



TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17
3812 Eck Lane • Austin, Texas 78734
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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, February 21, 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 6:08 p.m.

II. ESTABLISH A QUORUM.

Directors Steed, Roberts, Decker and Moran were present. Director Tuerff was out of town. General Manager Deborah Gernes, General Counsel Lauren Kalisek, District Engineers Pat Lackey and Will Pena, Financial Advisor Garry Kimball, and Bond Counsel Carol Polumbo were also in attendance.

III. MANAGER AND COMMITTEE REPORTS.

In addition to the written report, the General Manager provided the following updates:

- The Manager updated the Board on various additional water testing programs and their requirements such as the UCMR-2 program mandated by the EPA to test for unregulated contaminants, the additional testing required by the Long Term Enhanced Surface Water Treatment Rule (ESWTR) for Cryptosporidium, and the Stage 2 Disinfection byproducts testing requirements. The Manager stated the District was in compliance with these programs.
- The Manager provided the Board with samples of the new preventative and corrective maintenance schedules prepared by the Maintenance Department. She also provided samples of the logs documenting compliance testing for industrial waste for their information.
- The Manager provided the Board a copy of the proposed new computer network system for the central office. The network will work off two servers, one for the internet, and one for internal work.
- The Insurance Services Office has re-rated the ESD-6 area with new fire service ratings. The area outside of Lakeway has received a rating of 3/8B, and the City of Lakeway area has been rated at 2. This is a huge improvement, and will save many customers money on their homeowner's insurance. The WCID system improved from 50% to 90% overall.
- Water Treatment Plant B is in operation.
- The 1 million gallon clearwell is complete and will be filled next week. If no leaks are found, the contractor will go ahead with the final piping, setting pumps, and grading.
- Power has been run to the high school pump station and testing will begin next week.
- The pumps at the Big Dave's water storage tank are in place, and all pressure tests have been passed. We are now waiting on permanent electric power.
- The district office building is progressing slowly, however there is not much work left and we will be moving in next month.

IV. CONSENT AGENDA:

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

1. Highway 71 Elevated Water Storage Tank, Pay Estimate #8, Landmark Structures I, LP.
2. Steiner Ranch Pump Station Expansion – 2006, Pay Estimate #6 and Change Order # 2, Excel Construction.
3. Big Dave's Standpipe Pump Station and Water Line Improvements, Pay Estimate #6, Excel Construction.
4. 2004 WTP Improvements – Phase Two – Clearwell and High Service Pump Station, Pay Estimate #10, Payton Construction, Inc.
5. Lake Travis High School Pump Station, Pay Estimate #5, Hoover Construction Company, Inc.
6. Office Building Additions, Pay Estimate #10, MB Home Construction Service, Inc.

B. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE STEINER RANCH DEFINED AREA:

1. Steiner Ranch. River Dance Phase 5A, Water, Wastewater and Drainage Improvements, Pay Estimate #3, Ross Construction Co., Inc.
2. Steiner Ranch, River Dance Phase 6A, Water, Wastewater and Drainage Improvements, Pay Estimate #9, JC Evans Construction Co., LP.
3. Steiner Ranch, River Dance Phase 6B, Water, Wastewater and Drainage Improvements, Pay Estimates #4 & #5, JC Evans Construction Co., LP.
4. Steiner Ranch , River Dance Phase Two, Water, Wastewater and Drainage Improvements, Pay Estimate #4, JC Evans Construction Co., LP.
5. Fairways at Steiner Ranch, Water, Wastewater and Drainage Improvements, Pay Estimates #8 & #9-Final and Change Order #3, Key Enterprises, Inc.

C. APPROVE PAYMENT OF CURRENT INVOICES.

D. APPROVE MINUTES.

Minutes from the October 23, 2007 Special Meeting, December 13, 2007 Regular Meeting January 17, 2008 Regular Meeting and January 31, 2008 Special Meeting were presented for approval.

Motion: Director Decker to approve the Consent Agenda as presented.

Second: Director Moran.

Ayes: 4

Noes: 0

Unanimous.

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

Director Steed opened Public Comment at 6:35 p.m. and held it open in case someone arrived and wanted to address the Board.

Motion: Director Decker to close Public Comment.

Second: Director Moran.

Ayes: 4

Noes: 0

Unanimous.

Director Steed closed Public Comment at 8:45 p.m.

VI. PUBLIC HEARING, 6:45P.M.:

Conduct Public Hearing On Serene Hills Defined Area Proposed Tax Plan and Proposed Improvements Plan.

Director Steed opened the Public Hearing at 6:45 p.m. Ms. Kalisek stated that the Public Hearing was for anyone to voice opposition to the creation of the Defined Area and the tax plan associated with the creation. Ms. Kalisek stated the notice was published in the Austin American Statesman on February 5, 2008 and February 12, 2008 as required. Since no one was present, Ms. Kalisek recommended closing the Public Hearing.

Motion: Director Decker to close the Public Hearing.

Second: Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

Director Steed closed the Public Hearing at 6:55 p.m.

VII. OLD BUSINESS:

A. CONSIDER AND TAKE ACTION TO ADOPT ORDER DEFINING SERENE HILLS DEFINED AREA, ORDERING SERVICE TO PROPOSED SEPARATE TAX AREA, CALLING BOND ELECTION AND A MAINTENANCE TAX ELECTION. (CONSIDERE Y TOME MEDIDAS PARA ADOPTAR ORDEN QUE DEFINE EL ÁREA DEFINIDA DE SERENE HILLS, PIDIENDO A SERVICIO A ÁREA FISCAL SEPARADA PROPUESTA, LLAMANDO ELECCIÓN DE OBLIGACIÓN Y UNA ELECCIÓN DE IMPUESTO DE MANTENIMIENTO.)

Ms. Carol Polumbo, District Bond Counsel, briefed the Board on the contents of the Order which defines the area to be served, orders service, calls the bond election and authorizes a maintenance tax. Ms. Polumbo reminded the Board that it was allowed to put out factual information only on this issue prior to the election. Ms. Kalisek said there had been an increase in the total bond authorization amount to \$55,000,000 because of the anticipated increase in construction costs and contingency. She said that whether or not there would be sufficient assessed value to support this amount was not a concern, only that there are enough bonds

authorized to ensure construction of required infrastructure. The Serene Hills Defined Area (SHDA) Operation and Maintenance tax could be set from \$0.00 to \$0.65 and it would be determined annually. This tax would apply only to the properties within the SHDA, and the tax could be applied when it was approved even before bonds were issued. As bonds are issued, the O&M tax could be adjusted down. The County will be conducting this election, and the final polling locations have not yet been selected. Director Steed directed the General Manager to place articles in the paper, including maps, to ensure there was no confusion as to what area was being defined.

Motion: Director Roberts to adopt the Order as presented.

Second: Director Decker.

Ayes: 4

Noes: 0

Unanimous.

B. DISCUSS/ACT ON FLINTROCK RANCH ESTATES DEFINED AREA BOND ISSUE NO. 3, INCLUDING:

1. Resolution Authorizing the Filing of an Application with the Texas Commission on Environmental Quality for Approval of Engineering Project and Third Flintrock Ranch Estates Defined Area Bond Issue.

This bond application includes two items previously tabled at the January 2008 Board meeting. The first was a request for a waiver of the 30 percent developer contribution and the second, a request for more than two years of developer interest. Mr. Russell Parker, the developer, stated they had changed their original bond application so that now there would be two separate bond issues. He pointed out that the Board had previously approved an application to TCEQ with the 30 percent contribution waived, but that application had to be reconfigured to leave out all construction projects due to a technicality. Mr. Parker requested that the Board grant that waiver again so as to allow 100 percent reimbursement for infrastructure. Mr. Parker further requested that more than two years of developer interest be allowed as reimbursement, and stated the reason for the developer's inability to file timely bond applications was that the market had slowed down and agreements with the home builders had to be extended.

Ms. Gernes stated that the Steiner Ranch development only receives 70 percent reimbursement for non-central facilities and it would not be fair for another developer to receive 100 percent. Mr. Kimball pointed out that the Steiner case may be a moot point because the Steiner development will be using all of their bond allocation if they requested 100 percent reimbursement. The Steiner developers only receive 70 percent reimbursement, however. Director Steed said the new proposed defined area in the Heard Tract was only going to receive 70 percent and two years of interest. Director Steed stated he was not inclined to grant either of the two requests from the developer in the interest of fairness. He also said that growth should pay for itself, and he felt the developer should contribute something to infrastructure even though the TCEQ rules do allow for 100 percent. Director Decker said she agreed that it would not be good policy to set such a precedent. Director Steed said he wanted to make it very clear that the District was treating every developer the same, not better or worse.

Motion: Director Decker to approve the bond application resolution excluding the request for an exemption from the thirty percent developer contribution rule, item (3), and the request for approval to reimburse more than two years of interest to the developer, item (5).

Second: Director Moran.

Ayes: 4

Noes: 0

Unanimous.

Director Steed recessed the meeting at 7:30 p.m. The meeting was reconvened at 7:45 p.m.

