

**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 11th, 2016 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, Kaufman and Despres were present thus constituting a quorum.

Also present at the meeting was Scott Spidle, Kendra Pratt, Ramon Sepulveda and Onna Hendershot of USW Utility Group, Taylor Kolmodin of Municipal Accounts, Josh Rambo of McCall Gibson Swedland Barfoot PLLC and Tony Corbett of Freeman and Corbett.

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

Item No. 1, "Approve December 2015 meeting minutes." Vice President Buck moved to approve minutes from December 2015. President Hyink seconds the motion with all approving.

Item No. 3, "Receive Bookkeeping report." Financial Report given by Taylor Kolomodin, recommended payment of Checks 1663 – 1678 totaling \$97,930.27 with an ending balance of \$15,134.04 President Hyink makes a motion to pay checks 1663 – 1678, Secretary Kaufman seconds the motion with all approving.

Item No. 4, "Consider and take necessary action regarding updating water rates." Mr. Spidle of USW indicated to the Board a rate structure model has been prepared by the Texas Customer Service Manager, Kendra Pratt. Pratt goes over the model with the Board to summarize the data included in the model. The model provides a detailed comparison between the current rate structure verses what is being proposed. The Model

indicates customers serviced by a 5/8" meter will see the highest impact in both base rates and volumetric rates. Pratt indicates to the Board that by raising the rates it would enable to district to have the required funds to make necessary repairs and to also push for conservation within the district. President Hyink indicates she is not against including additional tiers in the rate order. Indicated the base fee will need to cover any fixed cost. Assistant Secretary Despres indicates that each person residing in the district should have to pay their fair share of the fixed cost. The district Lawyer, Tony Corbett does not recommend introducing commercial accounts into the rate order, instead consider non taxed customers in the rate order. Account changes indicating commercial accounts could bring possible rate challenges into place that can lead to rate hearings. Corbett recommends higher volume tiers. The current Tax roll should indicate customers that aren't being taxed. Corbett indicates to the Board the majority of entities update rates on a yearly basis. Spidle indicates the model will be updated with tax free user, Despres would like to also see base rates for larger meters. Pratt will create a rate structure to present at the next meeting with a fixed budget based on the proposed data.

Item No. 5, "Discuss rainwater harvesting program." USW presented to the Board a trial survey through Survey Monkey. Spidle indicated to the Board by creating a survey tailored to interest in Rainwater Harvesting and Low flow toilets to determine the districts interest to participate in the programs. Once obtaining this information from the district, USW would be able to provide the district as requested with an accurate requirement for administrative needs. The survey information can be indicated in the bill message for the customers. The survey can be created then posted as a link on the website and indicated in the office. The Board would like to discuss survey questions to utilize at the next Board Meeting.

Item No. 6, "Consider and take necessary action regarding Pall Corporation Service Contract Proposal." Ramon Sepulveda of USW indicated to the Board that the Pall Service Contract Renewal is due recommended that the board renew the existing contract. The services include: System Inspection Service and 10/5 Technical Phone Support Service. President Hyink moves to approve renewing the Service Contract with Pall. Vice President Buck seconds the motion with all approving.

Item No. 7, "Discussion with auditor in regards to the audit for the 2015 Physical year." Josh Rambo of McCall Gibson Swedland Barfoot PLLC presented the auditor's report to indicate a clean opinion to the Board. Rambo indicated the districts statement of activities showed a good healthy fund balance. Noted the financial statements were similar to the previous year, and indicated the budget comparison to the Board. The 5 year comparison provided the auditor with a strong indication of fund balance. The Auditor indicates that the district does have material weaknesses present – The Board questions the material weaknesses, to ensure they should not be doing more. Taylor Kolmodin indicates it is not cost effective. 10% of small districts hire a CPA to assist, this does not affect the clean opinion. President Hyink moves to accept the audit, Secretary Kaufman seconds the motion with all approving. President Hyink signs the Auditors form. Hyink verifies with Rambo that his firm will file the report, he confirms.

Item No. 8, "Receive Attorney's Report." None to provide at this time.

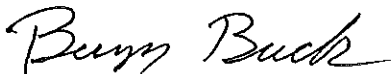
Item No. 9, "Receive Engineers Report." None to provide at this time.

Item No. 10, "Receive Managers Report." Scott Spidle of USW provided the Managers report to include:

Maximum Flows were 581,000 Gallons occurring on December 29th, 2015 with an average flow of 870,000.

- There were no district leaks in the month of December.
- 23 meters changed
- There were 2 taps and meters set in the month of November.
- Spidle presented two quotes to the Board for repairs/replacement of heating unit. The quotes from ARS indicated \$2975 for repair, and up to \$9051 for replacement. Quotes from Fox Service Company indicated \$2590 for repair and \$5558 for replacement. President Hyink prefers an HVAC specialized company is used. Indicates lines are smoother and more efficient. Secretary Kaufman indicates SEER rating. The Board requests additional quotes from HVAC specialized company for repair. Once quotes are obtained, provide to President Hyink to move forward with repair prior to February Board Meeting.
- Solenoid repair completed.
- Sepulveda indicated to the Board, Nitrification is not occurring – stopped due to flushing – indicating system is healthier. Provided a description of the process of the scheduled burn to the Board of Directors and what occurs afterward.
- Spidle indicated to the Board, Badgers AMR meters run off of cell phone signals. The program has the ability to provide the office staff with information on meter tampering, leak information and monthly meter reads. Offers to request presentation for February meeting. The Board requests the presentation.
- USW Contract Amendment will need provisions made per Tony Corbett the District lawyer – separate fees included in base fees and fees indicated for repairs. Indicates the fee schedule is misleading, needs to specify individual charges. Additional discussion on the Contract Amendment will be required at the next Board Meeting.

Vice President Buck motioned for adjournment at 10:30 pm. President Hyink seconded the motion.



Secretary, Travis County WCID No. 18