

**BARTON CREEK WEST
WATER SUPPLY CORPORATION
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MINUTES OF MEETING OF THE BOARD OF DIRECTORS

July 18, 2023

The Board of Directors of the Barton Creek West Water Supply Corporation convened a regular meeting; open to the public, at the Ce-Bar Fire Department, 353 S. Commons Ford Road, Austin, Texas and via videoconference on July 18, 2023, at 6:30 P.M.

The roll was called at 6:30P.M. of the following Board of Directors by the President.

Tom Luin	President	Present
Steve Cooper	Vice President	Present
Meryl Stoller	Secretary/Treasurer	Present
Wade Bingaman		Present
Paul Roush		Present
Ki O		Present
Beth Kirkhart		Absent

Item 1 was to determine that a quorum was present for the Board to meet. Also present were William Swanks of Tumco, Dennis Lozano of Malone/Wheeler, and Paul Roush a resident of Barton Creek West.

Item 2 was to hear citizens communication. There was no citizen communication.

Item 3 was to review, discuss and take action as necessary to replace the Board member seat vacated by Director Specchio. Director Specchio informed the board that she has sold her home as of June 28,2023,is no longer eligible to serve on the Board of Directors and is officially resigning. Director Stoller made the motion to appoint Paul Roush to the position vacated by Director Specchio. Director Ki O seconded the motion and it carried unanimously.

Item 4 was to review and approve minutes of the June 20, 2023 meeting. Director Bingaman made the motion to accept the minutes as presented. Director Cooper seconded the motion and it carried unanimously.

Item 5 was to review bills and consider payments of bills and invoices. Mr. Swanks presented the bills that were in the electronic packet for consideration. Director Stoller made the motion to pay the bills as presented. Director Ki O seconded the motion and it carried unanimously. Mr. Swanks reported on Director Kirkhart's request to look at other options for dumpster rental. What was found was the Waste Management company in the amount of \$480.00 per month with a 10% increase each year with a 3-year contract. Mr. Swanks is still waiting on a call from Texas Disposal Services and will pick the better option. Director Luin inquired on the director payment for the committee meeting in June, Mr. Swanks stated he would get the payment request in and

get the checks for the next meeting.

Item 6a - Mr. Swanks gave the General Manager and Operator reports. He reported maintenance and monthly inspections at the treatment plant, lift stations, irrigation fields and water system were routine and normal. Mr. Swanks reported that we were currently mowing the irrigation fields and should be finished by weeks end. Mr. Swanks reported on lift station currently experiencing power fluctuations throughout the system, the fluctuations usually hit around peak demands in the evening and he will respond accordingly as needed. There was nothing further.

Item 6b – Mr. Swanks next gave the financial report. He reviewed the cash statements and investments. He stated that after the bills were paid, the checking account balance was \$95,378.98, and that the investments totaled \$905,667.33. Mr. Swanks reported on a treasury bill that was due and would discuss at a later date. Mr. Swanks reviewed the draft June monthly budget and May actual budget that were provided in the board packets.

Item 6c – Engineer report. Mr. Lozano reviewed the data charts and graphs that were furnished in his monthly reports. Mr. Lozano reported on a possible solution of pond dewatering with a portable sludge press.

Item 7 was to review, discuss, and take action as necessary for finalizing the rehabilitation plan or replacing the wastewater treatment plant and to hear the report from the Wastewater Rehabilitation Committee. Director Luin gave an update on the committee meetings. Director Luin reported that Director Cooper has joined the Committee to replace Jennifer Specchio. The Committee got together with Mr. Swanks and reviewed the recommendation for the committee to discuss and then provided a proposal to the board. The proposal was discussed and questions by other Directors were resolved. Director Luin suggested to table the proposal and not consider any motions till after the executive session concluded.

Item 8 Review, discuss and take action as necessary for Malone/Wheeler bid package for wastewater plant rehabilitation. No action taken.

Item 9 Review, discuss and take action as necessary for finalizing the wastewater rate increase. This item was postponed till after executive session was completed at 7:47pm. Director Luin reported the final wording for a letter to home owners has been finalized. Mr. Swanks reported on Eanes ISD wastewater rate, current is \$2,873.00 with a 97% increase would be 2786.81 which would make the Eanes ISD base rate of\$5,659.81 and the gallonage charge is \$1.70/ 1000 gal. Director Cooper made the motion to increase wastewater base rate for homeowners from \$88.00 to \$173.00 per the committee recommendation and a base fee increase to Eanes ISD to the amount of \$5660.00 . Director Stoller seconded and the motion carried unanimously. Director Bingaman motioned to send the letter out with a minor correction, Director Ki O seconded the motion and it carried unanimously. See attached Appendix A letter to homeowners for reference to the rate increase details. There was nothing further.

Item 10 was to review, discuss and take action as necessary for continued improvement of the new web site. Mr. Swanks reported that pictures, agendas and minutes have been updated.

Item 11 was to review and discuss the Long-Term Capital Expense Plan report and how it affects: cash flow, fee structures, planning and monitors progress on expenses, specifically to review planning impact on possible sewer plant rehabilitation in the fiscal year 2022-2023. No action was taken.

Item 12 The next meeting will be held at C-Bar Fire Station at 6:30 P.M. on August 15, 2023.

Item 13 Other business. Director Cooper requested TUMCO to perform compliance drives thru the neighborhood to monitor and notify members for any potential water restriction violations, given the new drought limits we have to follow. The board went into executive session at 7:00pm and came out at 7:47pm. No motions were made; no votes were taken during the session.

Item 14 was to adjourn. A motion to adjourn was made by Director Bingaman and seconded by Director Ki O, the motion was approved unanimously and the Board adjourned at 7:58 P.M.

Appendix A: Barton Creek West Wastewater Treatment Plant Renovation and Financing Why you are getting this letter.

The Barton Creek West Water Supply Corporation (BCW WSC) Board of Directors is in the final stage of planning and scheduling a major rehabilitation project for our Waste Water Treatment Plant (WWTP). This letter will provide you with information about the justification, project plan, costs, and proposed fee increases to pay for the project.

Background Information

BCW WSC owns and operates the wastewater collection, treatment and disposal system. Two (2) major components of this system, the WWTP and treated effluent holding pond, are readily visible from Bee Cave Road near the entrance of Barton Creek West.

The WWTP is now reaching 38 years old. It was originally built in 1985 to serve Barton Creek West. The plant was refurbished (interior walls sandblasted and recoated with epoxy paint, along with some equipment replacement) on one previous occasion in 2001. Our next refurbishment is planned for 2025.

The plant was briefly taken down in November 2021 for inspection to determine the timing and extent of the next refurbishing needed to keep it operating efficiently and within our TCEQ permit specifications. The conclusion from the inspection is the treatment plant interior wall surfaces and equipment infrastructure do need refurbishment and maintenance, to keep the operating chemistry performance required by the State of Texas and to extend sewer plant life for at least another 15 years. We determined the most cost-effective approach is to rehab our existing infrastructure with an initial cost estimate of \$1.5M. Installing a completely new waste water treatment plant would be nearly double the cost.

Renovation project plan.

Once the contractor bid package (project specifications) is finalized and released for bidding, it will take approximately one year to fully complete the project. There is expected to be no service interruption to any customers during this project. The only customer impact will be an increased wastewater base rate discussed later in this letter. Our staff engineer (Malone/Wheeler) will be responsible for the project specifications and project management of the overall project and contractors, while being closely monitored by our operator (TUMCO) and the Board of Directors.

Overview of current wastewater treatment rates.

A **Base Fee** of \$88.00 is assessed monthly. This is a minimum flat rate per connection for all or any part of the month.

The **Volumetric Fee** for All Gallons is \$1.70/1000 gallons, in addition to the Base Fee.

- The assessed rate is based on the average water use for December, January, and February.
- The yearly average changes every year.

Cost impact for the plant rehab project.

The Board of Directors has been diligently building a Capital Reserve account as an ongoing part of our yearly financial planning, and has accumulated approximately \$902K, invested in laddered CDs and T-Bills. After scoping this large plant renovation project and our anticipated future capital spending schedule, we will need to increase the base waste water rate. The added revenue from raising rates now will allow us to start the renovation project sooner and reduce the overall capital costs.

The Board has voted for a base waste water rate increase of \$85 per month, beginning in the month of September 2023. **The new wastewater base fee will be \$173/mo.** Our wastewater rates are now significantly lower than those around us and even with this increase, we are confident that the overall rates paid by you, our customers, will remain comparable to or below those rates paid in other similar neighborhoods