



TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17
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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, May 22, 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 6:01 p.m.

II. ESTABLISH A QUORUM.

Directors Steed, Moran and Tuerff were present. Director Roberts and Ward joined the meeting after being sworn into office. Director Moran was not able to attend. General Manager Deborah Gernes, General Counsel Lauren Kalisek and David Klein, and District Engineers Pat Lackey and Will Pena were also present.

III. WELCOME AND QUALIFICATION OF NEW DIRECTORS.

The Oath of Office and Statement of Elected Officers were administered by Leslie Terrell, a Notary Public, to the recently elected Directors Jerri Ward and Jeff Roberts. The Resolutions to Indemnify each Director was also presented for approval.

Motion: Director Moran to approve the Resolution to Indemnify Director Roberts.

Second: Director Tuerff.

Ayes: 4

Noes: 0

Abstained: 1, Director Roberts.

Motion: Director Moran to approve the Resolution to Indemnify Director Ward.

Second: Director Tuerff.

Ayes: 5

Noes: 0

Unanimous.

IV. ELECT OFFICERS.

Motion: Director Tuerff to nominate Director Steed to remain as Board President, Director Roberts to remain as Vice President and Director Moran for Secretary.

Amended Motion: Director Tuerff to nominate Director Ward and Director Tuerff as Alternate Secretaries.

Second: Director Ward.

Ayes: 5

Noes: 0

Unanimous.

V. MANAGER AND COMMITTEE REPORTS.

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

- The Director's Retreat/Work Session is scheduled for June 10th starting at 9:00 am, to be held at the Vintage Villas.
- The Marshall Ford Pump Station is no longer being used. Once it is removed, there will be a small tract of land that the District owns left at the corner of FM 620 and Hughes Park Rd.
- The water plant has shown an increase in the daily water production this week with 6 million gallons, with approximately 4 million gallons going to Steiner Ranch tanks alone.
- The Murfin Road Waterline Project is ready to be advertised for bids, with a recommendation for contract award to be presented at the June meeting.
- The Hudson Bend Area Waterline Project has received final approvals and will advertise for bids soon with a recommendation for contract award to be presented at the July meeting. It is estimated that construction would begin in August and would take approximately six months to complete.

Director Tuerff asked about the results of the meeting with TCEQ regarding permitting for deep well injection as a possible means for disposal of treated wastewater effluent. Mr. Lackey stated that TCEQ staff stated that it would not be a problem to permit, just need to decide

which class of permit would be sought. Class 5 is a more administrative process versus Class 1, which requires public notification to surrounding property owners. Mr. Lackey stated that he had also met with the TWDB. There is funding available through the Regional Water Planning Grant program. The initial study costs are estimated at \$600,000. TWDB would fund half of the project, but it would require another public entity to partner with the District on this project. This could be Lakeway MUD, LCRA, or another interest municipality.

VI. CONSENT AGENDA:

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

1. Existing Filter Building – Proposed Membranes, Pay Estimate #3-Final and Change Order #4, PALL Corporation.
2. Steiner Ranch Pump Station Expansion – 2006, Pay Estimate #9 and Change Order #3, Excel Construction.
3. Big Dave's Pump Station and Water Line Improvements, Pay Estimates #9 & #10, Change Order #2, Excel Construction Services, LLC.
4. 2004 WTP Improvements – Phase Two, Clearwell and High Service Pump Station, Pay Estimate #13, Payton Construction, Inc.
5. Highway 71 Elevated Water Storage Tank, Pay Estimate # 11 and Change Order #4, Landmark Structures I, LP.
6. Buffalo Gap Waterline, Pay Estimate #1-Final, Royal Vista, Inc.

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

1. Steiner Ranch River Dance Phase Two, Phase B – Water, Wastewater and Drainage Improvements, Pay Estimate #6, J. C. Evans Construction Co., LP.
2. Steiner Ranch River Dance Phase 4A, Water, Wastewater and Drainage Improvements, Pay Estimates #9 & #10-retainage, Ross Construction Co., Inc.
3. Steiner Ranch River Dance Phase 5A, Water, Wastewater and Drainage Improvements, Pay Estimate #6, Ross Construction Co., Inc.
4. Steiner Ranch River Dance Phase 6B, Water, Wastewater and Drainage Improvements, Pay Estimate #7, J.C. Evans Construction Co., LP.

C. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE FLINTROCK RANCH ESTATES DEFINED AREA:

1. Flintrock at Hurst Creek, Phase 6, Pay Estimate # 5-Final and Change Order #2, Joe Bland Construction, LP.

D. APPROVE PAYMENT OF CURRENT INVOICES.

E. APPROVE MINUTES.

Ms. Terrell distributed an updated schedule of Pay Estimates presented for payment.

Motion: Director Roberts to approve the Consent Agenda, including the Minutes from the February and March 2008 meetings.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous.

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

Mr. Bill Aydam of Vintage Builders addressed the Board regarding an unresolved dispute. Mr. Aydam explained that he is the home developer for a small section within the Flintrock Falls subdivision. On one of the lots Mr. Aydam had purchased, a cutoff valve for a fire hydrant had been added during construction that was not indicated on any as-built drawings. The District had previously accepted the infrastructure as installed. Mr. Aydam stated the house has been constructed and the driveway was poured for this lot. The cutoff valve was located underneath the driveway, and the District is charging him for the cost to move the valve and repairs to the driveway. He feels that it is unfair to charge him, the builder, when he believes it is the developer's responsibility.

Mr. Gary Bennett, one of the District's Construction Inspectors, was also present. Mr. Bennett stated that he had spoken on several occasions with one of the builder's representatives regarding

the valve. The valve had even been located and shown to this person. After several request for the builder to make the repairs, the District's field crew completed the job and have charged the builder for the repairs.

Ms. Gernes stated that she felt it was the builder's obligation to pay for the repairs since it was the builder's decision to change where the house and driveway were going to be located, thus causing the valve to be in the wrong location.

Director Steed informed Mr. Aydam that the Board could not act on his request for the repairs and fine to be charged to the developer because it was not an item posted on the agenda. Director Steed stated that if any Director wished to revisit this issue, the item would be posted on the June agenda. Otherwise, the general manager's decision would stand.

VIII. NEW BUSINESS:

A. DISCUSS/ACT ON RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF ENGINEERING PROJECT AND 13TH STEINER RANCH DEFINED AREA BOND ISSUE.

Mr. Ken Schroeder presented the Board with the Resolution that would authorize application to TCEQ for the next bond issue for the Steiner Ranch Defined Area in the amount of \$14,040,000. This thirteenth bond issue includes reimbursement to the developer for seven subdivision projects, the Quinlan Park Road Lift Station, and the purchase of water capacity. A draft Engineering Report has been circulated for review.

Motion: Director Roberts to approve the Resolution as presented.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous.

B. DISCUSS/ACT ON AMENDMENT TO THE MAINTENANCE AGREEMENT WITH THE LAKEWIND ESTATES OWNERS' ASSOCIATION, INC.

The General Manager recommended approval of the Amendment as presented.

Motion: Director Moran to approve the Amendment as presented.

Second: Director Roberts.

Ayes: 5

Noes: 0

Unanimous.

C. DISCUSS/ACT ON ORDER DESIGNATING MEETING PLACES.

The meeting place for the Director's Retreat/Work Session meeting must be held a place designated as a District meeting place if located outside of the District's boundaries. Since the meeting place will be held at the Vintage Villas, which is located within the District, Ms. Kalisek stated that the Order was not necessary. There was no action on this item.

D. DISCUSS/ACT ON PROPOSED CHANGES TO THE FISCAL YEAR 2008 OPERATING BUDGET.

Ms. Gernes presented the proposed changes to the budget, which is rarely revised once adopted. The changes include adding the expenses for the mowing and leak detection contracts that had been negotiated and additions to fuel charges due to the increase in gasoline prices. There were several items removed from the Capital items list to accommodate the expenses for the installation of a Composting Facility at the Steiner Ranch wastewater plant, the purchase of a valve exerciser unit, three additional vehicles and motors for pumps located at the Steiner and Flintrock SBR plants. The net effect is an increase in expenses of \$275,718 to the 2007 Fiscal Operating Budget. Ms. Gernes stated that these changes would not have an adverse effect on the current year operations.

Motion: Director Moran to approve the changes to the budget as presented.

Second: Director Tuerff.

Ayes: 5

Noes: 0

Unanimous.

E. DISCUSS/ACT ON POSSIBLE ACQUISITION OF LCRA WEST TRAVIS COUNTY WATER AND WASTEWATER SYSTEM.

Director Steed stated that he had heard rumors, which have now been confirmed, that LCRA would be willing to entertain discussion regarding the sale of some of their acquired water systems in the West Travis County area. LCRA has bought tiny systems and has incurred debt for these systems without charging enough initially for connect fees. Now the current rate payers of these systems are bearing the burden with higher monthly water rates. Director Steed stated that the District should visit with LCRA to see if there are any small systems that could help WCID#17's system. Acquisition of the system would be on the burden of the acquired system, not of the current rate payers. Director Steed asked the General Manager and District Counsel to meet with LCRA staff before the Board's June 10th special meeting to see if there is anything that the District might be interested in purchasing.

X. ADJOURNMENT.

Motion: Director Ward to adjourn the meeting.

Second: Directors Moran and Tureff.

Ayes: 5

Noes: 0

Unanimous.

Director Steed adjourned the meeting at 8:20 p.m.

Approved this _____ day of _____ 2008, with a motion

By Director _____ and a Second by

Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary