



## 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 Tuesday, June 2, 2009, 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 6:15 p.m.

### II. ESTABLISH A QUORUM.

Directors Steed, Roberts, Moran and Ward were present with Director Tuerff absent. General Manager Deborah Gernes, General Counsel Lauren Kalisek and David Klein, and District 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 TO THE BOARD INCLUDING:

##### 1. WATER AND WASTEWATER PLANT STATUS AND OPERATIONS:

###### a. Eck Lane Water Treatment Plant/Water Distribution System

Ms. Gernes reported that Clearwell #1 has been filled with water and the District is awaiting the results of the Bacterial tests before putting the tank back on-line. Clearwell #2 is having the roof poured tomorrow morning and while it cures for seven days, overflow pipes will be installed and preparation for painting will be done. Clearwell #2 should be complete within two weeks.

###### b. Steiner Wastewater Treatment Plant/System

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

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

###### e. Serene Hills Wastewater Treatment Plant/System

###### f. Commander's Point Wastewater Plant/System

##### 2. DISTRICT CONSTRUCTION PROJECTS.

###### a. Murfin Road Waterline Project.

Ms. Gernes reported that the paving of Murfin Road is complete and as soon the pavement has cured, striping will be done. Also, the fence has been replaced at the staging area. Director Roberts asked if water was now going through the newly installed water line and Ms. Gernes said that it had been tested, but waiting for the electrical connection at the control valve before putting the line in service.

###### b. Hudson Bend Road Waterline Project.

Ms. Gernes explained that McCormick Mountain Drive had to be completely repaved by the asphalt company because the original pavement did not meet the 1-1/2" standard thickness.

##### 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. Water Conservation

###### g. Property/Easement Acquisition

###### h. Annexation of Properties

###### i. Status Update Regarding Travis Vista Subdivision Water & Wastewater Upgrades

###### j. Status Update Regarding Comanche Trail Area Water & Wastewater Upgrades

**5. DISTRICT MANAGEMENT:**

- a. **Personnel Issues**
- b. **District Activities**  
Ms. Gernes stated that the District closed on the approximately 0.691 acre portion of the 11.3053 acre Lohman's Crossing Shopping Center Subdivision, Lot 1, today.
- c. **Consultant Issues**
- d. **Finance Reports/Audit/Bonds**
- 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.**

Manager Gernes reported that the Planning Committee met May 28, 2009, and the minutes would be circulated. She said that due to the lukewarm response for wastewater improvements in the Travis Vista area, the District will have another public meeting, but there will most likely be a delay in the formation of a Travis Vista Defined Area, pushing it back to a May 2010 election.

- 5. **BUDGET AND FINANCE COMMITTEE REPORT.**

Ms. Gernes stated that the District will be working on the 2010 budget this month and a Finance Committee meeting will need to be scheduled at the Regular Meeting in June.

- 6. **POLICY COMMITTEE REPORT.**
- 7. **IMPACT FEE ADVISORY COMMITTEE.**

**IV. PUBLIC COMMENT, 6:10 P.M.**

President Steed opened Public Comment at 6:37 p.m. President Steed left the Public Comment open to allow for anyone that arrived late the opportunity to address the Board.

**Motion:** Director Roberts to close Public Comment.

**Second:** Director Moran.

Ayes: 4

Noes: 0

Unanimous.

President Steed closed Public Comment at 6:46 p.m.

**V. DISCUSS/CONSIDER/ TAKE ACTION ON ITEMS RELATED TO THE TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 FLINTROCK RANCH ESTATES DEFINED AREA (FREDA) UNLIMITED TAX BONDS, SERIES 2009, \$5,150,000:**

- 1. **APPROVE REIMBURSEMENT AUDIT; AND**
- 2. **APPROVE FACILITIES CONVEYANCE DOCUMENTS AND AUTHORIZE DISBURSEMENTS.**

WCID17 accountant, Leslie Terrell reported that the audit done by Maxwell, Locke & Ritter showed that the amounts included in the schedules did not need any adjustments and she recommended payment to the consultants as presented. Next, a summary of the disbursements was presented by Ms. Terrell for the Board to review. Ms. Kalisek stated that work was done to ensure title to all facilities constructed with funds from this bond series were conveyed to the District with the District's standard indemnifications and Affidavit as to No Liens from HPK Ventures, Ltd., Hills II of Lakeway, Inc., Five Star Development, Inc., Flintrock, Ltd., and Flintrock II, Ltd. Once approved, the Utility Conveyance Agreement will be filed with Travis County to serve as the transfer of title from the developers to WCID17. Documentation of signer authorization was also reviewed and verified. Ms. Kalisek said based on their review, all documents are in compliance and she recommends approval of the reimbursement audit, approval of the conveyance documents and authorization of disbursements as requested. Ms. Kalisek further stated that the Texas Commission on Environmental Quality approved all of the facilities related to this bond series during their recent inspection.

Director Steed asked what the District has learned during this application that can be applied to future bond issues. Director Roberts stated that the policy going forward is that the District expects the developer to absorb the 30% participation and the District will

reimburse 70% of the proceeds. Ms. Gernes said that after all the problems with the Flintrock Ranch Estates Defined Area Bond No. 3, the final bond for this area has an agreed upon amount. Going forward the District has tightened the contract to mandate 30% developer participation. Ms. Gernes recommended approval of the reimbursement audit, approval of the conveyance documents and authorization of disbursements. Director Steed asked if the Board had any further questions regarding the material presented related to the \$5,150,000, FREDA Unlimited Tax Bonds, Series 2009 reimbursement.

**Motion:** Director Moran to approve the Reimbursement Audit, approve the Utility Conveyance Agreement among Travis County WCID No. 17 and HPK Ventures, Ltd., Hills II of Lakeway, Inc., Five Star Development, Inc., Flintrock, Ltd., and Flintrock II, Ltd. (FREDA Third Bond Issue) and authorize disbursement of the Unlimited Tax Bonds, Series 2009.

**Second:** Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

**VI. DISCUSS/CONSIDER/TAKE ACTION ON THE APPLICATION FILED AT THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF ENGINEERING PROJECT OF THE FLINTROCK RANCH ESTATES DEFINED AREA BOND NO. 4 IN AN AMOUNT NOT TO EXCEED \$11,415,000.**

Ms. Gernes stated that Mr. Heroy was unable to attend the meeting, but that Bond No. 4 will be the final bond for the Flintrock Ranch Estates Defined Area. She reported that Mr. Heroy plans to meet with the Texas Commission on Environmental Quality (TCEQ) to have discussions regarding the TCEQ Staff Memo denying \$840,000 reimbursement of the developer interest because they did not submit plans for review prior to installation. Ms. Gernes said that both Mr. Heroy and Mr. Schroeder, who both have extensive experience in bond applications processed through TCEQ, stated that this large penalty seems unusual. Since the District did not agree with the staff recommendations, this will take the application out of an expedited review and allow for time to meet with TCEQ and discuss their concerns.

President Steed asked if the Board should have acted to agree or disagree with TCEQ on their staff memo. Ms. Kalisek explained that the TCEQ Staff Memo only has a five day period to respond that the District agrees or disagrees with the recommendations they have made. She said the attorneys have historically discussed the recommendations with the General Manager and have responded within the allowed time frame. However, these memos could be brought to the Board by way of a Special Meeting to discuss, consider, and take action if the Board wants to change the procedure of the attorney responding. Mr. Steed asked the Policy Committee to review this matter during their next meeting.

Mr. Kimball stated that this stricter enforcement and higher penalties for infractions of the TCEQ rules is more common now than in the past, most likely due to the economy. He said he has seen this in several applications.

No action taken.

**VII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY REGARDING THE APPLICATION FILED AT THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF ENGINEERING PROJECT OF THE FLINTROCK RANCH ESTATES DEFINED AREA BOND NO. 4 IN AN AMOUNT NOT TO EXCEED \$11,415,000, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071.**

**VIII. ADJOURNMENT.**

**Motion:** Director Ward to adjourn the meeting.

**Second:** Director Moran.

Ayes: 4

Noes: 0

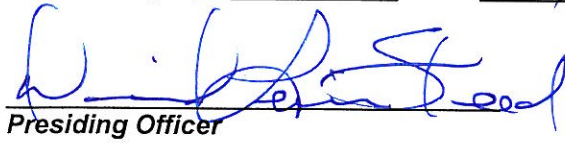
Unanimous.

Director Steed adjourned the meeting at 6:50 p.m.

Approved this 18<sup>th</sup> day of June 2009, with a motion

by Director Ward and a Second by Director Tuerff.

Ayes 4 Noes 0 Abstained 0

  
Presiding Officer

  
Secretary