

**AUGUST 14, 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 14th day of August 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 and Secretary Jennifer Sullivan. Assistant Secretary Ashley Troy arrived at 7:33 p.m. Also present were Anthony Corbett, legal counsel for the District; Taylor Kolmodin, District Bookkeeper; Robby Callegari of CMA Engineering (District Engineer); Mike Morin of Crossroads Utility Services, LLC, along with members of the public.

Agenda Item 1: Public Comment

A resident expressed concern regarding a high water bill. The Board requested the resident to speak to the General Manager about the matter after noting that the General Manager has the authority to grant leak adjustments.

Another resident expressed concerns regarding the District's drinking water quality. He noted that there were errors or inconsistencies between the water quality reports distributed to residents. He requested that the District's records be corrected. The Board provided factual information in response to questions regarding its water quality data and prior reports.

Another resident also expressed concerns about drinking water quality and asked if the Board would consider filing a complaint to the licensing authority regarding the District's prior operator. The Board replied that it would consider the matter, but that the matter was not on the District's agenda for discussion or action.

Agenda Item 2: Approval of July 10, 2017 Meeting Minutes

After discussion, Director Despres moved that the Board approve the draft July 10, 2017 meeting minutes as presented. Director Kaufman seconded the motion, which carried unanimously (4-0).

Agenda Item 3: Bookkeepers Report

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

Agenda Item 4: Engineer's Report

District Engineer Robby Callegari provided a report regarding the status of the following pending engineering projects:

- (i) Lipan Trail Waterline Extension- He reported that approximately 300 feet of additional waterline extension would be required to extend service to the customer because a developer previously extended a portion of the waterline. He also noted that the estimated cost of the project is approximately \$55,000, would require City of Austin approvals, and would allow for the extension of service to three additional customers. The Board requested that Crossroads ensure that water service is not extended to new customers from the prior developer line extension until it is inspected by the District and accepted for operation and maintenance.
- (ii) 1028 Lisa Drive Easement- Mr. Callegari noted that an existing waterline needs to be located so that it may be surveyed for purposes of securing an easement. The Board requested that Crossroads and the engineer coordinate location of the waterline and preparation of field notes.
- (iii) Emergency Generators- Mr. Callegari provided data to the Board regarding historical power outages within the District. Mr. Morin recommended that the Board focus on immediate water quality issues prior to acquiring an emergency generator.
- (iv) Water Treatment Plant Site Revision Plan- Mr. Callegari noted that a variance in the impervious cover restrictions by the City of Austin would be required to relocate the chemical storage and feed equipment at the water treatment plant. The Board requested that he meet with legal counsel to investigate the feasibility of securing a variance to the impervious cover limits.
- (v) Capital Improvement Plan- Mr. Callegari noted that this matter would be on hold until Crossroads could operate the system for a few months and provide input in proposed capital improvements.
- (vi) Water System Distribution System Model- Mr. Callegari noted that his firm was preparing a proposal for Board consideration regarding preparation of a water distribution system model. He noted that the model would allow identification of low pressure areas and improvements to address such areas.

The Board briefly discussed an estimate of engineering fees for the District's next fiscal year, but took no action regarding the matter.

Agenda Item 5: Tax Rate Matters

The Board discussed adoption of a proposed tax rate for tax year 2017. After discussion, Director Sullivan moved that the Board adopt a proposed tax rate of \$0.0933 per \$100 assessed

valuation. The motion was seconded by Director Kaufman, and carried unanimously (4-0). The Board directed that the final hearing be scheduled for September 11, 2017.

The Board requested that the effective tax rate (the tax rate that that would generate the same approximate tax revenues for the District as the prior year) be calculated for the Board's consideration next month.

Agenda Item 8: Lease of District Property at 2302 San Juan Drive

The Board considered a draft Second Amendment to the existing lease of property at 2302 San Juan Drive. Director Despres summarized the proposed revisions. After discussion, Director Despres moved that the Board approve the Second Amendment as presented but to authorize the committee to revise and finalize the rental provisions. The motion was not seconded. Director Sullivan then moved that the Board approve the draft Second Amendment provided it is revised to include a six month rental term only. Director Kaufman seconded the motion. After discussion, the motion carried unanimously (4-0).

Agenda Item 12: Proposals for Audit Services

The Board considered a proposal for audit services by McCall Gibson Swedlund Barfoot PLLC for the next two fiscal years (fiscal years 2017 and 2018). After discussion, Director Despres moved that the Board approve the proposal of McCall Gibson Swedlund Barfoot PLLC for the next two fiscal years (fiscal years 2017 and 2018). Director Sullivan seconded the motion, which carried unanimously. A copy of the proposal is attached to these meeting minutes.

Agenda Item 6: Utility Operator's Report Regarding Water Service Operations

Mr. Morin provided a report regarding the results of his company's inspection of the District's water treatment plant and systems, and the improvements undertaken by his company since commencement of operations. He noted significant deficiencies. He also described the proposed chemical injection to be implemented by Crossroads to improve TTHM compliance.

The Board discussed authorizing the General Manager to undertake necessary repairs and improvements to the water treatment plant. Director Sullivan moved that the Board authorize Crossroads to undertake critical necessary repair and maintenance items, and to approve the purchase of laboratory equipment for TTHM testing purposes, provided prior notice is provided to the Board president (or another director in his absence) identifying material proposed repairs to be undertaken and provided further that a weekly report is prepared by the General Manager identifying priority repairs and maintenance requirements, and completed projects. Director Kaufman seconded the motion. The motion carried unanimously.

Mr. Morin also presented a template for his proposed monthly operations report for Board feedback and comment.

Mr. Morin suggested improvements to the District's Rules Governing Water Service, and procedures for implementing Customer Service Inspections. The Board requested that he meet with Director Sullivan regarding the rule revisions.

Agenda Item 7: Water Quality Testing and Compliance Matters

The Board tabled this item due to its prior discussions under Agenda Item 6.

Agenda Item 9: Possible Extension of District Waterline Improvements on Lipan Trail

The Board tabled consideration of this item since it was previously discussed under Agenda Item 4.

Agenda Item 10: District Capital Improvement Planning

The Board tabled consideration of this item since it was discussed during the Engineer's report.

Agenda Item 11: Possible Annexation of Out-of-District Customers

The Board directed legal counsel to send a list of the out-of-District customers and notice letter to Crossroads, so that it may send out the notice letter to out-of-District customers.

Agenda Item 13: Processing of Applications for New Water Service Taps

The Board requested the General Manager to identify any outstanding tap applications.

Agenda Item 14: Status of Water Leak Repairs

The Board requested the General Manager to review the most recent leak inspection report from SAMCO to identify any outstanding leaks.

Agenda Item 15: Resignation of Director Bob Breihan

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

Agenda Item 16: Adjournment

At 10:54 p.m., Director Kaufman moved to adjourn the meeting. The motion was seconded by Director Troy and passed unanimously. The meeting adjourned at 10:54 p.m.

Secretary

Date: _____