VIII. NEW BUSINESS:

A. CONSIDER AND TAKE ACTION TO ADOPT ORDER CALLING DIRECTORS ELECTION AND AUTHORIZE PUBLICATION OF NOTICE. (CONSIDERAR Y TOMAR MEDIDAS PARA ADOPTAR UNA ORDEN DE ELECCIÓN DE DIRECTORES Y AUTORIZAR AVISO DE ELECCIÓN).

See item VIII.C. for the Motion approving this Order.

- B. AUTHORIZE EXECUTION OF JOINT ELECTION AGREEMENT WITH POLITICAL SUBDIVISIONS IN TRAVIS COUNTY (AUTORICE EJECUCIÓN DE ACUERDO DE ELECCIÓN CONJUNTO CON SUBDIVISIONES POLÍTICAS EN CONDADO TRAVIS).**
See item VIII.C. for the Motion approving this Order.
- C. AUTHORIZE PREPARATION AND FILING REQUEST FOR PRECLEARANCE WITH U.S. DEPARTMENT OF JUSTICE FOR DIRECTORS' ELECTION AND SERENE HILLS DEFINED AREA ELECTION (AUTORICE PREPARACIÓN Y ARCHIVANDO PETICIÓN DE PREAUTORIZACIÓN CON MINISTERIO DE JUSTICIA DE LOS ESTADOS UNIDOS PARA LA ELECCIÓN DE DIRECTORES Y ELECCIÓN DE SERENE HILLS DEFINED AREA).**
Motion: Director Roberts to approve the Order of Election and the execution of the Joint Election Agreement and authorize the preparation of the DOJ preclearance filing.
Second: Director Moran.
Ayes: 4
Noes: 0
Unanimous.
- D. APPROVAL AND RATIFICATION OF CONTRACT WITH PAYTON CONSTRUCTION COMPANY FOR WATER TREATMENT PLANT EXPANSION, INCLUDING PAY ESTIMATES AND CHANGE ORDERS.**
The engineer reviewed the construction requirements for the water plant expansion membrane installation and piping. The installation was an extremely lengthy and complex design/build contract, involving demolition of some of the old plant and keeping the present plant online while construction was completed. Mr. Lackey stated he would present in the near future the final PALL Corp pay estimate and that he was working on punch list items for PALL. Ms. Kalisek reminded the Board that this contract fell within the exemption from the competitive bidding process as allowed by the Texas Water Code.
Motion: Director Moran to ratify the previous pay estimates and change orders and authorize final payment to the Payton Construction Company..
Second: Director Roberts
Ayes: 4
Noes: 0
Unanimous.
- E. DISCUSS/ACT ON RELEASE OF DRAINAGE EASEMENT FOR 14316 FLAT TOP RANCH ROAD.**
Ms. Gernes stated this drainage easement, located along a large estate lot in Steiner Ranch, was not needed. This easement was granted when the lot was originally platted, and the easement was granted by TWC/Steiner Ranch without the District's knowledge. Ms Gernes recommended that the easement be released.
Motion: Director Moran to release the easement.
Second: Director Decker.
Ayes: 4
Noes: 0
Unanimous.
- F. DISCUSS/ACT ON OFFER TO PURCHASE LOT 6, THE SUMMIT ON ECK LANE, ACCORDING TO THE MAP OR PLAT OF RECORD AS DOCUMENT NO. 200000009, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.**
Motion: Director Moran to authorize the General Manager to make an offer to Mr. Cummins for the purchase of Lot No. 6 of the Summit on Eck Lane subdivision.
Second: Director Decker.
Ayes: 4
Noes: 0
Unanimous.
- G. DISCUSS/ACT ON OFFER FROM APACHE SHORES PROPERTY OWNERS ASSOCIATION TO PURCHASE 0.365 ACRES OUT OF THE PROPERTY KNOWN AS LOT 474 (0.318 ACRES) AND LOT 1523 (0.047 ACRES) IN APACHE SHORES SECTION 1.**
Ms. Gernes stated that the lot that is to be declared as surplus property is landlocked and surrounded by property already owned by the ASPOA. The property was one of the well sites that previously supplied the subdivision with water. A pressure tank is still located on the property. The offer letter received from the ASPOA requested that the tank be removed, but they have since requested to keep the tank on the property so that they might use it for rain water harvesting.

Motion: Director Decker to approve the Resolution declaring the real and personal property as surplus, accepting the purchase offer of \$5,000 from the ASPOA, and authorize the General Manager to execute the sale of the property, including the tank.

Second: Director Moran.

Ayes: 4

Noes: 0

Unanimous.

H. DISCUSS/ACT ON CHANGES TO PLUMBING INSPECTION FEES.

The third party inspection company the District uses for plumbing inspections has notified the District of its intent to raise their inspection fees. The fee change mostly affects irrigation inspection fees and re-inspection fees. The proposed fees are \$50.00 for any type of residential inspections, including irrigation systems and pools, and \$55.00 for all commercial inspections. District staff also proposed a change to the process for collecting inspection fees that would result in collecting only the required inspection fees up front, thus eliminating the need to refund any unused fees previously collected as a deposit. The plumbing contractors would be billed additional fees required due to re-inspections.

District staff also proposed a change to the inspection/start up fees for residential and commercial grinder pump systems. The inspection fee for residential would be \$250 for the initial inspection and \$50 for any re-inspections. The inspection fee for commercial would be \$500 for the initial inspection and \$50 for any re-inspections. The increase in the fee is to cover staff time, materials, and equipment used for the testing and inspection of the grinder pump. Each pump startup requires a couple of hours of staff time and use of the vacator or jet truck to fill the wet well with water for testing. Commercial grinders have two pumps that must be tested. The General Manager recommended the changes to inspection fees as presented and stated that the fee increase would be effective March 10, 2008, following the required publication of the fee changes in the local newspaper.

Motion: Director Decker to authorize the increase in plumbing inspection fees and grinder pump inspection fees as presented, authorize the change to the process of collection inspection fees as requested, and authorize the publication of notice of change of fees as requested.

Second: Director Moran.

Ayes: 4

Noes: 0

Unanimous.

I. DISCUSS/ACT ON PROPOSED CHANGES TO THE WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN.

Ms. Gernes reviewed some of the proposed changes to the Water Conservation and Drought Contingency Plan. She stated there would be no change on the drought triggers for actions on each condition, however there would be changes to the watering day schedule. The Board recommended that the manager check on the City of Austin's current requirements so that the District could closely match these to reduce confusion among the customers. The manager pointed out that Director Tuerff had previously stated that he would be in favor of mandatory restrictions for all customers from May to December, but that this would be discussed at the Conservation Committee meeting. Director Roberts asked how the mandatory restrictions would affect our average capacity. Ms. Gernes said she did not have an exact figure, but that restrictions would certainly extend our capacity. The total water production capacity is now 12 MGD plus the capacity of the backwash rack at approximately 0.5 MGD. No action was taken on this item and it was tabled for further discussion.

J. DISCUSS/ACT ON AMENDMENT TO THE AGREEMENT FOR WHOLESALE WASTEWATER UTILITY SERVICE FOR THE COMANCHE CANYON RANCH EXTERRITORIAL JURISDICTION PLANNED UNIT DEVELOPMENT AND THE EMERGENCY WATER CONTRACT, BOTH WITH THE CITY OF AUSTIN.

No action was taken on this item.

IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO DELIBERATE THE PURCHASE OF LOT 6, THE SUMMIT ON ECK LANE, ACCORDING TO THE MAP OR PLAT OF RECORD AS DOCUMENT NO. 200000009, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, AND TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING SUCH PURCHASE, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072.

The Board entered into Executive Session at 7:46 p.m. Director Steed closed the session at 8:03p.m. There was no action taken.

X. THE BOARD WILL MEET IN EXECUTIVE SESSION TO DELIBERATE THE SALE OF 0.365 ACRES OUT OF THE PROPERTY KNOWN AS LOT 474 (0.318 ACRES) AND LOT 1523 (0.047 ACRES) IN APACHE SHORES SECTION 1 AND TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING SUCH SALE, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072.

There was no Executive Session needed on this item.

XI. THE BOARD WILL MEET IN EXECUTIVE SESSION TO SEEK ADVICE FROM ITS ATTORNEY REGARDING THE AMENDMENT TO THE AGREEMENT FOR WHOLESAL WASTEWATER UTILITY SERVICE FOR THE COMANCHE CANYON RANCH EXTERRITORIAL JURISDICTION PLANNED UNIT DEVELOPMENT AND THE EMERGENCY WATER CONTRACT, BOTH WITH THE CITY OF AUSTIN IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071.

The Board entered into Executive Session at 8:07 p.m. Director Steed closed the session at 8:38p.m. There was no action taken.

XII. ADJOURNMENT.

Motion: Director Moran to adjourn the meeting.

Second: Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

Director Steed adjourned the meeting at 8:47 p.m.

Approved this _____ day of _____ 2008, with a motion

By Director _____ and a Second by

Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary