

**MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS
OF TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT #18**

STATE OF TEXAS

COUNTY OF TRAVIS

A meeting of the Board of Directors of Travis County Water Control and Improvement District #18, open to the public, was held on Monday, January 14, 2013 at the District office, 1502 San Juan Drive, Austin, Texas. Notice of the time, place and subjects of the meeting was posted.

The roll was called of the Board of Directors, to wit:

Marcia Hyink	President
Buzz Buck	Vice President
Kim Kaufman	Secretary
Paul Despres	Assistant Secretary
Bob Breihan	Director

Directors Hyink, Buck, Despres and Breihan were present, thus constituting a quorum.

Also present at the meeting were Mr. David Merritt, Mr. Brent Reeh of Aqua Texas, Ms. Jerri Strain and David Ripley of Aqua Texas.

President Hyink called the meeting to order at 7:30 p.m.

The first item to come before the Board was agenda item No. 3, "Consider and take any necessary action regarding the audit of the financial statements for Travis County WCID No. 18 for the year ended September 30, 2012." Mr. David Merritt was in attendance to present the financial statements to the Board of Directors and answer any questions regarding the audit presented. Discussion covered the placement of the bond payoff to be put back on the agenda in August and to request the list of outstanding taxpayers in Travis County WCID No. 18. Pursuant to discussion, President Hyink motioned for the Board to approve the financial statements for Travis County WCID No. 18 for the year ended September 30, 2012. Vice President Buck seconded the motion with all approving.

The next item to come before the Board was agenda item No. 4, "Discuss and take any necessary action regarding the Aqua Texas contract for services with Travis County WCID No. 18." Mr. Brent Reeh of Aqua Texas was in attendance to present a letter with a base fee increase for services provided to Travis County WCID No. 18, the fee increase was from the current rate of \$14,250.00 to \$18,030.00 per month. Further discussion took place which included the following:

- The Board inquired about the current contract and why the contract was not signed by both parties;
- Mr. Reeh spoke about the fire protection of the system which was a concern from the legal department of Aqua America which was part of the reason why the contract had not been signed;
- Mr. Reeh spoke about the additional licensing which is being required by the TCEQ for the type of water plant that Travis County WCID No. 18 owns;
- The Board would like to see an itemized list of costs to justify the increase;
- The Board would like to have Tony Corbett present at the next Board meeting for this agenda item; and
- President Hyink would not recommend for the Board to approve the new contract.

The next item to come before the Board was agenda item No. 1, "Approve December 10, 2012 meeting minutes." Pursuant to discussion, Vice President Buck made a motion to approve December 10, 2012 meeting minutes. President Hyink seconded the motion with all approving.

The next item to come before the Board was agenda item No. 5, "Discuss and take any necessary action regarding the capacity rating and membrane failures and any other items that involve the Pall Corporation and Travis County WCID No. 18." This item was tabled until we receive response from Pall Corporation and to have Mr. Robby Callegari present.

The next item to come before the Board was agenda item No. 6, "Discuss and take any necessary action supporting the appeal to the City of Austin with the West Travis County PUA." This item was tabled until the next meeting.

The next item to come before the Board was agenda item No. 13, "Receive Managers Report." Mr. David Ripley presented the Managers Report to include:

- Three district leaks during the month of December 2012
- Water Plant and Filter Module Status; and
- 1103/1105 Ottawa.

The next item to come before the Board was agenda item No. 15, "Approve payment of bills and invoices relating to operational expenses." Pursuant to a review of the checks and discussion, Vice President Buck motioned that the District approve checks #12702 through #12713 for payment in the amount of \$118,206.07. President Hyink seconded the motion with all approving.

Mrs. Jerri Strain presented the District Financial Report, discussing the cash report, construction funds, bond funds, and actual expenditures versus budgeted expenditures.

Vice President Buck motioned for adjournment at 9:30 pm. Director Breihan seconded the motion with all approving.

Secretary, Travis County WCID No. 18