



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, November 20, 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 6:02 p.m.

II. ESTABLISH A QUORUM.

Directors Steed, Roberts, Moran, Ward and Tuerff were present. General Manager Deborah Gernes, General Counsel Lauren Kalisek, David Klein, and Carol Polumba and District Engineers Pat Lackey and Will Pena 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 TO THE BOARD INCLUDING:

1. WATER AND WASTEWATER PLANT STATUS AND OPERATIONS:

- a. Eck Lane Water Treatment Plant/Water Distribution System
- b. Steiner Wastewater Treatment Plant/System
- c. Flintrock Wastewater Treatment Plant/System
- d. Comanche Wastewater Treatment Plant/System

2. DISTRICT CONSTRUCTION PROJECTS.

- a. Murfin Road Water Line – This project was temporarily delayed Wednesday, November 19, due to the contractor being red tagged by TxDOT for not having an approved traffic plan filed.
- b. Hudson Bend Water Main – Will Pena will request an updated schedule from the contractor for their start date. The contractor has just completed work on San Antonio Street and Iowa Street, so they should be starting on Hudson Bend in the near future.

3. DEVELOPER CONSTRUCTION PROJECTS.

4. DISTRICT INITIATIVES:

- a. Service to New Areas
- b. Trash and Recycling Collection
- c. Recycling Center Establishment
- d. Household Hazardous Waste Collection
- e. Composting Center
- f. Deep Well Injection of Effluent
- g. Water Conservation
- h. Property/Easement Acquisition
- i. Annexation of Properties

5. DISTRICT MANAGEMENT:

- a. Personnel Issues
- b. District Activities

(i) LCRA Conservation Task Force has their draft report out and we expect to see the final report by year end.

(ii) The elevation change to the 24" water main line near Mansfield Dam and Canyons at Lake Travis was completed 11/20/08 at 12:30 a.m.

(iii) The District will meet December 3rd with the City of Austin team that is working on the Water Treatment Plant 4, near Bullick Hollow, to discuss and review the construction and coordination of utility relocation work to be done on the District lines along Bullick Hollow.

c. Consultant Issues

d. Finance Reports/Audit/Bonds

(i) A Special Board Meeting needs to be held either December 9, 10, or 11 to discuss/consider/take action on the District's September 30, 2007 audit. Leslie Terrell will coordinate and schedule this meeting.

- e. Security
- f. Customer Communication/WEB/Newsletter/Events

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 REPORT:
 - a. Amendment of Capital Improvements Plan and Land Use Assumptions and Imposition of a Wastewater Impact Fee for the South District Wastewater System.
 - b. Amendment of Capital Improvements Plan and Land Use Assumptions and Imposition of a District-Wide Water Impact Fee.

The Impact Fee Committee has met and the minutes from the meeting have been completed. The Committee's recommendations will be presented at the December 18th regular board meeting.

IV. CONSENT AGENDA:

- A. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT:
 1. HUDSON BEND AREA WATER LINE IMPROVEMENTS, PAY ESTIMATE #3, MB BENDER CO., INC.
 2. WATER TREATMENT PLANT EXPANSION #3 – MEMBRANES, PAY ESTIMATE #1, PALL CORPORATION.
- B. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE STEINER RANCH DEFINED AREA:
 1. STEINER RANCH PHASE 1, SECTION 7A-1, WATER WASTEWATER AND DRAINAGE IMPROVEMENTS, PAY ESTIMATE #2, SCHROEDER CONSTRUCTION CO., LTD.
 2. STEINER RANCH PHASE 1, SECTION 10D-1A, WATER, WASTEWATER AND DRAINAGE IMPROVEMENTS, PAY ESTIMATE #1ROSS CONSTRUCTION INC.
- C. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE SERENE HILLS DEFINED AREA:
 1. SERENE HILLS, PHASE 1A & 1B, PAY ESTIMATE #2, JC EVANS CONSTRUCTION CO, LP.
- D. APPROVE PAYMENT OF CURRENT INVOICES.
- E. APPROVE MINUTES.

