEGINNING;

THENCE continue North 77°46'03" East (record: North 79°59' East), along the north line of the 32.89 acre tract, the south line of said 1.11 acre R.O.W. Easement Tract and the south line of a 2.00 acre tract of land conveyed to George V. Launey IV and Susan Finkelstein by instrument of record in Document Number 2015127974 of the Official Public Records of Travis County, Texas and along a 22.34 acre tract of land conveyed to Robert J. Menard by instrument of record in Document Number 2004054156 of the Official Public Records of Travis County, Texas a distance of 294.41 feet to a calculated point for the northeast corner of the 32.89 acre tract;

THENCE South 53°40'06" East (record: South 51°26' East), along the east line of the 32.89 acre tract and the west line of said 22.34 acre tract and the west line of a 19.9457 acre tract of land conveyed to Stephanie Renea Hogge by instrument of record in Document Number 2005068688 of the Official Public Records of Travis County, Texas a distance of 931.96 feet (record: 932.01 feet), to a 1/2" rebar found;

THENCE South 39°49'06" East (record: South 37°35' East), continuing along the east line of the 32.89 acre tract and the west line of said 19.9457 acre tract a distance of 305.42 feet (record: 305.42 feet), to a calculated point for an angle point in the east line of the 32.89 acre tract, being the northernmost northeast corner of an acre tract of land conveyed to Juanita Reading by instrument of record in Volume 3831, Page 2023 of the Deed Records of Travis County, Texas;

THENCE South 50°04'41" West (record: South 52°19' West), along the east line of the 32.89 acre tract and the north line of said 8 acre tract a distance of 289.50 feet to a calculated point; from which a 1/2" rebar found in the east line of the 32.89 acre tract and being in the north line of the 8 acre tract bears South 50°04'41" West (record: South 52°19' West) a distance of 184.50 feet;

THENCE crossing through the 32.89 acre tract the following three (3) courses:

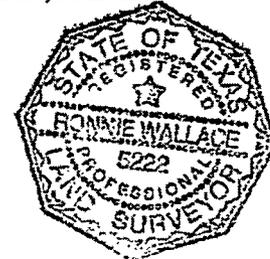
1. North 13°10'14" West a distance of 128.72 feet to a calculated point;
2. North 63°52'45" West a distance of 1072.59 feet to a calculated point;
3. North 03°36'17" West a distance of 313.19 feet to the POINT OF BEGINNING.

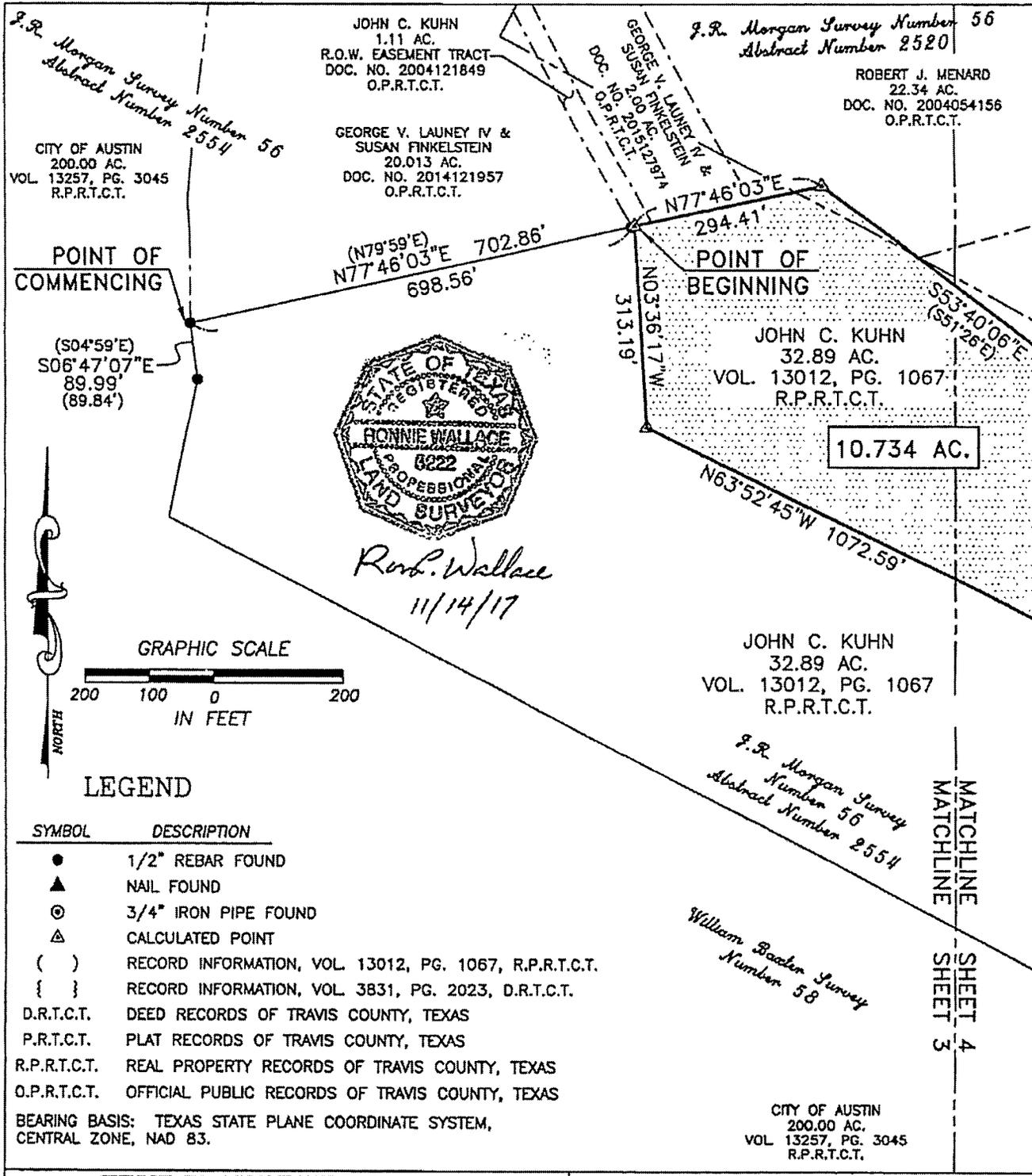
This parcel contains 10.734 acres of land, more or less, out of the J.R. Morgan Survey Number 56, Abstract Number 2554 and the J.R. Morgan Survey Number 56, abstract Number 2520; both in Travis County, Texas. Bearing Basis: Texas State Plane Coordinates, Central Zone, NAD 83.

Ronnie Wallace 11/14/17
Ronnie Wallace Date

Registered Professional Land Surveyor
State of Texas No. 5222

File: S:\Projects\Preserve at Oak Hill\Docs\F_Notes\CCN Area 10.734 Ac.doc

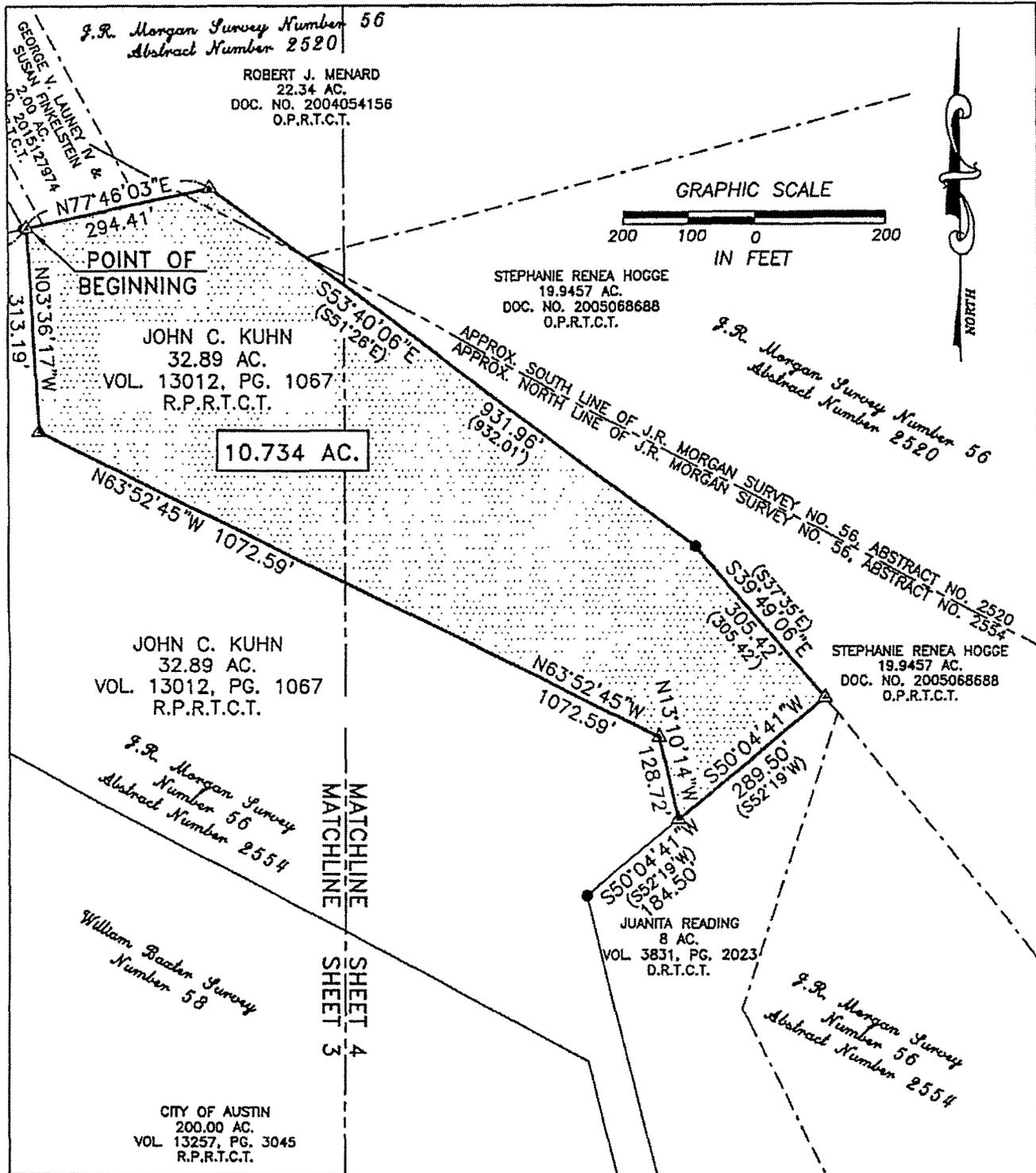




SKETCH TO ACCOMPANY FIELD NOTES OF 10.734 ACRES OF LAND OUT OF THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT NUMBER 2554 AND THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT NUMBER 2520; BOTH IN TRAVIS COUNTY, TEXAS, AND BEING A PORTION OF A 32.89 ACRE TRACT OF LAND CONVEYED TO JOHN C. KUHN BY INSTRUMENT OF RECORD IN VOLUME 13012, PAGE 1067 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS

BASELINE LAND SURVEYORS, INC.
PROFESSIONAL LAND SURVEYING SERVICES
80000 ANDERSON SQUARE RD., SUITE 101 AUSTIN, TEXAS 78757
REGISTERED FIRM #10015100
OFFICE: 512.374.9722
ron@baselinelandsurveyors.net

File: \\projects\Preserve at Oak Hill\dwg\CON Arch 10.734 AC.dwg	SHEET
Job No.	03 of 04
Scale (Hor.): 1"=200'	Scale (Vert.):
Date: 11/13/17	Checked By: BWS
	Drawn By: RLW



SKETCH TO ACCOMPANY FIELD NOTES
OF 10.734 ACRES OF LAND OUT OF THE J.R. MORGAN
SURVEY NUMBER 56, ABSTRACT NUMBER 2554 AND
THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT
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BEING A PORTION OF A 32.89 ACRE TRACT OF LAND
CONVEYED TO JOHN C. KUHN BY INSTRUMENT OF
RECORD IN VOLUME 13012, PAGE 1067 OF THE REAL
PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS

BASELINE LAND SURVEYORS, INC.
PROFESSIONAL LAND SURVEYING SERVICES
8000 ANDERSON SQUARE RD., SUITE 101 AUSTIN, TEXAS 78757
REGISTERED FIRM #10015100
OFFICE: 512.374.9722
ron@baselineandsurveyors.net

File: I:\Projects\Preserve at Oak Hill\DWG\CON Area 10.734 AC.dwg	Snapshot:
Job No.:	Scale (Hor.): 1"=200'
Date: 11/13/17	Scale (Vert.):
Checked By: BNB	Drawn By: RLW

SHEET
04 of 04



Exhibit B

Agenda and Minutes for the April 19, 2018 Regular Meeting of the Board of Directors of the
West Travis County Public Utility Agency

**WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
NOTICE OF MEETING**

TO: THE BOARD OF DIRECTORS OF THE WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of the West Travis County Public Utility Agency (“WTCPUA”) will hold its regular meeting at 10:00 a.m. on Thursday, April 19, 2018 at City of Bee Cave City Hall, 4000 Galleria Parkway, Bee Cave, Texas. The following matters will be considered and may be acted upon at the meeting.

The Consent Agenda allows the Board of Directors to approve all routine, non-controversial items with a single motion, without the need for discussion by the full Board. Any item may be removed from the Consent Agenda and considered individually upon request of a Board member.

Public comments will be accepted only during designated portions of the Board meeting. Citizens wishing to address the Board should complete the citizens’ communication form provided at the entrance to the meeting room so they may be recognized to speak. Speakers will be limited to three minutes to facilitate the opportunity to comment by all those so interested and to support the orderly flow of the meeting.

- I. CALL TO ORDER**
- II. ESTABLISH QUORUM**
- III. PUBLIC COMMENT**
- IV. CONSENT AGENDA (R. Pugh)**
 - A. Approve minutes of March 15, 2018 regular Board Meeting.**
 - B. Approve payment of outstanding invoices and other related bookkeeping matters.**
 - C. Approve Construction Inspection Services Agreement with The Bridge Group.**
 - D. Approve Change Order No. 2 in the amount of \$93,582 for CFG Industries, LLC for repairs of water tanks and appurtenances, replacement of miscellaneous items, and substitution of improved interior water tank coating system at Home Depot and County Line Pump Stations.**

- E. Approve CP and Y, Inc. Engineering Services Proposal in the amount of \$36,495 for feasibility study and modeling services to extend effluent irrigation to Bee Cave City Park.
- F. Approve Agreement with City of Austin to transfer CCN to WTCPUA for Preserve at Oak Hill.
- G. Approve Second Amendment to Parten Ranch Nonstandard Service Agreement.
- H. Approve Third Amendment to Highpointe Developer Agreement.
- I. Approve Lease Agreement with Springhollow Municipal Utility District for Parten Ranch Development.
- J. Approve Highpointe Phase 5 Section 3 Developer Reimbursement in the Amount of \$150,576.34.

V. STAFF REPORTS

- A. General Manager's Report (R. Pugh).
- B. Controller's Report (J. Smith) including:
 - 1. Review quarterly investment performance.
- C. Engineer's Report (D. Lozano/J. Coker) including:
 - 1. Capital Improvements Plan Update.
 - 2. Impact Fee Study Update.
- D. Operations Report (T. Cantu) including:
 - 1. PRV maintenance plan update.
 - 2. Elimination of annual equipment rental costs.

VI. OLD BUSINESS

- A. Discuss, consider and take action regarding pending and/or anticipated litigation, including:
 - 1. *Travis County Municipal Utility District No. 12 v. West Travis County Public Utility Agency; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-16-002274* (D. Klein).
 - 2. *William R. Holms v. West Travis County Public Utility Agency; in Travis County Court of Law #2; C-1-CV-17-003601* (S. Albright).

(These items under VI.A may be taken into Executive Session under the consultation with attorney exception).

- B. **Discuss, consider and take action on amendments to WTCPUA Service and Development Policies (D. Lozano/R. Pugh).**
(This item may be taken into Executive Session under the consultation with attorney exception).
- C. **Discuss, consider and take action on office building options for WTCPUA Administration and Customer Service operations (R. Pugh).**

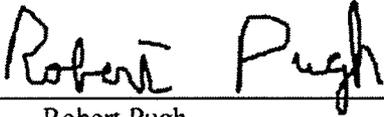
VII. NEW BUSINESS

- A. **Discuss, consider and take action on Wholesale Agreement with Deer Creek Ranch Water Company, LLC (B. Goodwin).**
(This item may be taken into Executive Session under the consultation with attorney exception).
- B. **Discuss, consider and take action regarding plat review and USFWS MOU requirements in plats by Hays County and the City of Dripping Springs (S. Roberts).**
(This item may be taken into Executive Session under the consultation with attorney exception).
- C. **Discuss, consider and take action on filling vacancy on WTCPUA Finance Committee (J. Smith).**
- D. **Discuss, consider and take action on appointment of new Vice President to WTCPUA Board (S. Roberts).**
- E. **Discuss, consider and take action on resignation of Michael Slack from Impact Fee Advisory Committee, and nominations for replacement (R. Pugh).**
- F. **Discuss, consider and take action regarding pending and/or anticipated litigation, including:**
 - 1. *John Hatchett, Sandra Hatchett and JPH Capital, LLP v. West Travis County Public Utility Agency; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-18-001654 (S. Albright).**(This item may be taken into Executive Session under the consultation with attorney exception).*
- G. **Discuss, consider and take action regarding non-payment of annual reservation fees for Nonstandard Service Agreements (NSSAs) including: (J. Smith).**

1. The Backyard Project.
2. The Terrace Project.
(This item may be taken into Executive Session under the consultation with attorney exception).

VIII. ADJOURNMENT

Dated: April 12, 2018



Robert Pugh
WTCPUA General Manager

The Board of Directors may go into Executive Session, if necessary, pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act, on any of the above matters under the following sections: Texas Government Code Ann. 551.071 – Consultation with Attorney; Texas Government Code Ann. 551.072 – Real and Personal Property; Texas Government Code Ann. 551.074 – Personnel Matters. No final action, decision, or vote will be taken on any subject or matter in Executive Session.

The West Travis County Public Utility Agency is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call Robert Pugh, General Manager at (512) 263-0100 for information.

MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF THE
WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

April 19, 2018

Present:

Scott Roberts, President
Don Walden, Vice President
Ray Whisenant, Secretary
Bill Goodwin, Assistant Secretary
Eileen Brzoska, Director

Staff and Consultants:

Robert Pugh, General Manager
Jennifer Riechers, Program Manager
Jennifer Smith, Agency Controller
Stefanie Albright, (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
David Klein, (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
Judith Coker, Agency Engineer
Trey Cantu, Agency Operations Manager
Dennis Lozano, Engineering Consultant

I. CALL TO ORDER

Director Roberts called the meeting to order at 10:00 a.m.

II. ESTABLISH QUORUM

A quorum was established. Also present were the above-referenced staff and consultants.

III. PUBLIC COMMENT

Mr. Gene Lowenthal with the HPR Scenic Corridor Coalition and HPR Matters addressed the Board. He voiced his appreciation to the PUA for the implementation of policies with strong water quality measures and stated that these organizations are supportive of the PUA on these issues. He first addressed the Deer Creek item, stating that initially it was believed that there was a "loophole" where wholesale customers were not required to follow U.S. Fish and Wildlife Service's (USFWS) Memorandum of Understanding (MOU) measures or a more stringent regional water plan. He stated that Mr. Pugh confirmed however that the original contract with the LCRA that conveyed to the PUA required water quality measures for this wholesale customer. The Hilltop Tract developer has claimed that there is a commitment to water from Deer Creek Water Company that doesn't require USFWS MOU compliance and that this will be detrimental to neighboring communities. He asked that Hilltop Manor be required to conform to the PUA's wholesale contract with Deer Creek Water Company.

Mr. Jim Koerner next addressed the Board as a member of HPR Matters. He stated that HPR Matters is very supportive of the USFWS MOU measures implemented by the PUA and stated that they are here to support the PUA in this matter. He stated that they are planning to engage their attorney to conduct additional research regarding this lawsuit and provide this information to the PUA.

Ms. Nancy Hernandez addressed the Board as a Deer Creek Water Company customer. She said she is speaking on behalf of many Deer Creek customers regarding the Hilltop Manor project. She stated that there are concerns regarding water supply and other issues about the availability and impacts of providing water from Deer Creek to this project. She stated that she attempted to contact the owner of Deer Creek Water Company but has not yet received a response. She stated that the PUA has a duty to enforce the contract provisions and show compliance with USFWS MOU measures to protect other customers and the environment.

Ms. Miriam Wright stated that she was a longtime resident and remembered when LCRA had approved the MOU and required that developers abide by these rules. She stated that the PUA has accepted enforcement authority of these rules, and she expected that the PUA would also enforce these measures.

Mr. Peter Golde next addressed the Board as a Hamilton Pool Road resident. He stated that the Board was supportive and familiar with the 2000 USFWS MOU that related to the construction of the US 290 water pipeline and future water lines on Hamilton Pool Road and Ranch Road 12. He stated that the MOU remains in effect and is binding on successors in interest. The Hamilton Pool Road and hill country community are interested in continued enforcement of these MOU measures and that developers in Rocky Creek and Belvedere committed to more stringent measures than required by the MOU when developing on Hamilton Pool Road. He stated that the community is committed to these measures, and the PUA is commended to its compliance with the MOU and hope that the PUA will continue to abide by this commitment.

Rochelle Best next spoke, stating that she lives next to the proposed Hilltop Manor development. She stated that the PUA should impose the impervious cover restrictions and MOU measures required by Deer Creek Water Company's wholesale contract. She asked that the PUA demand Deer Creek's compliance and noted that her lot already has problems relating to erosion and adding additional development without enforcing these measures could make this worse.

Christy Muse with Shield Ranch spoke, stating that Shield Ranch is the second largest tract of land in Travis County off of Hamilton Pool Road, accounting for 10% of the Barton Creek Watershed. She stated 90% of the land has been committed to conservation easements. She stated that the ranch has been involved in development issues for decades, including when the MOU and the construction of the HPR waterline were originally negotiated. She stated that the PUA's vigilance was appreciated, and that the Ranch is there to support the PUA and be a partner at the table.

Charlie Flatten with the Hill Country Alliance next addressed the Board. He stated that the Alliance supports the previous spoken comments and supports and stands by the PUA's adherence to the USFWS MOU.

Lisa Rhoden next address the Board on behalf of Scenic Corridor Coalition, voicing her support of the PUA's enforcement of the USFWS MOU provisions. She asked that the PUA continue enforcing these measures, and as a resident downstream of the proposed Provence development, asked that the PUA keep the waters clean.

Ms. Christine Jesurun next addressed the Board as a resident of Deer Creek Ranch for 16 years. She stated that there had been many hardships experienced by her and her neighbors, stating that the water company had requested rate increases on three separate occasions. She stated that her neighbors had researched the water company and found that there were issues of noncompliance that were not fully enforced. She is concerned that the Hilltop Manor will be a similar situation and hoped that this issue stops with the PUA by enforcing the wholesale agreement.

Ariel Axelrod addressed the Board as a PUA customer stating that he had lived previously on Hamilton Pool Road. He stated that his concern is fairness, and the waterline on Hamilton Pool road was built on conditions that the PUA is tasked with enforcing. He stated that he had no concerns with increased rates due to the enforcement of the MOU policies.

IV. CONSENT AGENDA

- A. Approve minutes of March 15, 2018 regular Board Meeting.
- B. Approve payment of outstanding invoices and other related bookkeeping matters.
- C. Approve Construction Inspection Services Agreement with The Bridge Group.

MOTION: A motion was made by Director Goodwin to approve the Consent Agenda Items IV.A and B, provided as Exhibits A - B. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Whisenant, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: None

Director Goodwin asked about the redlines regarding quarterly billing and stated that seemed like a long period of time. Mr. Pugh stated that based on the experience with the Bridge Group and the detail in the invoices, that quarterly would be sufficient.

MOTION: A motion was made by Director Goodwin to approve the Agreement with the Bridge Group, provided as Exhibit C. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Whisenant, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: None

- D. **Approve Change Order No. 2 in the amount of \$93,582 for CFG Industries, LLC for repairs of water tanks and appurtenances, replacement of miscellaneous items, and substitution of improved interior water tank coating system at Home Depot and County Line Pump Stations.**

Director Goodwin stated that he had asked about the reasons for the change orders but stated that follow up information confirmed the reasoning for the change order, which was tied to discovered deterioration.

MOTION: A motion was made by Director Goodwin to approve Change Order No. 2, provided as Exhibit D. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Whisenant, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: None

Director Whisenant left the meeting at 11:10 a.m.

- E. **Approve CP and Y, Inc. Engineering Services Proposal in the amount of \$36,495 for feasibility study and modeling services to extend effluent irrigation to Bee Cave City Park.**

Director Goodwin asked about this item and stated that the Backyard Development had proposed an effluent line to run through the Bee Cave City Park and provide some effluent. He asked why the PUA would duplicate this developer's efforts. Further, effluent water would be more valuable after the beneficial reuse project was implemented, and Bee Cave was not intending to pay for effluent. Director Goodwin questioned whether this proposal was timely.

Director Roberts questioned whether there may be duplication of efforts already undertaken by staff and Murfee Engineering. Director Walden confirmed that he didn't know if this was the right time to look at this proposal.

MOTION: A motion was made by Director Roberts to put this item on hold until it is determined what the Backyard Development will do. The motion was seconded by Director Walden.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

F. Approve Agreement with City of Austin to transfer CCN to WTCPUA for Preserve at Oak Hill.

Mr. Goodwin addressed this item, provided as Exhibit E. He asked about the diagram showing the parcel and asked if this was mostly in the PUA's CCN. Director Klein stated that approximately 2/3 of the parcel is in the PUA's CCN. In response to a question from Director Goodwin, Mr. Klein stated that the process is simple and costs were anticipated to be covered by the developer.

MOTION: A motion was made by Director Goodwin to approve the Agreement with the City of Austin to transfer CCN to WTCPUA for the Preserve at Oak Hill, provided as Exhibit E. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

Mr. Klein stated that the City of Austin approved this agreement as well.

G. Approve Second Amendment to Parten Ranch Nonstandard Services Agreement.

Director Goodwin asked for background on this item, provided as Exhibit F. Mr. Pugh stated that this item was to address some ambiguities regarding the original agreement and the first amendment that had not been addressed. He stated that impact fees were originally required to be prepaid at the time of final plat, and this amendment will have these fees be due at the time of acceptance of facilities. Additionally, Mr. Pugh stated that the phasing of the facilities in coordination with the CIP needed to be better coordinated to ensure provision of service and proper operation with no impacts on upstream customers.

Mr. Pugh stated that there was also an interconnect between Parten Ranch and Highpointe, and that this amendment clarified the timing that this connection would go in.

Mr. Lozano stated that Table One was originally drafted by Murfee Engineering and Director Goodwin asked what had changed. Mr. Lozano stated that Amendment No. 1 created changes that were being fixed by Amendment No. 2.

Director Goodwin confirmed that staff is using a template NSSA for developments.

MOTION: A motion was made by Director Goodwin to approve the Second Amendment to the Parten Ranch Nonstandard Services Agreement, provided as Exhibit F. The motion was seconded by Director Walden.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

In response to a question from Director Roberts, Mr. Pugh stated that the agreement requires prepayment of impact fees and confirmed that reservation fees are being paid. Ms. Smith stated that customers that pay impact fees will be paying a minimum bill as an active customer, even if a tap had not yet been set.

H. Approve Third Amendment to Highpointe Developer Agreement.

Director Goodwin addressed this item, provided as Exhibit G. Director Goodwin stated that there is an easement for the Burba property that he understood but questioned the extension of the Reservation Period. Mr. Pugh confirmed that this extends the end date of the reservation period.

MOTION: A motion was made by Director Roberts to approve the Third Amendment to the Highpointe Developer Agreement, provided as Exhibit G. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

I. Approve Lease Agreement with Springhollow Municipal Utility District for Parten Ranch Development.

Don Walden addressed this item, provided as Exhibit II. He asked this item be pulled and put on the May agenda to discuss in executive session with the attorney as this is a modified lease in comparison to other lease agreements with other customers. He stated he wanted additional information regarding the maintenance bonds, indemnification, tax compliance, and other terms as to how they may impact the PUA. He stated that in Florida the IRS went after a number of districts and took away tax exempt status, and he wants to make sure that if there are challenges relating to these bonds, or if the tax laws change, that the PUA is not liable.

MOTION: A motion was made by Director Roberts to pull this item and place on May agenda with executive session. The motion was seconded by Director Walden.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

J. Approve Highpointe Phase 5 Section 3 Developer Reimbursement in the Amount of \$150,576.34.

MOTION: A motion was made by Director Roberts to approve the Highpointe Phase 5. Section 3 Developer Reimbursement in the amount of \$150,576.34. The motion was seconded by Director Walden.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

V. STAFF REPORTS

A. General Manager's Report.

Mr. Pugh presented this item, provided as Exhibit I. He first outlined the processes that went into obtaining a reduction in Master Meter charges for meters.

Mr. Pugh next discussed the current audit process with wholesale customers, stating that the PUA had typically reviewed the customers records provided, but had never looked beyond these documents to confirm the information and the amount of impact fees being paid.

Director Roberts asked about contracts that limit the use of water, such as DSWSC, and if there are other customers taking more than the contract amount. Mr. Pugh stated that DSWSC takes a peak of 1 MGD. Director Roberts stated his concern that more water could be delivered through the meter than contractually reserved. Mr. Lozano addressed this item stating that the DSWSC meter is read daily, although more than 1 MGD could go through the meter.

Director Roberts asked if the meter flow could be restricted, to which Mr. Lozano stated that it would be difficult unless there was some type of smart meter to calculate flows. Director Roberts asked Mr. Lozano for additional information on the amount of water going through the meter.

Director Roberts asked if staff could ask Bee Cave, Drippings Springs, Hays County, and Travis County to inform the PUA when new developments are requesting plats in the PUA's service area.

The Board asked about Mr. Pugh's lunch with Pix Howell and he responded that they discussed the background of the PUA and generally became acquainted.

Director Goodwin asked about the meeting ESRI regarding GIS software, to which Mr. Pugh stated that this is exploring the possibility of bringing mapping in-house.

Director Roberts asked about Item 17, and Mr. Lozano stated that this TLAP application includes the beneficial reuse project, and that the permit amendment is in technical review at the TCEQ.

Director Roberts asked about the Bee Cave town hall meeting and how the item of the beneficial reuse program was received. Discussion ensued regarding the treatment of the beneficial reuse water, and Mr. Lozano confirmed that the new water would be sent directly to the water system.

Discussion ensued regarding the new website design.

Mr. Pugh stated that the PUA met with the City of Austin to discuss the proposed interconnect agreement, and that the relationship is cordial and the agreement is moving forward.

B. Controller's Report.

Ms. Smith presented the Sterling Capital investment report, provided as Exhibit J, regarding investments through March 31, 2018. Mr. Virani, Sterling Capital, addressed the board and stated that since December rates have moved considerably to increase rates and the portfolio is positioned accordingly.

Director Roberts asked why the term "impact fee" was used, to which Ms. Smith stated that this is to address the impact to the system of new development. Director Roberts stated that he would prefer that this be called a capital recovery fee.

Mr. Klein stated that the Texas Local Government Code refers to "impact" fees which is why it is utilized. He stated that "capital recovery fee" can be referenced in the Tariff.

Ms. Smith presented the Controller's Report, provided as Exhibit K. She stated that the PUA is on track financially.

C. Engineer's Report including:

1. **Capital Improvements Plan Update.**
2. **Impact Fee Study Update**

r. Lozano provided this report, provided as Exhibit L. He stated that the research showed strong growth of approximately 8% over the last two years. Discussions ensued regarding the projections for development. Director Roberts directed staff to reach out to wholesale customers to provide information regarding anticipated use in the land use assumptions and impact fee study.

Mr. Lozano referenced a graph that showed peak day usage compared to projections from the last land use assumptions, and then showed the proposed 2018 land use assumptions. He stated that while peak day usage shown in the land use assumptions graph has been flat, there is continuity between the LUE increase and average use, such that the definition of an LUE for average usage has not changed but that, based on his analysis, per connection peak day unit usage continues to drop. In response to a question from Director Goodwin, Mr. Lozano stated that this could be attributed to tiered rates and general social awareness of water conservation.

Mr. Pugh stated that staff was comfortable with Mr. Lozano's approach in developing the land use assumptions and projecting use.

Mr. Lozano next addressed the wastewater system land use assumptions. He stated that there is also a noted change in wastewater use to be lower than the previous projections. He stated that there has been almost 20% growth in the PUA system since the transition from the LCRA and that these numbers don't necessarily change whether or not facilities are added, but rather changes the allocations between existing needs and needs for future growth.

In response to a question from Director Goodwin, Mr. Lozano stated that the quality of the influent is typically affected by the lower flow. Discussion ensued regarding the quality and quantity of wastewater and planning for future wastewater facilities.

Director Roberts asked whether the Lake Pointe WWTP could ever be taken offline with other system improvements. Mr. Lozano stated that he would look at this possibility. Director Roberts asked if commercial flows could all be diverted to the Bohls WWTP, to which Mr. Lozano stated that it may be possible, but there are some major points of comingling that would have to be reviewed.

Director Walden stated that he has been following the Rocky Creek wastewater treatment plant, and that they found the same higher concentration than planned that Mr. Lozano referenced in the PUA system, and that this affected the Phase 2 design of the Rocky Creek facilities.

Mr. Pugh stated that the next step would be to send letters to wholesale customers asking for confirmation of LUE projections for demand, then at the next meeting present the CIP projects and costs. After this information is presented, the PUA's rate consultant would then prepare an impact fee study. The Board asked that Mr. Pugh send a proposed date for a work session at the May meeting.

Director Goodwin next addressed the engineer's report, provided as Exhibit M

At 12:14 p.m., Director Roberts announced that the Board would convene in executive session to consult with its attorney under Texas Government Code 551.071 regarding Items VI. B/VII. A; G.

At 12:47 p.m., Director Roberts announced that the Board would convene in open session and that no action had been taken.

- D. Operations Report including:**
- 1. PRV maintenance plan update.**
 - 2. Elimination of annual equipment rental costs.**

This report was provided as Exhibit N.

Director Goodwin addressed Mr. Cantu, asking about an injury sustained by an employee. Mr. Cantu stated that they are waiting for an additional update.

Mr. Pugh asked Mr. Cantu to outline the cost savings identified in the memorandum. Mr. Cantu stated that there are some lease agreements, such as the carbon vessel used to treat odors, that were addressed to reduce costs. He stated that the cost for the carbon vessel was mitigated by purchasing the system versus leasing it, and the return on the investment is anticipated in less than a year. Similar changes were made regarding the frac tank.

VI. OLD BUSINESS

- A. Discuss, consider and take action regarding pending and/or anticipated litigation, including:**
- 1. Travis County Municipal Utility District No. 12 v. West Travis County Public Utility Agency; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-16-002274.**

At 10:03 a.m., Director Roberts announced that the Board would convene in executive session to consult with its attorney under Texas Government Code 551.071 regarding Item VI. A. and VII. F/1.

At 10:27 a.m., Director Roberts announced that the Board would convene in open session and that no action had been taken.

- 2. Williams R. Holms v. West Travis County Public Utility Agency; in Travis County Court of Law #2; C-1-CV-17-003601**

This item was discussed in executive session.

- B. Discuss, consider and take action on amendments to WTCPUA Service and Development Policies.**

This item was discussed in executive session.

- C. Discuss, consider and take action on office building options for WTCPUA Administration and Customer Service operations.**

Mr. Pugh presented on this item, providing a status memo as Exhibit O. He stated that the Galleria Oaks property was considered to be the best fit for future office space. Mr. Pugh went through the

list of items negotiated as a component of the lease agreement. He stated that the building is on Bee Cave Parkway just before 620.

Mr. Pugh asked for authorization to approve the included agreement and to execute a formal lease agreement.

MOTION: A motion was made by Director Goodwin to approve the agreement and authorization to execute a formal lease agreement. The motion was seconded by Director Walden.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

Director Walden asked that Mr. Pugh see if there could be an option to go beyond 5 years, and potentially seek a 7-year lease with the option to go 2 years beyond the initial 7 years.

VII. NEW BUSINESS

A. Discuss, consider and take action on Wholesale Agreement with Deer Creek Ranch Water Company, LLC.

Director Goodwin asked whether the Hilltop Manor plat had been approved by Travis County. Mr. Lowenthal stated that there is a two-step process where the replat would be approved, and then later the site plan. He stated that neither had been approved by Travis County at this point. He stated that he would like a resolution from the Board supporting implementation of MOU measures.

Director Roberts stated that he was already asking the Board to authorize sending a letter to Hays County/City of Dripping Springs about including plat notes relating to USFWS MOU compliance.

MOTION: A motion was made by Director Roberts for Staff to contact Travis County to notify Hays County that Deer Creek Water Company must comply with the USFWS MOU, and that plans submitted be reviewed under these standards, and further directed Staff to draft letter to Dripping Springs, Travis County, Hays County, and Bee Cave, asking that all future plats include a plat note requiring compliance with the MOU, and that such letter be brought to the Board at the next meeting for approval. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

Mr. Goodwin asked whether there were other enforcement measures available, and Ms. Albright mentioned that the Public Utility Commission has jurisdiction over the Deer Creek Water Utility.

Director Walden stated that the plat note has enforcement jurisdiction from the different entities approving and stated that there can be multiple notes regarding this compliance issue that can assist with enforcement.

Director Roberts asked that Director Walden work with staff on this issue.

- B. Discuss, consider and take action regarding plat review and USFWS MOU requirements in plats by Hays County and the City of Dripping Springs.**

This item was discussed in executive session.

- C. Discuss, consider and take action on filling vacancy on WTCPUA Finance Committee.**

Ms. Smith presented this item, stating that currently Director Walden is the only member on the committee.

MOTION: A motion was made by Director Roberts to appoint Director Whisenant. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

- D. Discuss, consider and take action on appointment of new Vice President to WTCPUA Board.**

MOTION: A motion was made by Director Goodwin to appoint Director Walden as Vice President. The motion was seconded by Director Roberts.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, and Brzoska
Voting Nay: None
Absent: Director Whisenant
Abstain: Director Walden

- E. Discuss, consider and take action on resignation of Michael Slack from Impact Fee Advisory Committee, and nominations for replacement.**

Mr. Pugh stated that Mr. Slack was a developer member and asked for input and direction regarding a new developer appointee.

Director Walden stated it would be good to find a director on the 290 System. Director Roberts stated that he would touch base with staff regarding recommendations.

F. Discuss, consider and take action regarding pending and/or anticipated litigation, including:

1. *John Hatchett, Sandra Hatchett and JPH Capital, LLP v. West Travis County Public Utility Agency; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-18-001654.*

This item was discussed in executive session.

G. Discuss, consider and take action regarding non-payment of annual reservation fees for Nonstandard Service Agreements (NSSAs) including:

1. The Backyard Project
2. The Terrace Project.

Director Goodwin confirmed that there are two notices of default, one for each project referenced on the agenda, adding up to approximately \$380,000 that was due in December 2017. Director Goodwin confirmed with Ms. Smith that the PUA is not obligated to invoice for reservation fees, to which Ms. Smith confirmed that the developer is obligated to pay the reservation fees. She stated that the reservation fees were due December 16, and that 30 days was allowed for payment. She stated that a reminder and a past due notice were sent to Chris Milam and his attorney Steve Metcalfe, to the contact information provided in the NSSA. Ms. Smith stated both invoices sent to Chris Milam were returned due to finding out later that the email address in the NSSA being incorrect, but the attorney did receive the invoicing.

Director Roberts confirmed that Ms. Smith has the correct information, and that a follow up billing invoice was sent and received.

Director Goodwin referenced a notice of default, provided as Exhibit P, which includes a statement that the reservation be paid by May 11, 2018.

MOTION: A motion was made by Director Roberts to send termination letter if payment not received by May 11, 2018. The motion was seconded by Director Walden.

The vote was taken with the following result:

Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

VIII. ADJOURNMENT

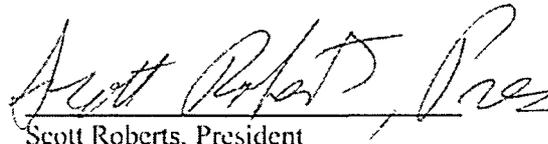
MOTION: A motion was made by Director Roberts to adjourn. The motion was seconded by Director Goodwin.

The vote was taken with the following result:

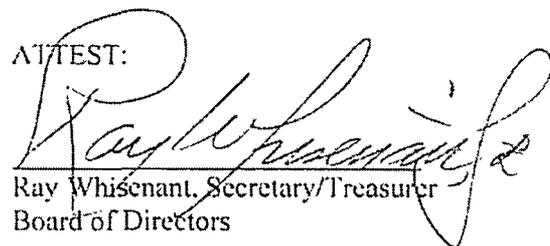
Voting Aye: Directors Roberts, Goodwin, Walden, and Brzoska
Voting Nay: None
Absent: Director Whisenant

The meeting adjourned at 1:58 p.m.

PASSED AND APPROVED this 11th day of May, 2018.



Scott Roberts, President
Board of Directors

ATTEST:


Ray Whisenant, Secretary/Treasurer
Board of Directors

EXHIBIT E

WATER SERVICE AREA TRANSFER AGREEMENT

This WATER SERVICE AREA TRANSFER AGREEMENT (the "*Agreement*") is made and entered into by and between the City of Austin ("*City*") a home rule municipality organized and existing under the laws of the State of Texas, and the West Travis County Public Utility Agency (the "*PUA*"), a public utility agency organized under Texas Local Government Code, Chapter 572 (the City and PUA are each, a "*Party*", and are collectively, the "*Parties*"), effective on _____, 2018 (the "*Effective Date*").

RECITALS

WHEREAS, City is the holder of water certificate of convenience and necessity ("*CCN*") No. 11322, the boundaries of which are within Travis, Hays and Williamson Counties, Texas;

WHEREAS, the PUA is the holder of water CCN No. 13207, the boundaries of which are within Travis and Hays Counties, Texas;

WHEREAS, Texas Water Code ("*TWC*") § 13.248 authorizes contracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the Public Utility Commission ("*PUC*") after public notice and hearing;

WHEREAS, the City's and PUA's water CCN boundaries are adjacent to each other in certain locations;

WHEREAS, John C. Kuhn, individually, is the owner of a 10.734 acre tract of land ("*Transfer Tract*"), more specifically depicted in Exhibit A, attached hereto and incorporated herein for all purposes, which is located partially within the water CCN of the City and partially within the water CCN of the PUA;

WHEREAS, the Parties desire that the City transfer the portion of its water CCN that overlaps with the Transfer Tract to the PUA's water CCN;

WHEREAS, the City and each District have determined that they are each authorized to enter into this Agreement pursuant to Chapter 791, Texas Government Code.

NOW THEREFORE, for the good and valuable consideration contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. **Purpose**. This Agreement shall be a "contract" designating areas and customers to be served by the Parties in accordance with TWC § 13.248.
2. **Transfer of the CCN Transfer Area**. The City transfers and conveys to the PUA, and the PUA accepts from the City, the portion of the City's water CCN No. 11322 that

overlaps with the Transfer Tract; and the Parties hereby agree to the modification of the boundaries of their water CCNs, accordingly. The PUA agrees to take all necessary steps and pay all costs to prepare, file, and advance an application(s) at the PUC to transfer such water CCN boundaries from the City's water to the PUA's water CCN. The City agrees to cooperate with the PUA in advancing such application(s), should the need arise.

3. **No Continuing Obligation to Serve.** The Parties agree that upon PUC approval of the application(s) to transfer of the Transfer Tract from the City to the PUA, the City shall have no further obligation to provide retail water service to the Transfer Tract. If the PUC does not agree to allow the transfer of the Transfer Tract, the Parties agree to continue to discuss how best to achieve the purpose of this Agreement
4. **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, the Constitution and laws of the State of Texas.
5. **Entire Agreement.** This Agreement reflects the entire agreement and supersedes all prior and contemporaneous agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.
6. **Notice.** All Notices by the PUA to the City shall be in writing and mailed by Certified Mail, Return Receipt Requested, addressed to:

City of Austin
Attn: Director
625 E. 10th Street, Suite 800
Austin, Texas 78767

All Notices by the City to the PUA shall be in writing and mailed by Certified Mail, Return Receipt Requested, addressed to:

West Travis County Public Utility Agency
Attn: Robert Pugh, General Manager
12117 Bee Cave Rd., Bldg. 3, Ste. 120
Bee Cave, Texas 78738

Any notice or other communication required or permitted under this Agreement shall be deemed to be delivered when delivered by United States mail, registered or certified, with return receipt requested and postage prepaid, on the date of receipt, refusal or non-delivery as indicated on the return receipt. Notice in any other manner shall be considered delivered if and when received by the other Party to be notified and acknowledged in writing by the Party to be notified. Either Party may change its address by giving written notice of such change to the other party.

7. **Successors and Assigns.** This Agreement shall bind the Parties and their legal successors, but shall not otherwise be assignable by any Party without prior written consent of the other Party, which consent shall not be unreasonably withheld. All of the respective obligations

of each of the Parties shall bind that Party and shall apply to and bind any successors or assigns of that Party.

8. **Venue.** Actions taken by either Party in connection with this Agreement shall be deemed to have occurred in Travis County, Texas.
9. **Recitals.** The above recitals are true and correct and are incorporated into this Agreement for all purposes.
10. **Multiple Originals.** This Agreement may be executed in a number of counterparts, each of which shall be for all purposes deemed to be an original, and all such counterparts shall together constitute and be one and the same instrument.
11. **Authority.** The Parties represent that the individuals named below are duly authorized to execute this Agreement on behalf of their respective Party.
12. **Enforceability.** The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms, and that each Party is entering into this Agreement in reliance upon the enforceability of this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple copies, each of which shall constitute an original, effective on the Effective Date, on the dates set forth below:

CITY OF AUSTIN, TEXAS,
a Texas home rule municipality

By: _____

Date: _____

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY,
a Texas public utility agency

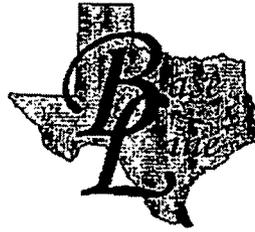
By: _____
Scott Roberts, President

Date: _____

ATTEST: _____
Ray Whisenant, Secretary

Date: _____

Exhibit A – Transfer Tract



Land Surveyors, Inc.
8000 Anderson Square Road, Suite 101
Austin, Texas 78757
Office: 512.374.9722
Registered Firm #10015100

METES AND BOUNDS DESCRIPTION

BEING 10.734 ACRES OF LAND OUT OF THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT NUMBER 2554 AND THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT NUMBER 2520; BOTH IN TRAVIS COUNTY, TEXAS AND BEING A PORTION OF A 32.89 ACRE TRACT OF LAND CONVEYED TO JOHN C. KUHN BY INSTRUMENT OF RECORD IN VOLUME 13012, PAGE 1067 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2" rebar found for the northwest corner of said 32.89 acre tract, being the southwest corner of a 20.013 acre tract of land conveyed to George V. Launey IV and Susan Finkelstein by instrument of record in Document Number 2014121957 of the Official Public Records of Travis County, Texas and being in the east line of a 200.00 acre tract of land conveyed to the City of Austin by instrument of record in Volume 13257, Page 3045 of the Real Property Records of Travis County, Texas; from which a 1/2" rebar found for an angle point in the west line of the 32.89 acre tract, being the east line of said 200.00 acre tract bears South 06°47'07" East a distance of 89.99 feet (record: South 04°59' East a distance of 89.84 feet);

THENCE North 77°46'03" East (record: North 79°59' East), along the north line of the 32.89 acre tract and the south line of the 20.013 acre tract, passing at a distance of 698.56 feet a 1/2" rebar found in the north line of the 32.89 acre tract, being the southeast corner of the 20.013 acre tract and being the southwest corner of a 1.11 acre R.O.W. Easement Tract conveyed to John C. Kuhn by instrument of record in Document Number 2004121849 of the Official Public Records of Travis County, Texas and continue for a total distance of 702.86 feet to a calculated point for the POINT OF BEGINNING;

THENCE continue North 77°46'03" East (record: North 79°59' East), along the north line of the 32.89 acre tract, the south line of said 1.11 acre R.O.W. Easement Tract and the south line of a 2.00 acre tract of land conveyed to George V. Launey IV and Susan Finkelstein by instrument of record in Document Number 2015127974 of the Official Public Records of Travis County, Texas and along a 22.34 acre tract of land conveyed to Robert J. Menard by instrument of record in Document Number 2004054156 of the Official Public Records of Travis County, Texas a distance of 294.41 feet to a calculated point for the northeast corner of the 32.89 acre tract;

THENCE South 53°40'06" East (record: South 51°26' East), along the east line of the 32.89 acre tract and the west line of said 22.34 acre tract and the west line of a 19.9457 acre tract of land conveyed to Stephanie Renea Hogge by instrument of record in Document Number 2005068688 of the Official Public Records of Travis County, Texas a distance of 931.96 feet (record: 932.01 feet), to a 1/2" rebar found;

THENCE South 39°49'06" East (record: South 37°35' East), continuing along the east line of the 32.89 acre tract and the west line of said 19.9457 acre tract a distance of 305.42 feet (record: 305.42 feet), to a calculated point for an angle point in the east line of the 32.89 acre tract, being the northernmost northeast corner of an acre tract of land conveyed to Juanita Reading by instrument of record in Volume 3831, Page 2023 of the Deed Records of Travis County, Texas;

THENCE South 50°04'41" West (record: South 52°19' West), along the east line of the 32.89 acre tract and the north line of said 8 acre tract a distance of 289.50 feet to a calculated point; from which a 1/2" rebar found in the east line of the 32.89 acre tract and being in the north line of the 8 acre tract bears South 50°04'41" West (record: South 52°19' West) a distance of 184.50 feet;

THENCE crossing through the 32.89 acre tract the following three (3) courses:

1. North 13°10'14" West a distance of 128.72 feet to a calculated point;
2. North 63°52'45" West a distance of 1072.59 feet to a calculated point;
3. North 03°36'17" West a distance of 313.19 feet to the POINT OF BEGINNING.

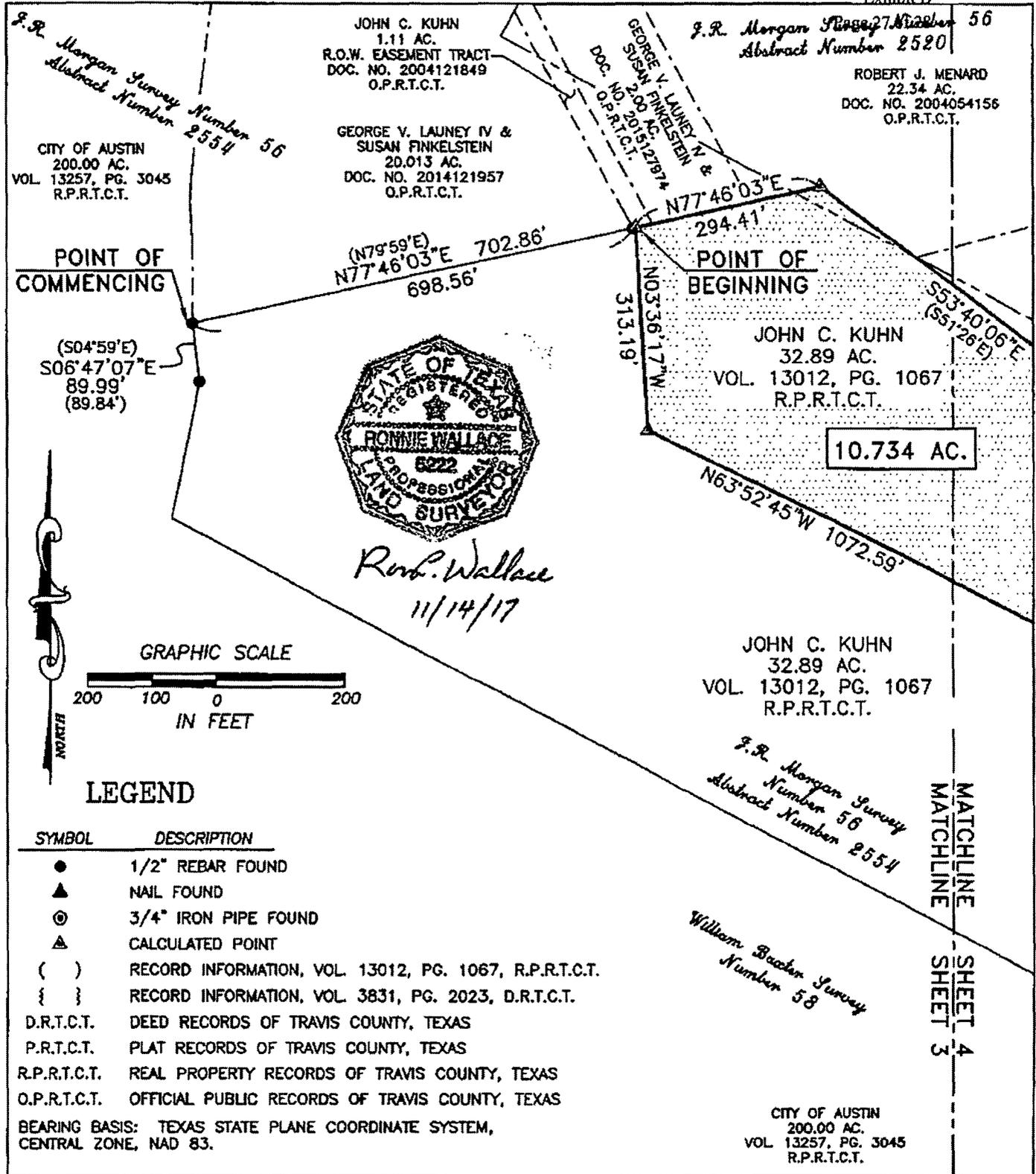
This parcel contains 10.734 acres of land, more or less, out of the J.R. Morgan Survey Number 56, Abstract Number 2554 and the J.R. Morgan Survey Number 56, abstract Number 2520; both in Travis County, Texas. Bearing Basis: Texas State Plane Coordinates, Central Zone, NAD 83.

Ronnie Wallace 11/14/17
Ronnie Wallace Date

Registered Professional Land Surveyor
State of Texas No. 5222

File: S:\Projects\Preserve at Oak Hill\Docs\F_Notes\CCN Area 10.734 Ac.doc





SKETCH TO ACCOMPANY FIELD NOTES
OF 10.734 ACRES OF LAND OUT OF THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT NUMBER 2554 AND THE J.R. MORGAN SURVEY NUMBER 56, ABSTRACT NUMBER 2520; BOTH IN TRAVIS COUNTY, TEXAS, AND BEING A PORTION OF A 32.89 ACRE TRACT OF LAND CONVEYED TO JOHN C. KUHN BY INSTRUMENT OF RECORD IN VOLUME 13012, PAGE 1067 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS

BASILINE LAND SURVEYORS, INC.
PROFESSIONAL LAND SURVEYING SERVICES
8000 ANDERSON SQUARE RD., SUITE 101 AUSTIN, TEXAS 78757
REGISTERED FIRM # 10015100
OFFICE: 512.374.9722
ron@basilinelandsurveyors.net

File: Projects\Preserve of Oak Hill\DWG\OCT Area 10.734 Ac.dwg	Shapefile:
Job No.	Scale (Hor.): 1"=300'
Date: 11/13/17	Checked By: BWH
Drawn By: RLW	

SHEET
03 of 04

Exhibit C
“Affidavit of Notice”

APPLICATION OF THE WEST
TRAVIS COUNTY PUBLIC
UTILITY AGENCY AND THE
CITY OF AUSTIN, TEXAS FOR
APPROVAL OF SERVICE AREA
CONTRACT UNDER TEXAS
WATER CODE § 13.248 AND TO
AMEND CERTIFICATES OF
CONVENIENCE AND NECESSITY
IN TRAVIS COUNTY

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§

BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS

AFFIDAVIT OF ROBERT PUGH

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

On this day, Robert Pugh, appeared before me, the undersigned notary public, and after I administered an oath to him, upon his oath, he said:

“My name is Robert Pugh. I am the General Manager of the West Travis County Public Utility Agency (the “PUA”). I am more than 21 years of age and capable of making this affidavit (“Affidavit”). I have personal knowledge of the facts stated herein, which are true and correct.

1. On April 26, 2018, the PUA and the City of Austin, Texas (the “City”) (the PUA and City are each, a “Petitioner,” and are collectively, the “Petitioners”) entered into a certain “Water Service Area Transfer Agreement” (the “Contract”), pursuant to Texas Water Code § 13.248 and 16 Texas Administrative Code § 24.117, designating water service areas and customers to be served by each Petitioner, and transferring a portion of the City’s water certificate of convenience and necessity (“CCN”) No. 11322 to the PUA’s water CCN No. 13207.

Attachment 1

Notice of the Thursday, April 19, 2018 Regular Meeting of the Board of Directors of the West
Travis County Public Utility Agency

**WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
NOTICE OF MEETING**

TO: THE BOARD OF DIRECTORS OF THE WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of the West Travis County Public Utility Agency ("WTCPUA") will hold its regular meeting at 10:00 a.m. on Thursday, April 19, 2018 at City of Bee Cave City Hall, 4000 Galleria Parkway, Bee Cave, Texas. The following matters will be considered and may be acted upon at the meeting.

The Consent Agenda allows the Board of Directors to approve all routine, non-controversial items with a single motion, without the need for discussion by the full Board. Any item may be removed from the Consent Agenda and considered individually upon request of a Board member.

Public comments will be accepted only during designated portions of the Board meeting. Citizens wishing to address the Board should complete the citizens' communication form provided at the entrance to the meeting room so they may be recognized to speak. Speakers will be limited to three minutes to facilitate the opportunity to comment by all those so interested and to support the orderly flow of the meeting.

- I. CALL TO ORDER**
- II. ESTABLISH QUORUM**
- III. PUBLIC COMMENT**
- IV. CONSENT AGENDA (R. Pugh)**
 - A. Approve minutes of March 15, 2018 regular Board Meeting.**
 - B. Approve payment of outstanding invoices and other related bookkeeping matters.**
 - C. Approve Construction Inspection Services Agreement with The Bridge Group.**
 - D. Approve Change Order No. 2 in the amount of \$93,582 for CFG Industries, LLC for repairs of water tanks and appurtenances, replacement of miscellaneous items, and substitution of improved interior water tank coating system at Home Depot and County Line Pump Stations.**

- E. Approve CP and Y, Inc. Engineering Services Proposal in the amount of \$36,495 for feasibility study and modeling services to extend effluent irrigation to Bee Cave City Park.
- F. Approve Agreement with City of Austin to transfer CCN to WTCPUA for Preserve at Oak Hill.
- G. Approve Second Amendment to Parten Ranch Nonstandard Service Agreement.
- H. Approve Third Amendment to Highpointe Developer Agreement.
- I. Approve Lease Agreement with Springhollow Municipal Utility District for Parten Ranch Development.
- J. Approve Highpointe Phase 5 Section 3 Developer Reimbursement in the Amount of \$150,576.34.

V. STAFF REPORTS

- A. General Manager's Report (R. Pugh).
- B. Controller's Report (J. Smith) including:
 - 1. Review quarterly investment performance.
- C. Engineer's Report (D. Lozano/J. Coker) including:
 - 1. Capital Improvements Plan Update.
 - 2. Impact Fee Study Update.
- D. Operations Report (T. Cantu) including:
 - 1. PRV maintenance plan update.
 - 2. Elimination of annual equipment rental costs.

VI. OLD BUSINESS

- A. Discuss, consider and take action regarding pending and/or anticipated litigation, including:
 - 1. *Travis County Municipal Utility District No. 12 v. West Travis County Public Utility Agency; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-16-002274 (D. Klein).*
 - 2. *William R. Holms v. West Travis County Public Utility Agency; in Travis County Court of Law #2; C-1-CV-17-003601 (S. Albright).*

(These items under VI.A may be taken into Executive Session under the consultation with attorney exception).

- B. **Discuss, consider and take action on amendments to WTCPUA Service and Development Policies (D. Lozano/R. Pugh).**
(This item may be taken into Executive Session under the consultation with attorney exception).
- C. **Discuss, consider and take action on office building options for WTCPUA Administration and Customer Service operations (R. Pugh).**

VII. NEW BUSINESS

- A. **Discuss, consider and take action on Wholesale Agreement with Deer Creek Ranch Water Company, LLC (B. Goodwin).**
(This item may be taken into Executive Session under the consultation with attorney exception).
- B. **Discuss, consider and take action regarding plat review and USFWS MOU requirements in plats by Hays County and the City of Dripping Springs (S. Roberts).**
(This item may be taken into Executive Session under the consultation with attorney exception).
- C. **Discuss, consider and take action on filling vacancy on WTCPUA Finance Committee (J. Smith).**
- D. **Discuss, consider and take action on appointment of new Vice President to WTCPUA Board (S. Roberts).**
- E. **Discuss, consider and take action on resignation of Michael Slack from Impact Fee Advisory Committee, and nominations for replacement (R. Pugh).**
- F. **Discuss, consider and take action regarding pending and/or anticipated litigation, including:**
 - 1. *John Hatchett, Sandra Hatchett and JPH Capital, LLP v. West Travis County Public Utility Agency; in the 201st Judicial District Court, Travis County, Texas; Cause No. D-1-GN-18-001654 (S. Albright).*
(This item may be taken into Executive Session under the consultation with attorney exception).
- G. **Discuss, consider and take action regarding non-payment of annual reservation fees for Nonstandard Service Agreements (NSSAs) including: (J. Smith).**

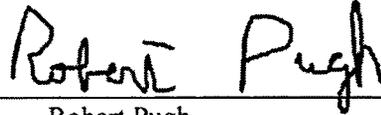
1. The Backyard Project.

2. The Terrace Project.

(This item may be taken into Executive Session under the consultation with attorney exception).

