

**SEPTEMBER 11, 2017 MINUTES  
MEETING OF THE BOARD OF DIRECTORS OF  
TRAVIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 18**

A regular meeting of the Board of Directors of Travis County Water Control and Improvement District No. 18 was held on the 11<sup>TH</sup> Day of September 2017, beginning at 7:30 p.m. at the District's administrative office located at 1502 San Juan Drive, Austin, Texas. Notices of the time, place and the subject of the meeting, and the actions to be taken at the meeting, were posted at the places and for the time required by the laws of the State of Texas.

Agenda Item 1: Call to order

The meeting was called to order at 7:32 p.m. with the following directors present: President Paul Despres, Vice-President Kim Kaufman, Secretary Jennifer Sullivan and Assistant Secretary Ashley Troy. Also present were Anthony Corbett, legal counsel for the District; Alexia Kolmodin, District Bookkeeper; Robby Callegari of CMA Engineering (District Engineer); Mike Morin of Crossroads Utility Services, LLC; and members of the public.

Agenda Item 1: Public Comment

A resident expressed concerns regarding the water treatment plant pumps and whether the former operator could be held legally responsible for the District's repair costs. Mr. Morin responded that the problems were not caused by the prior operator.

Another resident asked questions regarding annexation of property into the District. The Board provided information in response to the questions.

Agenda Item 2: Approval of August 14, 2017 Meeting Minutes

After discussion, Director Despres moved that the Board approve the draft August 14, 2017 meeting minutes as presented provided they are amended to clarify that Director Troy seconded the motion to adjourn the meeting. Director Kaufman seconded the motion, which carried unanimously (4-0).

Agenda Item 3: Bookkeepers Report

Alexia Kolmodin presented the monthly Bookkeepers Report. After discussion, Director Sullivan moved that the Board approve the payment of bills and invoices as paid as presented in the Supplemental Bookkeepers Report. Director Despres seconded the motion, which carried unanimously.

Agenda Item 4: Public Hearing Regarding 2017 Tax Rates

At 7:58 p.m., the Board convened a public hearing regarding adoption of tax rates for the 2017 tax year. The Board closed the public hearing at 8:00 p.m.

Agenda Item 5: Resolution Approving Budget for Fiscal Year 2018

The Bookkeeper presented a draft Budget for the 2017-2018 Fiscal Year. The Board discussed the District's tax rate at length. In particular, the Board discussed whether the tax rate should be established at a rate sufficient to fund all operation costs, or whether to utilize existing fund balances to fund a portion of the costs. After discussion, Director Sullivan moved that the Board adopt a Resolution approving the 2017-2018 Fiscal Year Budget at presented (which reflected revenues based on an \$0.0855 tax rate). Director Kaufman seconded the motion, which carried unanimously. A copy of the Resolution and Budget approved by the Board is attached to these meeting minutes.

Agenda Item 6: Order Levying Maintenance Tax for 2017

Director Troy moved that the Board adopt an order levying a final maintenance tax rate of \$0.0855 per \$100 assessed valuation for the 2017 tax year. The motion was seconded by Director Kaufman and carried unanimously.

Agenda Item 7: Utility Operator's Report Regarding Water Service Operations

Mr. Morin presented his monthly report regarding water system repairs and operations. Among other matters, he summarized repairs undertaken by Crossroads during the preceding monthly period; he noted water pump electrical issues at the District's intake structure; and he reported that the District's control system is obsolete. Mr. Morin presented monthly water production and operational data. He reported that recent billing data indicated that the prior operator estimated customer usage for some customer accounts instead of reading meters. Mr. Morin also summarized customer billing adjustments made during the preceding monthly period.

Mr. Morin noted that the instantaneous water quality testing undertaken by his firm indicates that the level of TTHMs is below the applicable maximum contaminant level, but it was not yet clear whether the running annual average would fall below the threshold.

The Board directed Mr. Morin to proceed with installation of the sound amplification system for the District's office previously approved by the Board. The Board also directed him to secure proposals for installation of a new carpet for the administrative office. Finally, the Board directed him to discontinue the purchase of bottled water.

Agenda Item 8: Water Quality Testing and Compliance Matters

Mr. Morin discussed this matter during his operations report so the Board tabled further consideration of the matter.

Agenda Item 9: Lease Agreement for District Telephones

Mr. Morin presented a draft rental agreement for District telephones previously installed. After discussion, Director Despres moved that the Board approve the lease provided it is revised

to address the concerns raised by legal counsel. Director Sullivan seconded the motion, which carried unanimously.

Agenda Item 10: District Participation in Texas Municipal League

The Board discussed the schedule of District assets set forth in the Texas Municipal League (TML) Application for renewal of the District's risk pool coverage. After discussion, Director Despres moved to approve renewal of the District's risk pool coverage. Director Troy seconded the motion, which carried unanimously.

Agenda Item 11: Rental of Property at 2302 San Juan Drive

Director Despres reported that Mr. Anderson had executed the Second Amendment to Lease Agreement previously approved by the Board of Directors. He also reported that Mr. Anderson had constructed fencing and gate improvements without prior authorization of the District. After discussion, the Board directed Mr. Corbett to advise the tenant that no further improvements may be undertaken without prior approval of the District.

Agenda Item 13: Status Report Regarding Pending Engineering Projects

- (a) Lipan Trail Waterline Extension. Mr. Callegari asked for direction regarding the possible Lipan Trail waterline extension project. The Board asked him to put the project on hold.
- (b) Baker Easement- Mr. Callegari reported that the waterline had been staked and that surveying may now proceed.
- (c) Emergency Generators- Mr. Callegari recommended that the Board not proceed with the installation of new generators at this time based on historical electricity outage data.
- (d) Water Treatment Plant Site Plan- Mr. Callegari reported that he was working with legal counsel on seeking a variance from City of Austin impervious cover requirements for the water treatment plant site.
- (e) System Modeling- Mr. Callegari reported that some waterlines need to be field verified before the modeling may commence.

Agenda Item 12: Proposal by CMA Engineering for Development of a Water System Model

Felix Manka presented a proposal for preparation of a water system model. After discussion, the Board tabled consideration of the proposal until the Board's subsequent meeting.

Agenda Item 14: Possible Annexation of Out-of-District Customers

Mr. Morin reported that he had sent notice letters to out-of-District customers regarding the option to annex property to secure in-District retail water rates. The Board took no action on the matter.

Agenda Items 15 and 16: Rate Order and Rules Governing Water Service

Mr. Morin presented proposed revisions to the District's Rate Order and Rules Governing Water Service. After discussion, Director Sullivan moved that the Board approve the proposed revisions to the District's Rate Order and Rules Governing Water Service as presented, with the following exceptions: (i) the District would still provide door hangers to customers prior to termination of service; and (ii) the District would continue to refund service deposits to customers but deposits would be required for all new service connections. Director Kaufman seconded the motion, which carried unanimously.

Agenda Item 17: Resignation of Director Bob Breihan

The Board tabled consideration of this item after it was noted that Director Breihan had not submitted his resignation.

Agenda Item 18: Adjournment

At 11:04 p.m., Director Sullivan moved to adjourn the meeting. The motion was seconded by Director Kaufman and passed unanimously. The meeting adjourned at 11:04 p.m.

  
Secretary

Date: 10/23/17