



TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17

3812 Eck Lane • Austin, Texas 78734
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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, September 15, 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 6:00 p.m.

II. ESTABLISH A QUORUM

A quorum was established with Directors Steed, Ward, Roberts and Decker present. Director Carruthers was absent. General Manager Deborah Gernes, General Counsels Lauren Kalisek and David Klein, District Engineers Pat Lackey and Will Pena, Financial Advisor Garry Kimball and Bond Counsel representative Jana Edwards 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** – General Manager Gernes reported that the new ammonia injection points had been completed and that the new system would start operating October 1. The new ammonia injection points will change the disinfection process in the tanks from free chlorine to chloramines. This process should lower disinfection byproducts (THMs) significantly.
- b. **Steiner Wastewater Treatment Plant/System**
- c. **Flintrock Wastewater Treatment Plant/System**
- 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 stated her concerns regarding water pressure problems when the Hudson Bend Water Tank is online and that she had been working with River City Engineering to resolve these issues.
- 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** – Ms. Gernes reported that Royal Vista was doing an excellent job on this project and that the waterline upgrades were near completion with paving to begin in approximately one month.
- i. **River Ridge Waterline Improvements**
- j. **Cloudy Ridge Valve Upgrades** – Ms. Gernes explained the steps needed to complete the upgrade to a 24 inch water main that will be done by the end of September.
- k. **Flintrock Trace / Cardinal Hills Improvements**
- l. **Ranch Road 620 Wastewater Bore at Steiner Ranch**

3. DEVELOPER CONSTRUCTION PROJECTS

- a. **Serene Hills Wastewater Service**
- b. **Tuscan Village Improvements to Lohman's Lift Station**
- c. **Steiner Ranch Lift Station 3 Upgrades**
- d. **Lakeway Regional Medical Center**

4. DISTRICT INITIATIVES

- a. **Service to New Areas**
- b. **Trash and Recycling Collection**
- c. **Household Hazardous Waste Collection**
- d. **Composting Center**

e. **Water Conservation** – President Steed inquired how the mandatory stage two one-day outdoor watering was proceeding and Manager Gernes stated that it was going well. She stated that as soon as possible, she hoped to return to the two-day schedule.

f. **Property/Easement Acquisition**

g. **Annexation of Properties**

5. **DISTRICT MANAGEMENT**

a. **Personnel Issues** – General Manager Gernes commended WCID 17 staff by telling the Directors they could be very proud of the way the staff performed during the recent local fire in Steiner Ranch. She stated that water distribution had no problems and that the wastewater treatment plant in Steiner Ranch was maintained in operation with the use of all the generators at both the treatment plant and lift stations. She also stated that WCID 17's 800 gallon jet truck was used by the Lake Travis Fire Rescue (LTFR) in hosing down areas of the fire. Director Roberts said he was on location at the emergency post and Chief Linardos of the LTFR was very complimentary of WCID 17's staff and water availability. Gernes said that WCID 17 was very fortunate to have only received minor damage at Lift Stations Two and Five without causing any downtime. She commended Austin Energy for having electrical service repaired quickly and said that an insurance adjustor with Texas Municipal League had already been onsite so repairs would begin at the lift stations. She said the cause of the fire was still under investigation. Ms. Gernes stated that Aquawater requested assistance in Bastrop for one week to aide them in restoring water operations. She said two staff and the vacuum truck were sent to work in Bastrop. Ms. Gernes said Aquawater would be billed for the staff hours but that the truck use was being donated for this emergency need.

b. **District Activities** – Ms. Gernes explained the difference of an emergency versus wholesale water contract. She said that in view of the recent local fires, she would be exploring the possibility of amending the emergency interconnect contract with the City of Austin to a wholesale water contract.

Ms. Gernes stated that Lake Travis has reached the elevation of 631 feet, or 809,000 acre feet. She requested a meeting of the Planning Committee to discuss the positioning of the water intake barge prior to the winter months.

Ms. Gernes explained that when residents in Steiner Ranch begin to rebuild their homes, no meters were damaged, but that they would be upgraded to a 3/4 inch meter. She further explained that these older homes had received 5/8 inch meters when built, but with the reconstruction, these homes would most likely now qualify for a 3/4 inch meter based on fixture unit count and automatically would qualify under the WCID 17 Irrigation Policy adoption requirement that homes with irrigation systems install at 3/4 inch meter. Ms. Gernes and ms. Terrell said the builders would ordinarily be charged an additional one-half living unit equivalent for the capacity in this larger meter. Director Roberts said that this charge would probably just be passed on to the customers and that he did not think they should be charged for this upgrade. Ms. Gernes said that if any builders applied for service they would not be charged and the item would be placed on the October agenda.

Ms. Gernes informed the Directors that AT & T had requested additional area for a generator placement at the Steiner Ranch site they currently lease from WCID 17 and that she was negotiating with them regarding such.

Ms. Gernes reported receiving a variance request for the lot exchange taking place in Cardinal Hills per the contract with Cardinal Hills Investors (CHI). She stated that one of the developer's family members owned the adjacent lot and had encroached on the lot with an outdoor seating area. Ms. Gernes said after reviewing the encroachment, she plans to continue negotiation with CHI to proceed with the swap.

Ms. Gernes informed the Board that she was considering offering maintenance service to a few privately owned lift stations that could compromise the integrity of the WCID 17 wastewater system. The Board agreed that this service would be good to offer.

c. **Consultant Issues**

d. **Finance Reports/Audit/Bonds**

e. **Security**

f. **Customer Communication/WEB/Newsletter/Events**

6. **WATER QUALITY / PLANNING**

a. **Texas Commission on Environmental Quality**

b. **Lower Colorado River Authority Water Supply**

c. **Lake Travis Economic Study Steering Committee** – Ms. Gernes informed the Directors that the study was complete and the Lake Travis Economic Impact Report was near completion. She said the report would be presented September 29, 2011 at a press conference at The Oasis restaurant. Counsel Kalisek informed the Directors that there is an exception in the Texas Open Meetings Act for a quorum of members to gather when at a social function unrelated to the public business that is conducted by the body, such as a ceremonial event or press conference so all board members could attend this event if they wished to.

- B. COMMITTEE REPORTS** – President Steed reminded all Directors that any Committee or Sub-committee Meetings should only be called at a Board meeting.
 - 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 #2, Royal Vista, Inc.
 - 2. Hudson Bend Elevated Storage Tank, Pay Estimate #14 and Change Order #3, Landmark Structures.
- 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 Estimate # 10, Haegelin Construction.
 - 2. Steiner Ranch River Dance Phase 7B, Phase 1 Water, Wastewater and Drainage Improvements, Pay Estimate #6 and Change Order #1, Schroeder Construction Co., Ltd.
- 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 August 18, 2011 Regular Meeting Minutes as presented. GM Gernes recommended approval of the Consent Agenda items and minutes as presented.

Motion: Director Decker to approve the Pay Estimates, Change Orders, Invoices and Minutes as presented.

Second: Director Ward.

Ayes: 4

Noes: 0

Unanimous.

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

President Steed opened Public Comment at 6:30 p.m. Since no members of the public present wished to address the Board, Mr. Steed held Public Comment open for anyone that might arrive late.

Motion: Director Roberts to close Public Comment.

Second: Director Decker.

Ayes: 4

Noes: 0

Unanimous.

President Steed closed Public Comment at 7:40 p.m.

VI. PUBLIC HEARING, 6:45 P.M., REGARDING THE PROPOSED 2011 TAX RATES FOR THE DISTRICT-WIDE OPERATIONS AND MAINTENANCE TAX, THE STEINER RANCH DEFINED AREA TAX, THE FLINTROCK RANCH ESTATES DEFINED AREA TAX, AND THE SERENE HILLS DEFINED AREA OPERATIONS AND MAINTENANCE TAX.

President Steed opened Public Hearing regarding the proposed 2011 tax rates at 6:45 p.m. Since no members of the public present wished to address the Board, Mr. Steed held the Public Hearing open for anyone that might arrive late.

Motion: Director Roberts to close Public Hearing.

Second: Director Decker.

Ayes: 4

Noes: 0

Unanimous.

President Steed closed Public Hearing at 7:40 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.

Counsel Kalisek explained that the Lower Colorado River Authority (LCRA) had tabled a decision to accept one of the offers received for the purchase of water and wastewater systems in August and placed it on their September Board Meeting agenda to be held September 21, 2011.

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.

Ms. Gernes informed the Directors that she recently met with Aqualand representatives, Joel Canfield, James Kerby and Craig Carlton, regarding the Lakeway Regional Medical Center (LRMC) and surrounding property. She said they informed her that the owners of the LRMC no longer want to pursue a defined area. She said Mr. Kerby and Kendall Finney of Aqualand were presenting a land plan to the City of Lakeway, planning to get approval to develop a Public Utility District (PUD) with zoning changes made for multi-family use.

