



TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17

3812 Eck Lane • Austin, Texas 78734
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A Special 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, December 4, 2008, at 6:00 p.m. This meeting was scheduled and conducted in compliance with the Texas Open Meetings Act.

I. CALL TO ORDER.

Director Steed called the meeting to order at 6:05 p.m.

II. ESTABLISH A QUORUM.

Directors Steed, Roberts, Moran, and Ward were present. Director Tuerff was absent. General Manager Deborah Gernes, General Counsel Lauren Kalisek and David Klein, Bond Counsel Carol Polumbo, District Engineer Pat Lackey, and Financial Advisor Garry Kimball were also present.

III. MANAGER AND COMMITTEE REPORTS.

A. MANAGER'S REPORT – A STATUS REPORT REGARDING ONGOING DISTRICT PROJECTS AND INFORMATION TO THE BOARD INCLUDING:

1. WATER AND WASTEWATER PLANT STATUS AND OPERATIONS:

a. Eck Lane Water Treatment Plant – Texas Commission on Environmental Quality (TCEQ) Coli Award.

The District has received the Texas Commission on Environmental Quality *Total Coliform Rule Program Award 2007* for fulfilling the requirements of the program for the effort, dedication, and contribution made to the state and citizens of Texas in protecting public health.

b. Surface Water Treatment Rule Update.

All raw water samples tested to-date have detected zero cryptosporidium and zero giardia parasites.

c. UCMR-2 - Unregulated Contaminants Update.

TCEQ has not yet implemented their sampling plan.

Manager Gernes distributed a draft copy of the Landscape Irrigation Ordinance for review.

Director Moran asked about the City of Austin (COA) Water Treatment Plant #4 in the Managers Written Report and Ms. Gernes updated the Board briefly on the meeting held December 3rd regarding issues relative to the City's planned improvements to Bullick Hollow Road.

IV. PUBLIC COMMENT.

This session was not needed as there was no one present to address the Board.

V. CONSENT AGENDA:

A. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT:

1. CLEARWELL TANKS #1 & #2 REFURBISH PROJECT, PAY ESTIMATE #1 AND CHANGE ORDER#1.

Manager Gernes recommended approval of Pay Estimate #1 and Change Order #1. Mr. Lackey reported that the project is well underway and the change order incorporates the change from the refurbishment of the bolted steel tank to construction of a concrete tank for Clearwell #2 as the Board directed. Mr. Lackey recommended approval of the change order and pay estimate.

Motion: Director Moran to approve Pay Estimate #1 and Change Order #1 as presented.

Second: Director Steed.

Ayes: 4

Noes: 0

Unanimous.

VI. OLD BUSINESS:

A. DISCUSS/CONSIDER/TAKE ACTION ON ISSUANCE OF BOND ANTICIPATION NOTES FOR STEINER RANCH DEFINED AREA BOND ISSUE NO. 13.

Ms. Gernes opened the discussion stating that the District consultants had been reviewing the Bond Anticipation Note (BAN) to verify compliance with Texas Commission on Environmental Quality (TCEQ) requirements. Ms. Kalisek recapped that this will be a two step process: 1) negotiation with a private bank for the BAN that will be repaid only with bond money, and 2) reimbursement to the Developer with repayment of the BAN when the bond is sold. She said that because we already have TCEQ approval of the bond application, a letter would need to be written to request an application for change in the project scope and authorization to use bond proceeds to repay a BAN to enable moving forward. Mr. Kimball said that the market for BANs had disappeared during the summer due in part to the economic downturn which hindered BAN repayment during this same period of time. However, he said that the District has a strong financial position and three banks have already shown interest because the District already has bond approval, and the bonds will be investment grade and insured. Mr. Kimball feels very good about the process because all requirements of Code Rule 293.54 for BAN issuance have been met and there will be no cost to the District tax payers. Mr. Kimball explained that the primary risk could be that the bonds would not have any bidders; however, the bank issuing the BAN could purchase the bonds to obtain a secure investment. Mr. Kimball recommended moving forward with bids and bringing BAN bids to the Board December 18 for consideration at the regular board meeting. Ms. Polumbo emphasized that TCEQ does require a letter on file requesting a change to the bond application. She stated that it was not required to obtain a response from TCEQ to the change request before issuing the BAN. Ms. Polumbo will be working to place a Notice for Bids for the BAN, as required, 10 days prior to the Board's consideration.

Motion: Director Moran to approve the application to Texas Commission on Environmental Quality for a change in the project scope, subject to final review and approval of complete application package by the General Manager and General Counsel, and to authorize publication of notice of sale of Bond Anticipation Note by District 17 bond counsel, provided however final approval to issue the BAN to be expressly reserved for the next Board meeting.

Second: Director Ward.

Ayes: 4

Noes: 0

Unanimous.

The Developer's attorney, Sharlene Collins of Armbrust and Brown LLP, along with Mr. Robert Long and Mr. Leroy Kraatz, thanked the Board and staff for their work.

B. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING THE ISSUANCE OF BOND ANTICIPATION NOTES FOR STEINER RANCH DEFINED AREA BOND ISSUE NO. 13 IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071.

Director Steed opened the Executive Session at 6:37 p.m. and closed it at 6:50 p.m. There was no action taken.

The Board recessed for a break at 6:53 p.m. Director Steed reconvened the meeting at 7:00 p.m. into Executive Session.

C. DISCUSS/CONSIDER/TAKE ACTION ON ACQUISITION OF REAL PROPERTY PARCELS LOCATED WITHIN THE DISTRICT'S BOUNDARIES.

1. A 12.08 ACRE TRACT LOCATED AT LOTS 32, 35, AND 36 OF LA HACIENDA ESTATES;
2. AN APPROXIMATELY 0.73 ACRE PORTION OF THE 11.3053 ACRE LOHMAN'S CROSSING SHOPPING CENTER SUBDIVISION, LOT 1; AND
3. A 16.52 ACRE TRACT LOCATED AT LOT 1, BLOCK A, CREEKSIDE AT LAKEWAY.

No action taken.

D. THE BOARD WILL MEET IN EXECUTIVE SESSION TO DELIBERATE THE ACQUISITION OF THE FOLLOWING REAL PROPERTY 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.

1. A 12.08 ACRE TRACT LOCATED AT LOTS 32, 35, AND 36 OF LA HACIENDA ESTATES;
2. AN APPROXIMATELY 0.73 ACRE PORTION OF THE 11.3053 ACRE LOHMAN'S CROSSING SHOPPING CENTER SUBDIVISION, LOT 1; AND
3. A 16.52 ACRE TRACT LOCATED AT LOT 1, BLOCK A, CREEKSIDE AT LAKEWAY.

Director Steed opened the Executive Session at 7:00 p.m. and closed it at 7:23 p.m. There was no action taken.

VII. ADJOURNMENT.

Motion: Director Ward to adjourn the meeting.
Second: Director Roberts.
Ayes: 4
Noes: 0
 Unanimous.

Director Steed adjourned the meeting at 7:24 p.m.

Approved this _____ day of _____ 2009, with a motion

by Director _____ and a Second by Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary