

MINUTES OF REGULAR MEETING OF BOARD OF DIRECTORS
OF TRAVIS COUNTY WCID NO. 19

August 24, 2017

STATE OF TEXAS §
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COUNTY OF TRAVIS §

The Board of Directors of the District met in regular meeting, open to the public, at the Oak Hill Fire Department, 4111 Barton Creek Boulevard, Austin, Texas 78735, on the 24th day of August, 2017 at 12:00 p.m., with the Directors present being Elmer Dangerfield, Pres Sheppard, Dave Risser and Blake Mosher.

Also present were Herb Edmonson of Gray Engineering, Inc.; Hal Lanham, Brett Lanham and Melanie Johnson of AWR Services, Inc.; Bill Flickinger, Matthew McPhail and Allison Nix of Willatt & Flickinger, PLLC; and Katherine Hoyt of St. Michael's Academy.

1. CALL TO ORDER

Board President Elmer Dangerfield called the meeting to order.

2. ROLL CALL OF DIRECTORS

Director Dangerfield took the roll call of Directors. Director Walker was absent.

3. CITIZEN COMMENTS

There were no citizen comments.

4. MINUTES OF JULY 27, 2017 BOARD MEETING

Allison Nix presented the proposed minutes of the July 27, 2017 regular meeting, as included in the agenda package. Motion was made by Dave Risser to approve the minutes as presented, and the motion was seconded by Blake Mosher. The motion carried unanimously.

5. STATE LEGISLATION IN CONNECTION WITH MUNICIPAL ANNEXATION REFORM; S.B. 6, EFFECTIVE DECEMBER 1, 2017

Bill Flickinger stated Senate Bill No. 6 regarding municipal annexation reform passed in Special Session and will be effective on December 1, 2017. Matt McPhail explained the final text of the bill requires the City to first adopt a resolution of its intention to annex all or part of the District and must send it to MUD No. 4, MUD No. 5, MUD No. 6, MUD No. 7, MUD No. 8, MUD No. 9 and WCID No. 19. Each of those districts shall call an election on whether the annexation should be authorized, and the City has to pay the costs of the election. The City may only annex the area if a majority of the total number of voters voting in all of the districts' elections

vote in favor of annexation. If the majority of votes are against annexation, the City must wait a year to try again. Mr. Flickinger commented that it will doubtfully happen anytime soon because of MUD No. 4's obligations. Since MUD No. 4 has no voters and the City can only annex contiguously, the special area deserves a special process. Pres Sheppard mentioned reading about an exemption for areas with military facilities, and he commented that there is some kind of National Guard facility next to the water tower. Mr. McPhail stated the exemption applies to military bases where active training occurs. He will look into the matter and will report his findings at the next meeting.

6. ENGINEER'S REPORT

Herb Edmonson presented the Engineer's Report. There is nothing new to report from the Travis County MUD No. 4 meeting.

Mr. Edmonson stated that St. Michael's Academy is within the District's boundaries, and they are getting retail water from the District. The fire protection is coming from MUD No. 4. Mr. Edmonson reported he will be meeting with the MUD No. 4 engineer next week. Bill Flickinger discussed the terms of the Settlement Agreement with MUD No. 4, and fire protection is not a concern. Elmer Dangerfield asked who would be responsible for maintaining the hydrant, and Mr. Edmonson said it would be St. Michael's responsibility. Hal Lanham explained the history of St. Michael's as an institutional customer and how their rates were set up. Herb Edmonson stated this is more of a fire line issue, not retail service. Blake Mosher, Dave Risser and Bill Flickinger plan to attend the MUD No. 4 meeting next week as well.

Herb Edmonson commented that he is looking into the street concerns within The Woods.

7. MANAGER'S REPORT

Hal Lanham presented the Manager's Report as included in the agenda package. 198 customers were billed in July, and there are no new deed restriction violations to report.

Mr. Lanham reported the components to convert St. Michael's compound water meter to read remotely have been ordered, and the cost of the conversion is \$1,153.50, which was approved at the last Board meeting.

AWR is currently working with the District's engineer and Texas Gas Service to permanently patch the asphalt at two locations on Mendocino and Maravillas Loop in The Woods I subdivision. Dave Risser has additionally submitted a list of needed road repairs, and Herb Edmonson is obtaining a cost estimate.

Hal Lanham reported the testing period is over for the four "warm" LED street lights placed at 7500 Loasa Cove, 7726 Sandia Loop, 8801/8721 Mendocino Drive and 8626 Navidad Drive. Switching to LED bulbs throughout the District would reduce the cost of electricity, replacement bulbs and repairs. Directors Dangerfield, Sheppard and Risser reported that three of the test lights burned out. Mr. Dangerfield said the test light on Sandia Loop was a bright white color which was too bright; Mr. Sheppard said the test light on Mendocino Drive looked on par with the other street

lights and could not tell much of a difference; Mr. Risser said the test light on Navidad Drive appeared to be a softer light. Brett Lanham commented that it seems a variety of bulb colors were installed instead of only “warm” bulbs. He will also look into why the bulbs went out so soon, but it may be that after the test period ended the contractors did not replace the original bulbs in the street lights.

Melanie Johnson stated a letter has been received from Waste Connections regarding the annual increase for solid waste disposal services. It is a seventy-seven-cent (77¢) increase from last year, which is not significant.

*** The Board move to Agenda Item No. 9. ***

9. 2017 – 2018 PROPOSED BUDGET; ORDER APPROVING BUDGET

Hal Lanham presented two options for the new budget; the current tax rate is \$0.2250 per \$100 of value. Option A is based on the same tax rate of \$0.2250, and Option B is based on a tax rate of \$0.2307. Mr. Lanham noted that MUD No. 4 increased their minimum charge by \$10,158 per month which will drastically decrease the District’s net income. He mentioned that water rates can be adjusted to offset the added expense, and the Board can consider hiring Marvin Morgan to do a rate study. After discussion, motion was made by Pres Sheppard and seconded by Dave Risser to approve the budget as presented by Hal Lanham as Option B. The motion carried unanimously.

10. PROPOSED TAX RATE; ORDER SETTING THE PROPOSED TAX RATE AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

The proposed tax rate was discussed along with the proposed budget under Item No. 9 above. Motion was made by Dave Risser to approve the Order Setting the Proposed Tax Rate and Providing of Notice Thereof as presented with a proposed tax rate of \$0.2307 per \$100 of value, as presented by Hal Lanham as Option B with the proposed budget. The motion was seconded by Pres Sheppard. The motion carried unanimously.

*** The Board moved to Agenda Item No. 8. ***

8. DISTRICT’S ANNUAL AUDIT; ENGAGEMENT LETTER WITH RSM AUDITING FIRM

Matthew McPhail presented an engagement letter from RSM Auditing Firm for approval, along with his memorandum explaining the changes as compared to the 2016 agreement. The audit fee is estimated to be \$16,150, which is a \$150 increase from last year. The other differences are insignificant. Motion was made by Elmer Dangerfield and seconded by Blake Mosher to engage RSM Auditing Firm to perform the District’s annual audit. The motion carried unanimously.

*** The Board moved to Agenda Item No. 11. ***

11. RATE ORDER

This item was not discussed.

12. REVIEW AND AUTHORIZE PAYMENT OF BILLS

Melanie Johnson explained the District expenses for July. Motion was made by Blake Mosher and seconded by Dave Risser to authorize payment of the invoices as presented. The motion carried unanimously.

13. ROAD MAINTENANCE CONTRACT BETWEEN THE DISTRICT AND THE WOODS AT BARTON CREEK COMMUNITY, INC.; MAINTENANCE AND REPAIR OF BRIDGE; MAINTENANCE OF DRAINAGE IMPROVEMENTS

Bill Flickinger reported he is still reviewing this issue. The contract is very general, and the matter will need more investigation to determine responsibility for bridge and control of drainage. Herb Edmonson commented that the bridge is in good shape. Dave Risser said it looks good and has taken pictures. Mr. Flickinger said responsibility for the road surface is definitely with the HOA. Mr. Edmonson added there is a sump pump for the drainage from the golf course but does not know where the pumped water goes.

*** Katherine Hoyt of St. Michael's Academy joined the meeting, and the Board returned to discussion of St. Michael's request to tie into MUD No. 4's line. ***

Hal Lanham briefed Ms. Hoyt on what was previously discussed regarding this matter. Ms. Hoyt confirmed that they are only requesting to tie into MUD No. 4's fire line, which is already there. The tie-in was initially approved per the original proposed plans from 1983. The line was actually tapped sixty-two feet (62') from the location shown on the plans because the Wimberly Lane subdivision did not build as initially proposed. MUD No. 4 does not have a record showing the fire line was ever tapped. Herb Edmonson commented that if a backflow preventer is added, the responsibility of the lines is private but is necessary and helpful to prevent backups. Mr. Edmonson said he needs documentation for the easement. Ms. Hoyt said she is waiting for archived files from their engineer. Mr. Edmonson and the District's attorney will meet with the MUD No. 4 engineer next week on this matter.


14. ADJOURN

President Elmer Dangerfield adjourned the meeting.



Elmer Dangerfield, President
Travis County WCID No. 19

ATTEST:



Presley Sheppard, Secretary
Travis County WCID No. 19

[DISTRICT SEAL]