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;
- 2. SALE OF CERTAIN REAL PROPERTY TO THE APACHE SHORES PROPERTY OWNERS ASSOCIATION; AND
- 3. OBTAINING AN EASEMENT FROM THE LOWER COLORADO RIVER AUTHORITY.

Tabled. No action.

B. DISCUSS/CONSIDER/TAKE ACTION ON ITEMS RELATED TO THE STEINER RANCH DEFINED AREA BOND ISSUE NO. 16 IN AN AMOUNT NOT TO EXCEED \$2,350,000:

- 1. RESOLUTION APPROVING PRELIMINARY OFFICIAL STATEMENT, AUTHORIZING DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT, AND AUTHORIZING PUBLICATION FOR A NOTICE OF SALE FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 STEINER RANCH DEFINED AREA UNLIMITED TAX BONDS, SERIES 2011;
- 2. AUTHORIZE PAYMENT OF ATTORNEY GENERAL BOND REVIEW FEE; AND
- 3. AUTHORIZE REIMBURSEMENT AUDIT FOR THE SERIES 2011 BONDS.

Mr. Garry Kimball, Financial Advisor, stated that the Texas Commission on Environmental Quality (TCEQ) approval for Bond Issue No. 16, Series 2011, had been received. He requested the Directors approve the Preliminary Official Statement (POS) authorizing distribution of the POS, publication for a Notice of Sale for the Bonds, Series 2011, in the amount of \$2,350,000, authorize payment of the Attorney General bond review fee and authorize a reimbursement audit for the Series 2011 Bonds.

Motion: Director Decker to approve the Resolution, authorize payment of bond review fee to the Attorney General and authorize reimbursement audit for the Series 2011 Bonds.

Second: Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

C. DISCUSS/CONSIDER/TAKE ACTION ON ITEMS RELATED TO THE STEINER RANCH DEFINED AREA BOND ISSUE NO. 17 TO INCLUDE A REQUEST FROM TAYLOR WOODROW COMMUNITIES / STEINER RANCH, LTD. TO:

- 1. AUTHORIZE DISTRICT CONSULTANTS TO ASSIST IN DETERMINING THE FEASIBILITY AND SIZE OF A NEW BOND; AND
- 2. AUTHORIZE DISTRICT AND OUTSIDE ENGINEERS AND CONSULTANTS TO ASSIST IN PREPARATION OF AN APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ) FOR STEINER RANCH DEFINED AREA BOND ISSUE NO. 17 BASED UPON THE BOND SIZING
- 3. AUTHORIZE WAIVER OF A MARKET STUDY REPORT FOR SUCH APPLICATION.

Mr. Leroy Kraatz requested approval of the Board to begin studying and compiling an application for Bond No. 17 for the Steiner Ranch Defined Area. He also requested a waiver of a market study because the current appraised value shows that no growth is needed to support the remaining amount. Ms. Gernes recommended approval to move forward with Bond No. 17.

Motion: Director Decker to authorize the District consultants and engineers, as well as outside engineers and consultants, as needed, to perform a feasibility study and begin preparation of an application to the TCEQ, while waiving a market study for Bond No. 17 in the Steiner Ranch Defined Area.

Second: Director Ward.

Ayes: 4

Noes: 0

Unanimous.

D. DISCUSS/CONSIDER/TAKE ACTION ON THE FISCAL YEAR 2012 OPERATING BUDGET.

Ms. Terrell, WCID 17 Accountant, presented the Board with the final draft of the proposed Fiscal Year 2012 Operating Budget and stated that there had been no questions or changes made to the draft since it was presented at the August 18, 2011 Regular Board Meeting. The Board had a brief discussion regarding a proposed increase in electrical utility rates to be applied in the Fall and tabled any action to adjust the wastewater rates until more analysis was done. Ms. Gernes reviewed the capital outlay projects proposed for 2012 with Matt Temple, IT/SCADA Coordinator, providing an explanation of Ignition System regarding designed to work with the backup of data required by TCEQ. He stated that the Ignition System was much more efficient and time-wise than the current program being used. Ms. Terrell reviewed software upgrades, including online bill pay establishment, database upgrades and office suites to be implemented in 2012.

Motion: Director Decker to adopt the Fiscal Year 2012 budget as proposed.

Second: Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

E. DISCUSS/CONSIDER/TAKE ACTION ON PROPOSED CHANGES TO THE TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 RATES AND FEES SCHEDULE.

Ms. Terrell distributed a copy of the new rates and fees schedule to be implemented October 1, 2011, reflecting the 2012 budget adoption with necessary adjustments. She said the fee changes would be published as Public Notice in the *Lake Travis View* September 22nd and September 29th editions, prior to implementation.

Motion: Director Roberts to adopt the Rates and Fees as proposed for Fiscal Year 2012.

Second: Director Ward.

Ayes: 4

Noes: 0

Unanimous.

F. DISCUSS/CONSIDER/TAKE ACTION ON ADOPTING 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.

Ms. Terrell reviewed and recommended approval of tax rates as presented to enable debt service payments. President Steed asked if any members of the Board had questions remaining and there were none.

Motion: Director Decker to adopt the 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 as presented.

Second: Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

G. DISCUSS/CONSIDER/TAKE ACTION ON AMENDED DISTRICT INFORMATION FORMS TO INCLUDE CHANGES IN TAX RATES.

Ms. Terrell explained that each year an Amended Information Form, detailing the amounts of bonds issued, outstanding bond amounts and tax rates must be recorded to include any and all changes.

Motion: Director Decker to adopt the Amended District Information Form as proposed.

Second: Director Roberts.

Ayes: 4

Noes: 0

Unanimous.

H. DISCUSS/CONSIDER/TAKE ACTION ON AMENDMENTS TO FISCAL YEAR 2011 OPERATING BUDGET.

Ms. Terrell distributed recommendations for amendments to the Fiscal Year 2011 Operating Budget. Counsel Kalisek explained that amending the budget was common practice to adjust budgeted amounts to actual figures to expedite annual audits. Director Roberts asked why this procedure was necessary since the differences in budget versus actual figures were common and must be explained anyway. Director Roberts and Steed led a discussion and made recommendation to require the Finance Committee to review the budget quarterly and make any recommendations for adjustments based on the actual spending throughout each quarter rather than one annual adjustment. Ms. Kalisek said she would have the District Policy language added to the Finance Committee regarding quarterly reviews and recommendations to the Board of Directors.

No action.

I. DISCUSS/CONSIDER/TAKE ACTION ON PROPOSED ADDITIONS TO DISTRICT PERSONNEL POLICY REGARDING VIDEO CAMERA USE.

Ms. Gernes recommended to the Directors a policy addition regarding video camera use because security surveillance cameras have been installed throughout the District. Ms. Kalisek stated that Lloyd Gosselink's employment lawyer, Sheila Gladstone, had not reviewed these proposed additions, but would do so prior to adoption of the entire Policy Manual.

Motion: Director Roberts to adopt the proposed additions to the District Personnel Policy regarding video camera use with a final review by District attorneys.

Second: Director Ward.

Ayes: 4

Noes: 0

Unanimous.

J. REPORT REGARDING SENATE BILL 100 AND THE IMPACTS OF THIS BILL ON SCHEDULING FUTURE DIRECTOR ELECTIONS.

Counsel Klein explained the impact of Senate Bill 100 that was passed in the last legislative session to help facilitate voting ability for military and citizens living abroad. Texas Election Code, Chapter 41, gives the ability for Boards to move their elections to November if desired but Chapter 49 of the Texas Water Code conflicts because it says to hold Board elections in May and when conflicts occur, the Texas Water Code should override.

Mr. Klein recommended observing what the City of Austin and Travis County officials determine at their September meetings. He stated that if they move to November, WCID 17 would have to administer their own May election instead of a joint election with Travis County.

No action.

K. DISCUSS/CONSIDER/TAKE ACTION ON VOTING FOR TRUSTEE FOR TML INTERGOVERNMENTAL EMPLOYEE BENEFITS POOL BOARD OF TRUSTEES – REGION 10.

Motion: Director Ward to cast a vote for Vic Barnett based on his resume.

Second: Director Steed.

Ayes: 2

Noes: 0

Abstain: 2

Ballot not executed.

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.

There was no Executive Session held on this item.

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.

There was no Executive Session held on this item.

X. THE BOARD WILL MEET IN EXECUTIVE SESSION TO DELIBERATE THE ACQUISITION OF CERTAIN REAL PROPERTY FROM THE LOWER COLORADO RIVER AUTHORITY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072, AND TO RECEIVE ADVICE FROM ITS ATTORNEYS REGARDING SUCH ACQUISITION, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071.

There was no Executive Session held on this item.

XI. ADJOURNMENT.

Motion: Director Roberts to adjourn.

Second: Director Ward.

Ayes: 4

Noes: 0

Unanimous.

President Steed adjourned the meeting at 8:42 p.m.

Approved this 20th day of October 2011, with a motion

by Director Decker and a Second by Director Steed.

Ayes 5 Noes 0 Abstained 0


Presiding Officer


Secretary