



## TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17

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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 Wednesday, January 18, 2011, at 11:30 a.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 11:30 a.m.

### **II. ESTABLISH A QUORUM**

Directors Steed, Roberts, Decker and Carruthers were present. Director Ward was unable to attend but she did send comments to the General Manager prior to the meeting. Also present were General Manager Debbie Gernes, District Engineer Pat Lackey and General Counsel Lauren Kalisek.

### **III. PUBLIC COMMENT, 11:40 A.M.**

No public attended; therefore, Public Comment not held.

### **IV. DISCUSS/CONSIDER/TAKE ACTION REGARDING THE LOWER COLORADO RIVER AUTHORITY (LCRA) SALE OF ITS 32 WATER AND WASTEWATER UTILITIES:**

#### **A. BRIEFING ON RECENT ACTIONS TAKEN AND PROPOSALS BY OTHER ENTITIES;**

General Manager Gernes opened a discussion by reviewing that the LCRA Board adopted a resolution on November 17, 2010 declaring that the thirty-two (32) water and wastewater utility systems owned by LCRA throughout Texas would be sold. She said that the LCRA Board wanted to sale all entities, as a block, to a single buyer. Ms. Gernes said that many of the Central Texas municipalities and utility districts (entities) were alarmed and confused when they learned of this sale with little warning. She said some nearby entities feel this block sale to one buyer for all systems would not be in the best interest of customers because rates could increase significantly and customer service could be affected. She said that in the adopted resolution, LCRA gave any entities that were already in negotiation to purchase their system(s) sixty (60) days to complete negotiations. Ms. Gernes said that several entities are requesting that the LCRA slow down this negotiation process and allow sufficient time for proper acquisition(s) and that others want an opportunity to consider purchasing their system. She said that the LCRA Board would be meeting January 19, 2011 and she wanted to know what position WCID 17 Board would like to take. She stated that WCID 17 has a wholesale wastewater contract with LCRA to serve Falconhead West.

Counsel Kalisek reviewed the points of the LCRA Board's resolution and that no where did it specify the divestiture be to one entity or single buyer, but that Tom Mason had directive from the LCRA Board. Director Decker asked if there were guidelines to evaluate / appraise various systems' value to compare to prices that may be set and Ms. Kalisek stated that the systems should be sold for their worth with a minimal profit allowed. Ms. Kalisek explained that if the systems were sold as a block to a for-profit entity, that entity would be required to go to the Texas Commission on Environmental Quality for a rate approval process verifying debt service, cost of service, capital cost, and various other factors.

No action.

**B. PROPOSED PETITION TO THE LCRA BOARD OF DIRECTORS; AND**

Manager Gernes requested the WCID 17 Director's interest regarding submitting a petition to the LCRA in support of our neighboring entities desire to have LCRA rescind their plans to sell the systems to a single buyer. Ms. Kalisek stated that by executing the Petition as presented to support neighboring entities' request of LCRA to slow down their process and examine the possibility of regional solutions, it would not in any way obligate WCID 17. Director Carruthers stated his interest to continue discussions with neighboring entities regarding how WCID 17 could help them but that he was also concerned about the staff time this could take over the next year. Director Roberts stated that he saw no harm in continuing discussions with the involved stakeholders and Director Decker said she would like to pursue helping other entities with their requests to have LCRA slow down in finding a resolution that would be in the customers' best interest as well as theirs. Ms. Gernes stated that Director Ward was generally in favor of the petition as written and was opposed to how the LCRA was processing this divestiture.

**Motion:** Director Carruthers to approve the Petition to the Board of Directors of the Lower Colorado River Authority as presented.

**Second:** Directors Roberts.

Ayes: 4

Noes: 0

Unanimous, with Director Ward absent.

**C. PROPOSED PRESENTATION TO THE LCRA BOARD OF DIRECTORS AT THE LCRA MEETING ON JANUARY 19, 2011.**

Manager Gernes requested the WCID 17 Director's interest in having a representative speak at the January 19, 2011 LCRA Board meeting held from 8:00 a.m. to 5:00 p.m.. Ms. Gernes reviewed LCRA's summary from the meeting's posted agenda regarding Water and Wastewater Utility Divestiture Update.

**Motion:** Director Decker to approve President David Steed to speak before the Board of Directors of the Lower Colorado River Authority and present WCID 17's petition of support to pursue an alternative solution of sale that will best serve regional customers.

**Second:** Directors Roberts.

Ayes: 4

Noes: 0

Unanimous, with Director Ward absent.

**V. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS REGARDING THE PURCHASE OF WATER AND WASTEWATER SYSTEM(S) FROM THE LOWER COLORADO RIVER AUTHORITY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072.**

No action. Executive Session not held.

**VI. ADJOURNMENT**

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

**Second:** Director Decker.

Ayes: 4

Noes: 0


Unanimous, with Director Ward absent.


*Director Steed adjourned the meeting at 12:20 p.m.*

Approved this 17<sup>th</sup> day of February 2011, with a motion

by Director Caruthers and a Second by Director Ward & Decker

Ayes 5 Noes 0 Abstained 0

  
Presiding Officer

  
Secretary