VIII. ADJOURNMENT

Dated: April 12, 2018



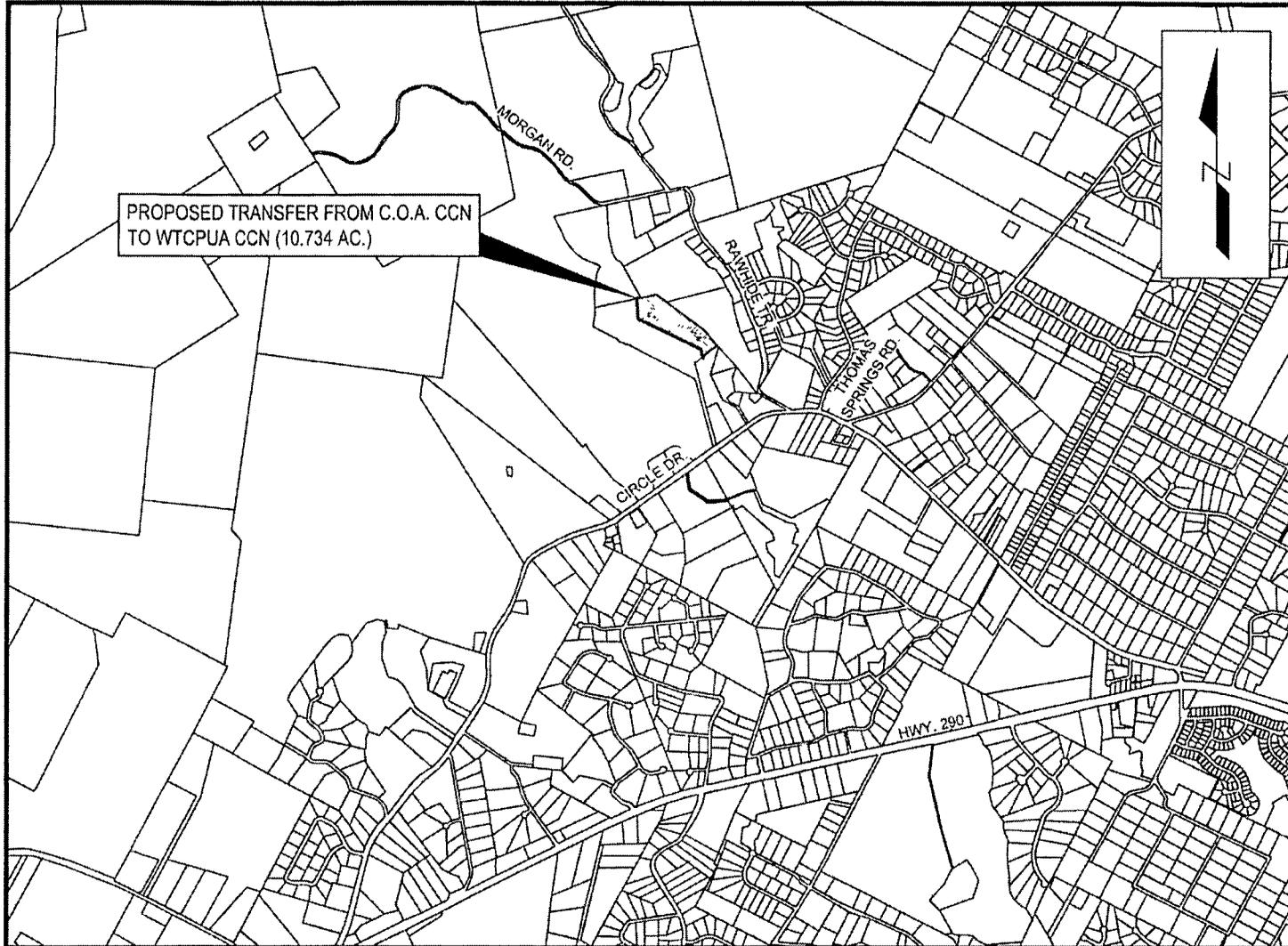
Robert Pugh
WTCPUA General Manager

The Board of Directors may go into Executive Session, if necessary, pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act, on any of the above matters under the following sections: Texas Government Code Ann. 551.071 – Consultation with Attorney; Texas Government Code Ann. 551.072 – Real and Personal Property; Texas Government Code Ann. 551.074 – Personnel Matters. No final action, decision, or vote will be taken on any subject or matter in Executive Session.

The West Travis County Public Utility Agency is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call Robert Pugh, General Manager at (512) 263-0100 for information.

Exhibit D
Mapping Information for the “Transfer Area”

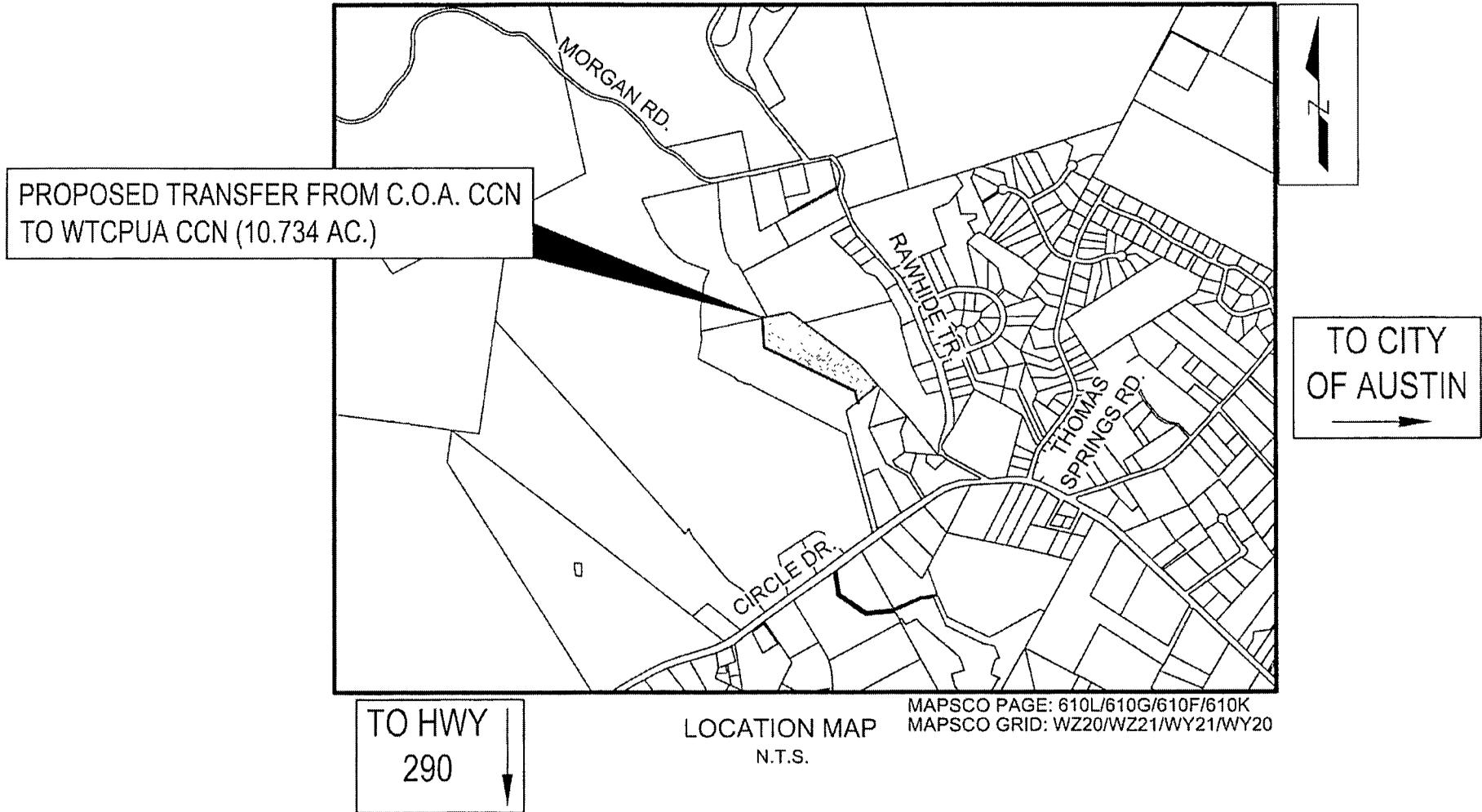


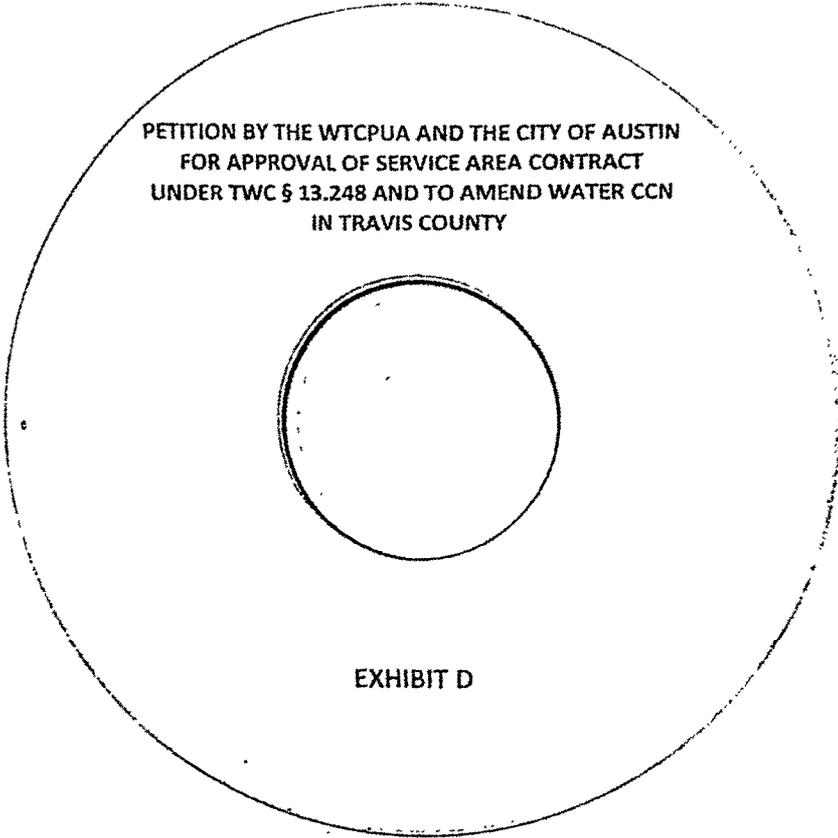


TO CITY
OF AUSTIN
→

LOCATION MAP
N.T.S.

MAPSCO PAGE: 610L/610G/610F/610K
MAPSCO GRID: WZ20/WZ21/WY21/WY20





PETITION BY THE WTCPUA AND THE CITY OF AUSTIN
FOR APPROVAL OF SERVICE AREA CONTRACT
UNDER TWC § 13.248 AND TO AMEND WATER CCN
IN TRAVIS COUNTY

EXHIBIT D