Director Steed asked for any questions or discussion regarding the pay estimates/change orders, current invoices and the two sets of minutes from the Regular Board Meeting, October 20, 2008 and the Special Board Meeting, November 6, 2008. There being none, the following motion was made:

Motion: Director Tuerff to approve the Pay Estimates/Change Orders in item A., B., and C, payment of current invoices, and minutes of the October 20, 2008 Regular Meeting and November 6, 2008 Special Meeting.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous.

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

Director Steed opened Public Comment at 6:40 p.m. Ron Davis, Jr. Vice President of First Southwest Company, Dallas Texas branch, said he wanted to speak for the company and inform the District Board of the company's status. He said the First Southwest public finance department personnel at Austin had left the company, but that First Southwest would continue to offer public finance services. Mr. Davis informed the Board that Richard Ramirez has been appointed to head

the Austin office. Mr. Davis said First Southwest had merged with Plains Capital Bank, one of the largest private banks in Texas, and he feels this will provide additional capital and liquidity as well as provide a better model for customer service. He also reminded the Board that should they chose to hire Specialized Public Finance for financial advisor services that First Southwest would be available to serve as a bond underwriter or paying agent and requested the opportunity to do so. Director Steed asked if Mr. Davis was assigned to the Austin office, and Mr. Davis said he was working on transitioning to Austin but was not there yet.

Mr. Jesus Sanchez and Mr. Juan Leon wanted to request water service to Holly Lane. Ms. Gernes told them that the District is currently designing a looped line with water and fire protection to serve this area. Once the design is complete, it will take about three months to complete the project. Customers that want to hook into the system will need to pay all associated Water Impact Fees and tap fees to connect a meter.

Motion: Director Roberts to close Public Comment.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous.

Director Steed closed Public Comment at 6:56 p.m.

VI. PUBLIC HEARING, 6:45 P.M., REGARDING THE PROPOSED SUBSEQUENT USER FEES FOR LAKE TRAVIS ELEMENTARY SCHOOL WASTEWATER IMPROVEMENTS.

Director Steed opened the Public Hearing at 6:57 p.m. by asking Mr. Pena to give a brief summary of the project. Mr. Pena outlined the project by explaining the handout of the winning bid with the costs and his calculations of the subsequent user fees for the area that would be entitled to use of the wastewater line improvements. He explained that this project will be a two part project involving an 8-inch gravity wastewater feed line from the North Lakeway Village development to the existing Lake Travis Elementary site to provide wastewater collection for the school campus as well as other potential customers, and a wastewater lift station and 2-inch force main will be installed on the elementary school campus near Cavalier Canyon Drive and RR620 South. This lift station will initially provide wastewater service to the Elementary School and Educational Development Center only. The Subsequent User Fees (SUF) recommended would be \$982.21 per LUE for the proposed 8-inch wastewater line, which can serve 240 LUEs and \$9,726.45 per LUE for the LTISD wastewater lift station and force main, which will serve only 30 LUEs. These SUFs will reimburse the school district for their cost of construction for these service installations. The General Manager reviewed the costs for wastewater service and stated that this is a line that will be limited on which properties could be served; that no one would be required to hook into the line; and fees would only be applicable to properties able to hook up to the school's manhole on the east side of RM620. Ms. Gernes reviewed the total costs for wastewater service in this system: \$7,300 for capacity in Lakeway MUD plant, \$3,937 SUF to Ryland Homes, and \$980 for the school district, as well as any cost that may be associated with getting the line to their meter.

Mr. Bill Pohl, Pohl Braasch Associates, spoke as a representative for land owners in the area that have an interest in future development. He asked if the wastewater lines could be made larger to serve more people and Mr. Pena replied that although the lines could be made larger, there was not enough plant capacity left to serve more than about an additional 100-150 LUEs.

Mr. Calvin Moody was present and requested a map of the project. He said his questions had been answered by the opening explanation.

Director Steed asked if anyone else had questions or wanted to speak regarding the Public Hearing.

Motion: Director Roberts to close the Public Hearing.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous.

Director Steed closed the Public Hearing at 7:11 p.m.

VII. OLD BUSINESS:

A. DISCUSS/CONSIDER/TAKE ACTION ON ACQUISITION OF REAL PROPERTY PARCELS LOCATED WITHIN THE DISTRICT'S BOUNDARIES. THE DISTRICT'S REAL ESTATE ACQUISITION REPRESENTATIVE, ROSS FRIE, AICP, WILL MAKE A PRESENTATION REGARDING:

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.

These items were discussed in Executive Session. As a result, there was no action taken.

B. DISCUSS/CONSIDER/TAKE ACTION ON LETTER OF INTENT FOR PURCHASE OF REAL PROPERTY FROM LCRA LOCATED WITHIN THE DISTRICT'S BOUNDARIES NEARBY MANSFIELD DAM FOR THE NORTH SHORE TREATMENT PLANT PROJECT.

This item was discussed in Executive Session. As a result, there was no action taken.

C. DISCUSS/CONSIDER/TAKE ACTION ON ORDER SETTING THE SUBSEQUENT USER FEES FOR LAKE TRAVIS ELEMENTARY SCHOOL WASTEWATER IMPROVEMENTS.

Director Steed asked the Board if they had any questions regarding setting the Subsequent User Fees as proposed by River City Engineering in their study and reported on during the Public Hearing. There was no further discussion held.

Motion: Director Roberts to adopt the Order Setting the Subsequent User Fees for the Lake Travis Elementary School Wastewater Improvements as outlined in the River City Engineering study.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous.

VIII. NEW BUSINESS:

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

Ms. Gernes stated the Steiner Ranch Developer has requested that the Board consider issuing Bond Anticipation Notes (BANs) since the Steiner Ranch Defined Area Bond Issue No. 13 will not be able to close prior to December 31, 2008. Mr. Robert Long of TWC/Steiner Ranch, Ltd. stated that this bond issue, in the amount of \$14,040,000, has been approved by TCEQ, but issuance of the bonds has been delayed until the District's FY 2007 Audit Report has been completed. Ms. Gernes stated that the audit report would be completed in December, and it is not the only item causing a delay in the issuance of the bonds. With the recent notification by Garry Kimball, the District's Financial Advisor, that he was no longer with First Southwest Company, the District has not been able to consult with him regarding the issuance of the bonds or discuss the issuance of BANs. Since the services contract is with First Southwest Co., the District must either terminate the contract with First Southwest Co or continue to consult with Mr. Kimball, now with Specialized Public Finance, Inc, which would require the adoption of a new Financial Advisor contract. Ms. Gernes added that with the current economy as it is, the delay of the issuance of the bonds could result in a better interest rate for the District. Ms. Gernes also stated that even if the District's audit report had been previously approved, there was no guarantee that the District could issue the bonds by the end of the calendar year since there is only one Bond Insurance company reviewing all issues now, instead of the seven companies as in years past. This could also delay the bond issue. Mr. Long added that the Developer has had a good working relationship with the District and is asking for this special consideration to help out their year end financials.

The Board entered into Executive Session to discuss the Financial Advisor contracts. As noted in items VIII.F and VIII.G, the Board adopted a Financial Advisor contract with Security Public Finance, Inc.

Ms. Jennifer Douglass with Specialized Public Finance, Inc, addressed the concerns of the Board regarding the issuance of BANs. Ms. Douglass stated that it is typically harder to sell BANs in the market than issuing bonds, but that Mr. Kimball did not foresee any problems. He has already contacted a couple of banks to see if they would be interested in bidding on the BANs, and both have responded in a positive manner. The costs associated with issuing the

BANs are one-half of the issuance costs for bond issues. These costs are rolled into the BAN amount. The developer has agreed to absorb this additional cost, which would mean that their future reimbursements from subsequent bond issues would be less. Assuming that the Board authorizes the consultants to go forward with the BAN process, bids would be opened at the December 18th Board meeting, which would allow the BANs to be closed and funded before December 31st.

Ms. Carol Polumbo, District's Bond Counsel, also addressed the concerns of the Board. She stated that the holders of the BANs could only be paid back when the bonds are issued. Because of this condition, should the District have trouble issuing the bonds in the near future, the BANs would have a roll-over clause built in, and the District would just have to pay the interest on the BANs. Ms. Polumbo stated that she needed to get some clarification from TCEQ regarding this specific request to issue BANs since the bonds have been already been approved and the issuance is delayed until the audit report is approved and the market is more stable. She stated that BANs are normally issued prior to getting TCEQ consent for the sale of the bonds.

Motion: Director Moran to authorize the consultants to pursue both the issuance of Bond Anticipation Notes and the approved bond sale with a timeline for the issuance of BANs and results from TCEQ discussion to be given to the Board at a specially called meeting on December 4th.

Second: Directors Ward and Steed.

Ayes: 5

Noes: 0

Unanimous

B. DISCUSS/CONSIDER/TAKE ACTION ON FOURTH AMENDMENT TO THE AGREEMENT FOR WHOLESAL WASTEWATER UTILITY SERVICE FOR THE COMANCHE CANYON RANCH EXTRATERRITORIAL JURISDICTION PLANNED UNIT DEVELOPMENT.

This item was not required. No action taken.

C. DISCUSS/CONSIDER/TAKE ACTION ON DISTRICT'S IDENTITY THEFT PREVENTION PROGRAM AND APPOINT A PROGRAM ADMINISTRATOR.

Mr. Klein stated that the Identity Theft Prevention Program was reevaluated, per the request made at the October meeting, and has been written to reflect the plan changes as requested by the District General Manager. The resolution, as presented, adopts the plan and appoints Ms. Gernes as the program administrator.

Motion: Director Tuerff to adopt the Resolution Adopting an Identity Theft Prevention Program and Appointing a Program Administrator as presented.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous

D. DISCUSS/CONSIDER/TAKE ACTION ON ISSUE OF A PROPERTY OWNER INCLUDED IN THE BOUNDARIES OF THE STEINER RANCH DEFINED AREA.

Ms. Gernes introduced the location of a portion of a land parcel that was inadvertently included in the District Boundaries and Steiner Ranch Defined Area (SRDA) when created but the owner does not receive service or benefit from the defined area facilities or the District. She went on to say that the owner has on numerous times requested being de-annexed or excluded from the SRDA and District, but that the District attorneys research maintains that this is not possible since the tax revenues from the defined area were voter approved and are dedicated to retiring the debt from the defined area bond issues. Mr. Lackey clarified that field notes used to define the boundaries were prescriptive, using the existing roadway as a boundary when the defined area was established, rather than an actual survey; therefore, the boundaries do not necessarily follow property lines. Ms. Gernes referred to the tax receipts that the owner had provided said that the Board had two options; take no action or vote to reimburse the owner from the General Fund.

Motion: Director Tuerff to refund the owner back to 2003 and each year upon receipt of his tax receipts.

Second: Director Moran.

Ayes: 3

Noes: 2, Director Roberts and Director Steed

E. DISCUSS/CONSIDER/TAKE ACTION ON SUBSEQUENT USER FEE FOR COMANCHE CANYON RANCH PLANNED UNIT DEVELOPMENT, INCLUDING ADOPTION OF AN ORDER SETTING A PUBLIC HEARING TO DISCUSS AND REVIEW THE PROPOSED SUBSEQUENT USER FEE.

Ms. Gernes explained that the proposed \$6,037.38 per LUE fee would be collected from anyone in the future tying into the wastewater system. This fee will be collected to reimburse the developer that built the Comanche Canyon Ranch Wastewater System for the pro rata share of the facilities. The first step needed to establish a Subsequent User Fee is to hold a Public Hearing and Ms. Gernes requested approval of the Board to set a hearing.

Motion: Director Tuerff to adopt an Order Setting Public Hearing Date for Wastewater Subsequent User Fee Area for Comanche Canyon Ranch Wastewater Improvements, to be held on December 18, 2008, at 7:15 pm.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous

F. DISCUSS/CONSIDER/TAKE ACTION ON TERMINATING THE FINANCIAL ADVISORY AGREEMENT BETWEEN THE DISTRICT AND FIRST SOUTHWEST COMPANY.

Director Steed referred to the two agreements before the Board for consideration of continuance since the financial advisory department of the Austin office of First Southwest Company has resigned. The District has a Financial Advisory Agreement and an Agreement for Arbitrage Rebate Compliance Services with First Southwest Company. Director Steed recommended that the District retain the Agreement for Arbitrage Rebate Compliance Services, even if the Board decides to terminate the Financial Advisory Agreement. First Southwest Company is now changing with their new structure and the District has tried to stay away from a company that buys its own bonds and markets other products. Director Moran added that the District has a good working relationship with Garry Kimball, formerly of First Southwest Company and would like to see the District continue with that relationship. He is someone that the Board has trusted and has given sound financial advice in the past.

Motion: Director Roberts to terminate the Financial Advisory Agreement only with First Southwest Company.

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous

Ron Davis thanked the Board for their consideration.

G. DISCUSS/CONSIDER/TAKE ACTION ON AGREEMENT BETWEEN THE DISTRICT AND SPECIALIZED PUBLIC FINANCE, INC. FOR FINANCIAL ADVISORY SERVICES.

Motion: Director Roberts motion to adopt the Financial Advisory Services Agreement between WCID17 and Specialized Public Finance Inc. (SPFI).

Second: Director Moran.

Ayes: 5

Noes: 0

Unanimous

H. DISCUSS/CONSIDER/TAKE ACTION REGARDING FLINTROCK RANCH ESTATES DEFINED AREA BOND ISSUE NO. 4, INCLUDING:

1. REQUEST FROM HPK VENTURES, LTD. THAT THE DISTRICT AUTHORIZE ITS ENGINEERS AND CONSULTANTS TO ASSIST IN PREPARATION OF AN APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR FLINTROCK RANCH ESTATES DEFINED AREA BOND ISSUE NO. 4; AND

Motion: Director Roberts to authorize the consultants to prepare the bond application for Bond #4.

Second: Director Moran.

Ayes: 5

Noes: 0

2. REQUEST BY HPK VENTURES, LTD. FOR WAIVER OF 30% DEVELOPER'S CONTRIBUTION REQUIREMENT FOR BOND ISSUE NO. 4.

Mr. Ken Schroeder, bond engineering consultant for the developer, reviewed a brief history of the presentations made to the Board in the past regarding bond

applications. He stated that he had been hired after the reimbursement agreement was in place between the developer and the District, but had always understood that the developer would be seeking 100% reimbursement. The first reimbursement bond application which was approved by the Board at 100% did include both central facilities and subdivision infrastructure. However, the subdivision infrastructure was removed because all of the central facilities had not been submitted for reimbursement. Ms. Gernes added that she had only become aware in the last year or so that a developer could actually be reimbursed more than 70% on items that were not considered central facilities. She stated that most developers bear all of the construction costs. She added that defined areas are allowed when there is significant benefit to the District and it is a means for the developer to recoup some of their costs, but the District never intended for the developer to recoup all costs. The Board feels that the 30% rule is good because the developer should contribute something to the development. She stated that when the application was first presented to the Board that included Phase 1, 2 and 7, neither she nor the Board had a clear understanding that the developer would be seeking 100% reimbursement on everything.

Director Steed stated that he never intended for the developer to get 100% reimbursement on all items. He stated that the Board has a policy that growth pays for itself and this is why the defined area concept works for the District. It allows the developer to be reimbursed a portion of their costs, but not all. Other developers that don't qualify for a defined area must pay 100% of the expenses for infrastructure that is conveyed to the District upon completion. He added that the reimbursement agreement between the District and the developer states the reimbursement will be as allowed by both TCEQ and the District Board.

Mr. Steve Hurst, partner in the development, stated that the developer has tried to complete the documentation to allow the District to move forward with this project. In an effort to make sure that a quality golf course would be included in the project, the developer gave the land plus \$10,000 per lot to ClubCorp, the golf course developer. He said that thought the developer deserved consideration for 100% reimbursement.

Director Steed offered that the authorization for consultants to move forward with the bond application could be granted now and the 30% waiver would be further considered in Executive Session and placed on the December meeting agenda for further action. This would allow more time for the Board to review the records presented. Mr. Hurst stated he had no problem in waiting another month for resolution.

The Board recessed for a break at 8:57 p.m. Director Steed reconvened the meeting at 9:08 p.m. into Executive Session.

There was no further action taken on this item.

I. DISCUSS/CONSIDER/TAKE ACTION ON PETITION FOR ANNEXATION OF APACHE SHORES INTO THE DISTRICT, INCLUDING AN ORDER SETTING A PUBLIC HEARING TO DISCUSS AND REVIEW THE PROPOSED ANNEXATION AND AUTHORIZATION TO SEEK CONSENT FOR ANNEXATION FROM THE CITY OF AUSTIN.

This item was not required. No action taken.

J. DISCUSS/CONSIDER/TAKE ACTION ON UTILITY CONVEYANCE AGREEMENT WITH COMANCHE CANYON DEVELOPMENT, INC., FOR COMANCHE CANYON RANCH AREA 2 IMPROVEMENTS.

This item was discussed with Item K below.

K. DISCUSS/CONSIDER/TAKE ACTION ON UTILITY CONVEYANCE AGREEMENT WITH AUSTIN DEL SOL, INC., FOR COMANCHE CANYON RANCH AREA 2 IMPROVEMENTS.

Ms. Gernes recommended acceptance of the Comanche Canyon Ranch Utility Wastewater System Conveyance from both Comanche Canyon Development, Inc. and Austin Del Sol, Inc.

Motion: Director Roberts to accept both utility conveyances as presented in the two Utility Conveyance Agreements.

Second: Director Moran

Ayes: 5

Noes: 0
Unanimous

- IX. 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 9:59 p.m. and closed it at 10:11 p.m. There was no action taken.

- X. THE BOARD WILL MEET IN EXECUTIVE SESSION TO DELIBERATE THE ACQUISITION OF REAL PROPERTY FROM LCRA LOCATED WITHIN THE DISTRICT'S BOUNDARIES, NEARBY MANSFIELD DAM FOR THE NORTH SHORE TREATMENT PLANT PROJECT, AND TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING SUCH PURCHASE, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072.

This session was not required. No action taken.

- XI. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING REQUEST BY HPK VENTURES, LTD. FOR WAIVER OF 30% DEVELOPER'S CONTRIBUTION REQUIREMENT FOR BOND ISSUE NO. 4 IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071.

Director Steed opened the Executive Session at 9:08 p.m. and closed it at 9:52 p.m. There was no action taken.

- XII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING THE ISSUE OF PROPERTY OWNER INCLUDED IN THE BOUNDARIES OF THE STEINER RANCH DEFINED AREA IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071.

This session was not required. No action taken.

- XIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING TERMINATION OF FINANCIAL ADVISORY AGREEMENT WITH FIRST SOUTHWEST COMPANY AND/OR AGREEMENT WITH SPECIALIZED PUBLIC FINANCE, INC. FOR FINANCIAL ADVISORY SERVICES IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071.

Director Steed opened the Executive Session at 7:18 p.m. and closed it at 7:39 p.m. There was no action taken.

XIV. ADJOURNMENT.

Motion: Director Ward to adjourn the meeting.

Second: Director Tuerff.

Ayes: 5

Noes: 0

Unanimous.

Director Steed adjourned the meeting at 10:35 p.m.

Approved this _____ day of _____ 2009, with a motion

by Director _____ and a Second by Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary