



## 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, August 18, 2011, 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 6:04 p.m.

### II. ESTABLISH A QUORUM

A quorum was established with Directors Steed, Decker, and Carruthers present. Also present were General Manager Debbie Gernes, Auditor Jimmy Rommel of Maxwell, Locke and Ritter, General Counsels Lauren Kalisek and David Klein, and District Engineer 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

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

- a. **Eck Lane Water Treatment Plant/Water Distribution System** – Ms. Gernes reported that the water treatment plant staff is maintaining production of treated water, but that usage is very high, and 24 hour plant operation and system balancing is required to maintain tank levels.
- b. **Steiner Wastewater Treatment Plant/System**
- c. **Flintrock Wastewater Treatment Plant/System** – GM Gernes informed the Directors that the belt press at the Flintrock treatment plant was working so well that Hurst Creek MUD was negotiating with WCID 17 to haul and press their sludge which would provide savings for HCM and income for WCID 17.
- d. **Comanche Wastewater Treatment Plant/System**
- e. **Commander's Point Wastewater Plant/System**

##### 2. DISTRICT CONSTRUCTION PROJECTS

- a. **Steiner Wastewater Belt Press Upgrade**
- b. **Hudson Bend Water Tank** – Ms. Gernes informed the Directors that the Hudson Bend Water Storage Tank was now full and operational. She continued by saying that some pressure plane issues (low pressures at higher elevations) were being experienced when the Hudson Bend Tank was being filled. She said these issues were being investigated.
- c. **City of Austin Water Interconnect**
- d. **Mountain View Water Tank**
- e. **Eck Lane Waterline Improvements**
- f. **McCormick Mountain Waterline Improvements**
- g. **Hudson Bend Waterline Improvements**
- h. **Apache Shores Waterline Improvements**
- i. **River Ridge Waterline Improvements**
- j. **Cloudy Ridge Valve Upgrades**
- k. **Flintrock Trace / Cardinal Hills Improvements**
- l. **Round Mountain Pump Upgrade**

##### 3. DEVELOPER CONSTRUCTION PROJECTS

- a. **Serene Hills Wastewater Service**
- b. **Tuscan Village Improvements to Lohman's Lift Station**
- c. **Steiner Reclaim System Upgrades**
- d. **Lakeway Regional Medical Center** – Ms. Gernes reported to the Directors that she had received a call from Mr. Joel Canfield, Vice President of Development for LRMC, stating that the defined area had been reviewed by the LRMC group and that the hospital was interested in pursuing a defined area. She said the developer for the LRMC had asked to speak with District 17 consultants concerning the defined area, and she reminded the developer that all prior consultant fee reimbursements and escrow replenishment was needed prior to moving forward. Director Carruthers and Steed requested that the developer be required to

receive City of Lakeway approval on projects before coming to WCID 17 to brief everyone on their intentions.

**4. DISTRICT INITIATIVES**

- a. **Service to New Areas**
- b. **Trash and Recycling Collection**
- c. **Household Hazardous Waste Collection**
- d. **Composting Center**
- e. **Water Conservation** - Ms. Gernes informed the Directors that the City of Austin will be starting one-day outdoor water use September 6 and she recommends doing the same. Gernes stated that the District would send notices to high water users of over 80,000 gallons per month to increase awareness, and would implement Stage 2 drought response starting Sept. 6th. Gernes went on to inform the Directors that she had talked with both the City of Lakeway and Steiner Ranch Homeowner Association management regarding customers complaining that they were being required to plant grass and to keep it green. She said that both entities said they have no problem with a lawn being xeroscaped with natural plants and stone, but a landscape plan must be submitted and followed. Both HOAs said that the only requirement for lawns was to maintain life of the plants, not keep them green in a drought. Discussion continued regarding the current drought and possible implementations for the future to assure the ability to safely deliver water and pressure without any issues to customers. Ms. Kalisek stated that she would be attending meetings of the LCRA Water Operation Committee and the Board of Directors to monitor progress on the new LCRA water management plan.
- f. **Property/Easement Acquisition**
- g. **Annexation of Properties**

**5. DISTRICT MANAGEMENT**

- a. **Personnel Issues**
  - b. **District Activities** – Ms. Gernes informed the Directors that a way to recycle the old Pall water modules had been found that would keep these plastic pipes out of any landfill.
  - c. **Consultant Issues**
  - d. **Finance Reports/Audit/Bonds**
  - e. **Security**
  - f. **Customer Communication/WEB/Newsletter/Events** – Ms. Gernes read a letter received from the Lake Travis Community Library District thanking the Directors for assistance of reduced fees to enable the building of a library for area citizens.
- 6. WATER QUALITY / PLANNING**
- a. **Texas Commission on Environmental Quality**
  - b. **Lower Colorado River Authority Water Supply**
  - c. **Lake Travis Economic Study Steering Committee**

**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**

**IV. CONSENT AGENDA**

- A. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT**
  - 1. **Apache Shores Water Line Improvements-2010, Pay Estimate #08, Boretex, LLC**
  - 2. **Apache Shores Water Line Improvements-2010, Pay Estimate #01, Royal Vista, Inc.**
  - 3. **Hudson Bend Elevated Storage Tank, Pay Estimate #13, Landmark Structures, LLP**
  - 4. **Low Water Crossing Bridge Water Line Improvements, Pay Estimate #08, Boretex, LLC**
  - 5. **Cloudy Ridge Valve Improvements, Pay Estimate #01, Excel Construction Services, LLC**
- B. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE STEINER RANCH DEFINED AREA.**
  - 1. **Steiner Ranch Reclaimed Water System Improvements 2010, Pay Request #09, Change Order #03 and Change Order #04, Haegelin Construction.**
- C. APPROVE PAYMENT OF CURRENT INVOICES**

**D. APPROVE MINUTES**

President Steed reviewed the items for consent and asked if there were any questions pertaining to any of the invoices on the Consent Agenda, or the July 21, 2011 Regular Meeting Minutes as presented. GM Gernes informed the Directors that the pay estimates presented in Items IV. A. 1 and IV. A. 4, listed as payable to Boretex, LLC must be corrected. She explained that a subcontractor called to state that Boretex had not paid two outstanding invoices, one 30 days old and one as much as 90 days old totaling \$84,000. She reported that an affidavit of bills paid had already been received from Boretex which is why the final payment had been authorized, but that the affidavit had evidently been false. Gernes stated that the payments would need to be made to Boretex's bonding company, US Specialty Insurance Company. Director Roberts questioned if Board action would be needed regarding a false Contractor's Affidavit of Bills Paid and Ms. Kalisek suggested waiting to see how the bonding company handles false affidavit.

**Motion:** Director Decker to approve the Pay Estimates, Change Orders, Invoices and Minutes as presented with the two pay estimates in IV. A. 1. and IV. A. 4. being amended and payable to US Specialty Insurance Company instead of Boretex, LLC.

**Second:** Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

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

President Steed opened Public Comment at 6:45 p.m. Since no members of the public present wished to address the Board, Steed held Public Comment open for anyone that might arrive late.

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

**Second:** Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

*President Steed closed Public Comment at 7:16 p.m.*

**VI. OLD BUSINESS**

**A. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED SALE OF WATER AND WASTEWATER SYSTEM(S) BY THE LOWER COLORADO RIVER AUTHORITY.**

Tabled. No action.

**B. DISCUSS/CONSIDER/TAKE ACTION ON UTILITY DEVELOPMENT REIMBURSEMENT AGREEMENT BETWEEN TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 AND AQUALAND LAKEWAY MEDICAL DEVELOPMENT, LLC.**

Tabled. No action.

**C. DISCUSS/CONSIDER/TAKE ACTION ON APPROVAL OF RESOLUTION DECLARING CERTAIN REAL PROPERTY AS SURPLUS PROPERTY THAT IS WITHIN THE APACHE SHORES SUBDIVISION.**

Pending resolution of Travis County Right of Way vacation. Tabled. No action.

**VII. NEW BUSINESS**

**A. DISCUSS/CONSIDER/TAKE ACTION REGARDING THE PURCHASE AND SALE OF CERTAIN REAL PROPERTY TRACTS WITHIN THE DISTRICT:**

**1. PURCHASE OF CERTAIN REAL PROPERTY FROM THE APACHE SHORES PROPERTY OWNERS ASSOCIATION;**

Tabled. No action.

**2. SALE OF CERTAIN REAL PROPERTY TO THE APACHE SHORES PROPERTY OWNERS ASSOCIATION; AND**

Tabled. No action.

**3. OBTAINING AN EASEMENT FROM THE LOWER COLORADO RIVER AUTHORITY.**

Ms. Gernes informed the Directors that a new appraisal had been received for the property adjacent to to the current easement granted by the LCRA to WCID 17 for the proposed water treatment plant and that the value was much lower. Ms. Gernes said that negotiations for an additional easement were ongoing. No action.

**B. DISCUSS/CONSIDER/TAKE ACTION ON ORDER TO ADOPT A FUND BALANCE REPORTING POLICY FOR COMPLIANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD, STATEMENT NO. 54.**

Mr. Jimmy Rommel, WCID 17 auditor from Maxwell, Locke and Ritter, explained the Governmental Accounting Standards Board, Statement No. 54 (GASB 54) that designates and establishes improved standards for all government entities financial accounting and reporting and classifications of fund balances. Rommel explained the five categories and the terms as defined in GASB 54;

(i) Nonspendable - not spendable, i.e. inventory, endowments;

(ii) Restricted - restrictions by external party, i.e. bond issuance;

(iii) Committed - commit for a specific purpose and must have Board approval, i.e. Impact Fee and O&M tax for a defined area;

(iv) Assigned - Board can designate authority to General Manager to assign amounts to various categories, i.e. construction projects; or

(v) Unassigned - no restrictions, i.e. general operations of the General Fund.

**Motion:** Director Roberts to approve the Order by the Board of Directors of Travis County Water Control and Improvement District No. 17 Adopting a Fund Balance Reporting Policy, effective Fiscal Year 2011, and to reclassify Travis County Water Control and Improvement District No. 17's financial accounts for compliance in the Governmental Accounting Standards Board, Statement No. 54.

**Second:** Director Decker.

*President Steed asks for clarification if this Order would place WCID 17 in complete compliance with GASB 54 and Mr. Rommel said yes.*

Ayes: 4

Noes: 0

Unanimous.

**C. DISCUSS/CONSIDER/TAKE ACTION ON RESOLUTION TO CLASSIFY TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17'S FINANCIAL ACCOUNTS FOR COMPLIANCE WITH FUND BALANCE REPORTING OF STATEMENT NO. 54 IN THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD.**

This item was discussed and included in the motion of item VII. B. above.

**D. DISCUSS/CONSIDER/TAKE ACTION ON THE LOWER COLORADO RIVER AUTHORITY'S (LCRA) PROPOSED WATER ALLOCATION CONTRACT FOR THE PLANNED POWER PLANT IN MATAGORDA COUNTY, THE WHITE STALLION ENERGY CENTER'S PROJECT.**

Ms. Gernes explained to the Board that the LCRA was considering approval if a contract to provide 25,000 acre feet of raw water to White Stallion Energy for a proposed power plant in Matagorda County. She stated that the LCRA had received much opposition to the project and that recently White Stallion changed some of the terms to the contract and the LCRA placed this decision on indefinite hold. Gernes went on to explain that the Lake Travis Economic Impact Coalition was moving forward with the release of the recently completed report determining a value for the level and quality of water in Lake Travis with a tentative September distribution.

**E. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED FISCAL YEAR 2012 GENERAL FUND OPERATING BUDGET.**

Ms. Terrell, Office Manager / Accountant, distributed the proposed budget for Fiscal Year 2012, General Fund Operations. Ms. Gernes stated that the document would continue to have minor adjustments made in the next month. She went on to say that the health insurance recommendations of the Policy Committee had been incorporated along with a one percent increase in the overall wage expense section. The Board held further discussion, and the manager asked that the board members review the budget and let her know of any questions they have or recommended changes. The budget will be placed on the September agenda.

**F. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED 2011 TAX RATES FOR THE DISTRICT-WIDE TAX, THE STEINER RANCH DEFINED AREA TAX, THE FLINTROCK RANCH ESTATES DEFINED AREA TAX, AND THE SERENE HILLS DEFINED AREA OPERATIONS AND MAINTENANCE TAX; AND SETTING PUBLIC HEARING REGARDING THESE PROPOSED RATES.**

Ms. Terrell distributed data for the District's historical tax rates and proposed tax rates for 2012 to allow the District to continue meeting the annual debt service requirements throughout the District. She explained that the average appraised value (AV) rose and would cause it to appear that the district wide operations and maintenance (O&M) taxes increased because the average home value increased, but that recommendation is being made to maintain the same rate of \$0.06 per \$100 valuation. She went on to recommend a decrease in the Steiner Ranch Defined Area Interest & Sinking (I&S) tax rate from \$0.5248 to \$0.52 per \$100 valuation; an increase in the Flintrock Ranch Estates Defined Area I&S tax rate from \$0.4229 to \$0.45 per \$100 valuation; and for the Serene Hills Defined Area O&M tax rate to remain the same, \$0.065, because there has been no change in AV because no buildings are currently present. Ms. Terrell stated that the proposed tax rates would be sufficient to cover the annual debt service requirements and that Garry Kimball, financial advisor to the District, has reviewed and recommended approval of the tax rates as proposed. Ms. Terrell stated that a Public Hearing would be required for each tax rate to be held at 6:45 p.m. at the September regular meeting.

**Motion:** Director Decker to adopt the proposed 2011 Operation and Maintenance tax rate for the District-wide tax rate of \$0.0600 per \$100 of appraised value (AV) and publish Notice of Public Hearing on Tax Rate.

**Second:** Director Roberts.

**Ayes:** 4

**Noes:** 0

**Unanimous,** with Director Ward absent.

**Motion:** Director Roberts to adopt the proposed 2011 Interest and Sinking tax rate for the Steiner Ranch Defined Area of \$0.52 per \$100 of AV and publish Notice of Public Hearing on Tax Rate.

**Second:** Director Carruthers.

**Ayes:** 4

**Noes:** 0

**Unanimous,** with Director Ward absent.

**Motion:** Director Roberts to adopt the proposed 2011 Interest and Sinking tax rate for the Flintrock Ranch Estates Defined Area of \$0.45 per \$100 of AV and publish Notice of Public Hearing on Tax Rate.

**Second:** Director Decker.

**Ayes:** 4

**Noes:** 0

**Unanimous,** with Director Ward absent.

**Motion:** Director Decker to adopt the proposed 2011 Operation and Maintenance tax rate for the Serene Hills Defined Area of \$0.65 per \$100 AV and publish Notice of Public Hearing on Tax Rate.

**Second:** Director Decker.

**Ayes:** 4

**Noes:** 0

**Unanimous,** with Director Ward absent.

**VIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS REGARDING PROPOSED SALE OF WATER AND WASTEWATER SYSTEM(S) BY THE LOWER COLORADO RIVER AUTHORITY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071.**

Executive Session was not held. No action

**IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS REGARDING THE UTILITY DEVELOPMENT REIMBURSEMENT AGREEMENT BETWEEN THE DISTRICT AND AQUALAND LAKEWAY MEDICAL DEVELOPMENT, LLC, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, AND TO DELIBERATE THE CONVEYANCE OF REAL PROPERTY ASSOCIATED WITH SUCH AGREEMENT, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072.**

Executive Session was not held. No action

**X. THE BOARD WILL MEET IN EXECUTIVE SESSION TO DELIBERATE THE SALE AND PURCHASE OF CERTAIN REAL PROPERTY WITHIN THE DISTRICT TO THE APACHE SHORES PROPERTY OWNERS ASSOCIATION, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072; TO RECEIVE ADVICE FROM ITS ATTORNEYS REGARDING SUCH CONVEYANCES, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071; AND TO DELIBERATE THE ACQUISITION OF CERTAIN REAL PROPERTY FROM THE LOWER COLORADO RIVER AUTHORITY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072.**

Executive Session was not held. No action

**XI. ADJOURNMENT.**

**Motion:** Director Carruthers to adjourn.

**Second:** Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

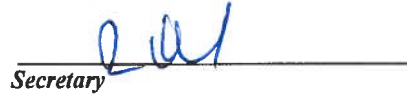
*President Steed adjourned the meeting at 8:15 p.m.*

Approved this 15<sup>th</sup> day of September 2011, with a motion

by Director Decker and a Second by Director Ward.

Ayes 4 Noes 0 Abstained 0

  
Presiding Officer

  
Secretary