TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17

3812 Eck Lane • Austin, Texas 78734
Phone (512) 266-1111 • Fax (512) 266-2790

A Regular Meeting of the Board of Directors of Travis County Water Control and Improvement District No. 17 was held at the District office located at 3812 Eck Lane on Thursday, October 21, 2010, at 6:00 p.m. This meeting was scheduled and conducted in compliance with the Texas Open Meetings Act.

I. CALL TO ORDER

President Steed called the meeting to order at 6:01 p.m.

II. ESTABLISH A QUORUM

A quorum was established with four Directors present; Steed, Roberts, Ward, and Decker; one Director, Carruthers, was absent. General Manager Deborah Gernes, General Counsels Lauren Kalisek and David Klein, Bond Counsel Jana Edwards, District Engineers Pat Lackey and Will Pena, and Financial Advisor Garry Kimball were also present.

III. MANAGER AND COMMITTEE REPORTS

Items in this section may or may not be addressed at each meeting

A. MANAGER'S REPORT - A STATUS REPORT REGARDING ONGOING DISTRICT PROJECTS AND INFORMATION

1. **WATER AND WASTEWATER PLANT STATUS AND OPERATIONS**

   a. **Eck Lane Water Treatment Plant/Water Distribution System** – General Manager Gernes reported that the water treatment plant is running well and that she is working with the engineers to improve the process to treat and get the Trihalomethanes (THM) levels even lower than they currently are which is below the allowed limit, but still too high. She said that Thurman Carlisle, Water Supervisor, and the engineers are also looking at other pilots to get rid of THM pre-cursors such as a full scale chlorine dioxide pilot or the use of activated carbon.

   b. **Steiner Wastewater Treatment Plant/System** – Ms. Gernes and the Board held a discussion regarding odor complaints that area residents were making and the steps being taken to reduce, if not eliminate, odors from lift stations and the compost facility.

   c. **Flintrock Wastewater Treatment Plant/System**

   d. **Comanche Wastewater Treatment Plant/System**

   e. **Commander's Point Wastewater Plant/System**

2. **DISTRICT CONSTRUCTION PROJECTS**

   a. **Lakeway Municipal Utility District Water Interconnect**

   b. **Steiner Wastewater Treatment Plant Upgrade**

   c. **Hudson Bend Water Tank**

   d **City of Austin Water Interconnect**

   e **Mountain View Water Tank**

   f. **Ranch Road 620 Wastewater Line Extension**

   g. **Eck Lane Waterline Improvements**

   h. **McCormick Mountain Waterline Improvements**

   i. **Hudson Bend Waterline Improvements**

   j. **Apache Shores Waterline Improvements**

   k. **River Ridge Waterline Improvements**

3. **DEVELOPER CONSTRUCTION PROJECTS**

   a. **Serene Hills Wastewater Service**

   b. **Tuscan Village Improvements to Lohman's Lift Station**

4. **DISTRICT INITIATIVES**

   a. **Service to New Areas**

   b. **Trash and Recycling Collection** – Ms. Gernes reported that the new recycle container has been well received and that the service is going smoothly.

   c. **Household Hazardous Waste Collection**

   d. **Composting Center**

   e. **Water Conservation**

   f. **Property/Easement Acquisition**

   g. **Annexation of Properties**

5. **DISTRICT MANAGEMENT**

a. **Personnel Issues**

b. **District Activities** – General Manager Gernes reported that the Steering Committee of Travis County Commissioner Huber's Lake Travis Economic Study met October 20, 2010 and would meet October 25, 2010 to discuss the bid process and funding of the study. The study will be used as a tool to show the economic value of Lake Travis and to reference the effect of the lake level and water quality to residents, tourism, businesses, and quality of life to the legislature and the Lower Colorado River Authority (LCRA) for consideration of a minimum lake level rather than drawing water down according to the acre feet. The Commissioner would like to see this study, which could cost up to $150,000, funded by the area Chambers of Commerce, City and Municipal Water Districts and local businesses that can contribute through their Chamber.

Ms. Gernes stated that the pre-trial hearing for the creation of a Hill Country Priority Groundwater Management Area would be held October 28, 2010 in San Marcos and she and Attorney Kalisek would attend to request party status.

Director Decker said that Barker Keith recently told her that the Lake Travis Fire Rescue is ready to move forward with securing property in Serene Hills and Ms. Gernes said WCID 17 is waiting for them to complete a civil engineering survey of the parcel.

c. **Consultant Issues**

d. **Finance Reports/Audit/Bonds**

e. **Security** – Director Roberts inquired about the truck theft from the Maintenance Department and Ms. Gernes updated the Board that nothing new has been revealed regarding who stole the truck and that the adjustor had not made a report yet on the loss. She also stated that she has staff looking to add additional cameras to various locations.

f. **Customer Communication/WEB/Newsletter/Events**

6. **WATER QUALITY / PLANNING**
   a. **Texas Commission on Environmental Quality Proposed Amendments to the Texas Water Quality Standards**
   b. **Lower Colorado River Authority Water Supply Resource Plan**

B. **COMMITTEE REPORTS**
1. **PARKS AND CONSERVATION COMMITTEE REPORT**
2. **COMMUNICATIONS COMMITTEE REPORT**
3. **LEGAL COMMITTEE REPORT**
4. **PLANNING COMMITTEE REPORT**
5. **BUDGET AND FINANCE COMMITTEE REPORT**
6. **POLICY COMMITTEE REPORT**
7. **IMPACT FEE ADVISORY COMMITTEE**

IV. **CONSENT AGENDA**

A. **APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT**
1. **R.R. 620 WASTEWATER IMPROVEMENTS – 2010, CHANGE ORDER #3, BORETEX, LLC.**
2. **16" LMUD-WCID17 INTERCONNECT, PAY ESTIMATES #1, 2, 3,& 4.**

Ms. Terrell explained that Lakeway Municipal Utility District (LMUD) had submitted four invoices at once instead of as the project moved along and that these invoices combined were still under budget. Ms. Gernes said that there would still be a few more invoices to be received with at least one more Pay Estimate submitted that would cover the new invoices and list any credits that are due. Ms. Gernes recommended approval of payment to Lakeway MUD.

B. **APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE STEINER RANCH DEFINED AREA**
1. **STEINER RANCH, RIVER DANCE PHASE 5B, WATER, WASTEWATER AND DRAINAGE IMPROVEMENTS, PAY ESTIMATE # 14, ROSS CONSTRUCTION, INC.**
2. **STEINER RANCH, RIVER DANCE PHASE 7A, PHASE 2 WATER, WASTEWATER AND DRAINAGE IMPROVEMENTS, PAY ESTIMATE # 1, ROSS CONSTRUCTION, INC.**

C. **APPROVE PAYMENT OF CURRENT INVOICES**

Ms. Terrell reviewed an additional invoice from King Engineering that was received after the Board packets were distributed. She said this work regarding WCID 17's part of the effluent line to serve Serene Hills was done at a cost savings to the District because it was done by the same engineering firm the Developer was using to perform the Serene Hills lift station plans and engineering simultaneously and recommended approval.

D. APPROVE MINUTES

President Steed asked if there were any questions pertaining to any items on the Consent Agenda, the September Minutes or any items that needed to be pulled for further review. There being none a motion was made as follows.
Motion: Director Decker to approve the Pay Estimates and Current Invoices as presented and the Minutes of the September 16, 2010 Regular Board Meeting.
Second: Director Roberts.
Ayes: 4
Noes: 0
Unanimous.

V. PUBLIC COMMENT, 6:30 P.M.

President Steed opened Public Comment at 6:32 p.m. Being no public requesting permission to speak to the Board of Directors, Mr. Steed left Public Comment open for anyone that might arrive late.

Motion: Director Roberts to close Public Comment.
Second: Director Ward.
Ayes: 4
Noes: 0
Unanimous.

President Steed closed Public Comment at 7:14 p.m.

VI. OLD BUSINESS

A. DISCUSS/CONSIDER/TAKE ACTION REGARDING CHANGES TO THE DISTRICT'S POLICY CONCERNING BOAT DOCKS AND MARINAS AND THE LICENSE AGREEMENT FOR BOAT DOCK OWNERS

President Steed introduced the changes and revisions to be incorporated into the District's Policy concerning Docks. Ms. Gernes stated that this included all committee and attorney recommendations and recommended approval.
Motion: Director Ward to adopt the changes to the District's Policy concerning Boat Docks and Marinas and the License Agreement for Boat Dock Owners.
Second: Director Decker.
Ayes: 4
Noes: 0
Unanimous.

Director Roberts questioned the way any change in ownership of a licensee's property would be done. After discussion, President Steed requested the District include clarification that when a property is sold and a Dock is included in an ownership transfer, the new owner should come into the District office and complete a License Agreement, that the one-time initial fee is waived, and that all annual fees will be applicable and compliance with WCID 17 Boat Docks and Marinas Policy.
Motion: Director Ward to adopt the changes to the District's Policy concerning Boat Docks and Marinas and the License Agreement for Boat Dock Owners with the additional clarification of the property transfer sequence and that the one-time application fee be waived for a subsequent purchaser of a property that has a licensed dock added.
Second: Director Decker.
Ayes: 4
Noes: 0
Unanimous.

B. DISCUSS/CONSIDER/TAKE ACTION ON REVISIONS TO WASTEWATER IMPACT FEES FOR THE SOUTH DISTRICT WASTEWATER SYSTEM, INCLUDING:

1. REVIEW PROPOSED UPDATES TO THE DISTRICT'S LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLANS FOR THE SOUTH DISTRICT WASTEWATER SYSTEM WASTEWATER IMPACT FEES

2. **ADOPT AN ORDER SETTING A PUBLIC HEARING TO DISCUSS AND REVIEW PROPOSED UPDATES TO THE DISTRICT'S LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN, AND WASTEWATER IMPACT FEES FOR THE SOUTH DISTRICT WASTEWATER SYSTEM**

Ms. Gernes explained that the WCID 17 Impact Fee Advisory Committee (IFAC) requested that the Engineers rework the land use assumptions before holding a public hearing for the South District Wastewater System. Ms. Gernes reviewed some of the new service requests being received for service within the South District area that is served by the Flintrock Ranch Estates and requested that the Board of Directors adopt an Order to reset the Public Hearing for the South District Wastewater System from November to December so that the IFAC can reconvene and study the reworked land use assumptions.
Motion: Director Roberts to adopt an Order Setting a Public Hearing on Amendments of Land Use Assumptions, Capital Improvements Plans, and Impact Fees for South District Wastewater System that will cancel the November 18, 2010 Public Hearing and set a date of December 16, 2010 for such hearing.
Second: Director Decker.
Ayes: 4
Noes: 0
Unanimous.

VII. NEW BUSINESS

A. **DISCUSS/CONSIDER/TAKE ACTION TO AUTHORIZE THE DISBURSEMENT OF $147,056 SURPLUS FUNDS FROM THE STEINER RANCH DEFINED AREA BOND ISSUE NO. 14, SERIES 2009 AS APPROVED BY THE TEXAS COMMISSION OF ENVIRONMENTAL QUALITY**
No action. Texas Commission of Environmental Quality authorization not received. Table until next month.

B. **DISCUSS/CONSIDER/TAKE ACTION ON ITEMS RELATED TO THE STEINER RANCH DEFINED AREA BOND ISSUE NO. 15 AND REFUNDING BONDS, SERIES 2010**

1. **RESOLUTION APPROVING PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING DISTRIBUTION OF PRELIMINARY OFFICIAL STATEMENT FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 STEINER RANCH DEFINED AREA UNLIMITED TAX AND REFUNDING BONDS, SERIES 2010; AND OTHER RELATED ISSUES;**
2. **APPROVE PAYMENT OF ATTORNEY GENERAL BOND REVIEW FEE; AND**
3. **AUTHORIZE AUDITOR TO PERFORM REIMBURSEMENT AUDIT FOR THE SERIES 2010 BONDS**

Financial Advisor Garry Kimball reported that the Bond Counsel and Engineers had reviewed all documents and he gave a summary of the information contained in the Preliminary Official Statement and other documents related to Bond 15 and the Refunding Bonds. He pointed out that this issuance should be $3,200,000 in new bond money and $7,100,000 on the refunding money for rerate. Mr. Kimball requested authorization to post the sale November 1, 2010 of the Bond Issue No. 15 and Refunding Bonds, Series 2010.
Motion: Director Ward to approve the Resolution Approving the Preliminary Official Statement and Authorizing Distribution of Preliminary Official Statement for Travis County Water Control and Improvement District No. 17 Steiner Ranch Defined Area Unlimited Tax and Refunding Bonds, Series 2010; to approve payment of the Attorney General Bond review fee; and to authorize a reimbursement audit for the Series 2010 Bonds be performed.
Second: Director Decker.
Ayes: 4
Noes: 0
Unanimous.

C. **DISCUSS/CONSIDER/TAKE ACTION ON ACQUISITION AND SALE OF REAL PROPERTY PARCELS LOCATED WITHIN AND OUTSIDE THE DISTRICT'S BOUNDARIES FOR FUTURE SERVICE AREAS**
No action.

D. DISCUSS/CONSIDER/TAKE ACTION ON AWARD OF CONSTRUCTION CONTRACT FOR IMPROVEMENTS TO THE STEINER RANCH WASTEWATER TREATMENT PLANT BELT PRESS – 2010

Will Pena explained the belt press improvements that are to be done and recommended the bid be awarded to Payton Construction Company.

Motion: Director Decker to award the bid to Payton Construction Company as presented.
Second: Director Roberts.
Ayes: 4
Noes: 0
Unanimous.

E. DISCUSS/CONSIDER/TAKE ACTION ON 2010-2011 ANNUAL INVESTMENT POLICY REVIEW

Ms. Gernes stated that the District Investment Policy must be reviewed and approved annually as required by the Public Funds Investment Act. She continued that no changes are being recommended with the current policy and that Garry Kimball also agreed that the District continue with the policy as written. Ms. Gernes said that WCID 17 uses TexStar to oversee the Investment Pool.

Motion: Director Roberts to approve the Order Regarding Annual Review of the Investment Policy of Travis County Water Control and Improvement District No. 17 and use the policy as written.
Second: Director Decker.
Ayes: 4
Noes: 0
Unanimous.

F. DISCUSS/CONSIDER/TAKE ACTION ON PROPOSED REVISIONS TO DISTRICT POLICY REGARDING PURCHASING AND FINANCIAL REPORTING

General Manager Gernes explained that the auditors, Maxwell Locke & Ritter, made a recommendation to have specific written procedures for purchasing and financial reporting. She went on to explain that these procedures represent what the law requires and what the staff now performs and that there were no changes made.

Motion: Director Decker to accept and approve the documentation of the District's purchasing procedures and financial reporting in the District Policy book.
Second: Director Ward.
Ayes: 4
Noes: 0
Unanimous.

G. DISCUSS/CONSIDER/TAKE ACTION ON 2010 UPDATES TO THE DISTRICT'S RULES AND POLICIES

Ms. Gernes explained that the information in the Board packet had contained a copy of the updates made to the District Safety Manual regarding air brakes and the procedure to be followed by staff when inspecting large vehicles prior to operation. Ms. Terrell explained that the Policy updates included the approved subsequent user fees; any approved fee changes had been updated; and, the approved waiving of the one-half living unit equivalent for older properties irrigation systems was incorporated. Ms. Kalisek explained that this edition of the Policy incorporates all changes made ad hoc since July 2009, including those approved tonight, and clarifies the language more specifically to convey the intent where needed.

Motion: Director Ward to accept and approve the updates that have been made to the District's Rules and Policies.
Second: Director Decker.
Ayes: 4
Noes: 0
Unanimous.

H. DISCUSS/CONSIDER/TAKE ACTION REGARDING A REQUEST TO CREATE A SEPARATE DEFINED TAXING AREA TO BE KNOWN AS THE "LAKEWAY REGIONAL MEDICAL CENTER DEFINED AREA"

No action.

President Steed called for a Break at 7:15 p.m. and reconvened the meeting at 7:25 p.m.

VIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO CONSIDER THE ACQUISITION AND SALE OF REAL PROPERTY PARCELS LOCATED WITHIN THE DISTRICT'S BOUNDARIES AND TO

RECEIVE ADVICE FROM ITS ATTORNEY REGARDING SUCH PURCHASE, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072
President Steed opened Executive Session at 7:26 p.m. and closed it at 7:34 p.m. No action.

IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO CONSIDER THE REQUEST TO CREATE A SEPARATE DEFINED TAXING AREA TO BE KNOWN AS THE "LAKEWAY REGIONAL MEDICAL CENTER DEFINED AREA" AND TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING SUCH CREATION, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072
President Steed opened this Executive Session at 7:34 p.m. and closed it at 8:03 p.m. No action.

XI. ADJOURNMENT
Motion: Director Decker to adjourn the meeting.
Second: Director Roberts.
Ayes: 4
Noes: 0
Unanimous.

Director Steed adjourned the meeting at 8:06 p.m.

Approved this 16th *day of* December *2010, with a motion*

by Director Decker *and a Second by Director* Roberts.

Ayes 5 *Noes* Ø *Abstained* Ø

Presiding Officer *Secretary*