



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, October 20, 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 all Directors present; Steed, Ward, Roberts, Decker and Carruthers. General Manager Deborah Gernes, General Counsels Lauren Kalisek and David Klein, District Engineer Pat Lackey, Financial Advisor Garry Kimball and Bond Counsel representative Carol Polumbo 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 informed the Board of a problem in Plant B where a leak had been detected in the 12 inch waterline that was installed around 1960 as part of the original plant. She said this line controls the chlorination application and that the system was full before being turned off to work on locating the leak. Gernes said a jumper was in place and the production was running on only one plant until the necessary repairs were complete.
- 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 – Updated WCID 17 Improvement & Upgrade Projects list was distributed.

- a. **Hudson Bend Water Tank** – Ms. Gernes informed the Board that the staff was researching the area of Hudson Bend Road and Poteau by digging 100 foot strip away and will be using the camera to examine for restriction or blockage while working to keep traffic problems to a minimum as well as water outages.
- b. **City of Austin Water Interconnect** – Pat Lackey gave a brief explanation of this interconnect with the City of Austin for emergency water service during emergency situations. He said water will feed from the interconnect at Bullick Hollow to the Comanche Trail tank and be blended before sending it out into the WCID 17 system because Austin uses lime softener in their water. Ms. Gernes explained that she will be requesting a revision of the emergency water service agreement to amend it to be a temporary water service agreement by requesting 4 million gallons per day (MGD) for 4 years so that if water is needed for service other than emergencies during the construction time of the new Mansfield Water Treatment Plant it will be available. Director Carruthers requested the winter average production of water by WCID 17 and Ms. Gernes stated that winter production averages 4 to 5 1/2 MGD. Mr. Lackey explained that on the south side of the District there is an interconnection with Lakeway and Hurst Creek MUD and this interconnect will serve the customers on the north side of WCID 17.
- c. **Mountain View Water Tank** – Ms. Gernes updated the Directors that site clearing had begun at this location.
- d. **Eck Lane Waterline Improvements**
- e. **McCormick Mountain Waterline Improvements**
- f. **Apache Shores Waterline Improvements**
- g. **River Ridge Waterline Improvements**
- h. **Cloudy Ridge Valve Upgrades**
- i. **Flintrock Trace / Cardinal Hills Improvements**
- j. **Ranch Road 620 Wastewater Bore at Steiner Ranch**

3. DEVELOPER CONSTRUCTION PROJECTS

- a. **Serene Hills Wastewater Service**
- b. **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. Water Conservation
 - e. Property/Easement Acquisition
 - f. Annexation of Properties
- 5. **DISTRICT MANAGEMENT**
 - a. Personnel Issues
 - b. District Activities – Ms. Gernes reminded the Directors that two positions, Director Ward and Director Roberts, would be up for reelection in May 2012. A discussion was held regarding potential cost increase of a May election if fewer entities are holding May elections and Ms. Terrell stated that historically election costs are done on a prorated basis and typically under \$2,500. President Steed announced that a kind letter was received from Commissioner Huber, Travis County Precinct 3 for the commitment and work with the Lake Travis Coalition.
 - c. Consultant Issues
 - d. Finance Reports/Audit/Bonds
 - e. Security – Ms. Gernes informed the Board that there had been one case of a forged outdoor water violation letter reported in Steiner Ranch.
 - f. Customer Communication/WEB/Newsletter/Events
- 6. **WATER QUALITY / PLANNING**
 - a. Texas Commission on Environmental Quality
 - b. Lower Colorado River Authority Water Supply

B. COMMITTEE REPORTS

- 1. **PARKS AND CONSERVATION COMMITTEE REPORT**
- 2. **COMMUNICATIONS COMMITTEE REPORT**
- 3. **LEGAL COMMITTEE REPORT**
- 4. **PLANNING COMMITTEE REPORT** – Ms. Gernes stated that the Planning Committee met October 17, 2011 with the WCID 17 engineers and financial consultant to discuss ways to finance new projects to include the Flintrock Wastewater Treatment Plant expansion and the new Mansfield Water Treatment Plant improvements. She said that she would like to continue this report during agenda item New Business, P.
- 5. **BUDGET AND FINANCE COMMITTEE REPORT**
- 6. **POLICY COMMITTEE REPORT** – Director Ward requested a Policy Committee meeting to discuss fluoridation.
- 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 #3 and Change Order #1, Royal Vista, Inc.
 - 2. Steiner Belt Press Improvements, Pay Estimate #9-Final, Payton Construction, Inc.
 - 3. Round Mountain Pump Station Improvements-2010, Change Order #3, Excel Construction Services, LLC.
 - 4. Serene Hills HEB Wastewater Service Project, Pay Estimates # 1 & #2, Schroeder Construction.
- B. **APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE STEINER RANCH DEFINED AREA**
 - 1. Steiner Ranch, Phase One, Section 10D-1B Water, Wastewater and Drainage Improvements, Pay Request #1, Schroeder Construction Co., Ltd.
 - 2. Steiner Ranch, River Dance Phase 7A, Phase 2 Water, Wastewater and Drainage Improvements, Pay Request #8, Final Retainage, Ross Construction, Inc.
 - 3. Steiner Ranch, River Dance Phase 7A, Phase 3 Water, Wastewater and Drainage Improvements, Pay Request #9, Final Retainage, Ross Construction, Inc.
 - 4. Steiner Ranch, River Dance Phase 7A, Phase 4 Water, Wastewater and Drainage Improvements, Pay Request #9, Final Retainage, Ross Construction, Inc.
 - 5. Steiner Ranch River Dance Phase 7B, Phase 1 Water, Wastewater and Drainage Improvements, Pay Request #7, 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 September 15, 2011 Regular Meeting Minutes as presented. Ms. Terrell explained Change Order #1 in the additional amount of \$93,373 for road paving in Apache Shores that was required for new paving specifications of Travis County. Discussion was held regarding funds and if the road was truly adopted by the county or just a right of way. GM Gernes recommended approval of the Consent Agenda items and minutes as presented.

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

Second: Director Steed.

Ayes: 5

Noes: 0

Unanimous.

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

President Steed opened Public Comment at 6:53 p.m.

Barry Clark and David Faust spoke to the Board regarding a letter of intent they recently submitted on behalf of Western Rim Property Services, out of Grand Prairie TX, to purchase approximately 34 acres, owned by WCID 17, located in the Serene Hills Defined Area for a multi-family site. Mr. Clark gave his Real Estate background and background of Western Rim stating that they were interested in this site out of four others nearby in Bee Cave to build no less than 350 and no more than 375 units for approximately 180 living unit equivalents (LUE). Mr. Clark explained that because the LUE fee is high, the cost of land is typically decreased to balance the return on investment per door. Mr. Faust stated that in his opinion this offer is at or above what the market value is at this time and is a cash offer. He went on to say that Western Rim Property Services only builds class A projects. They thanked the Board in advance for consideration of the letter of intent.

Bill Ward of McAllister and Associates stated that he had met with Debbie Gernes and went to engineer Charlie Steinmen to create some preliminary topographic maps to study multi-family designs and had also visited the City of Lakeway regarding their multifamily residential zoning specifications. Mr. Ward distributed a copy of this material to the Board of Directors. Mr. Ward told the Board he would like to represent WCID 17 in the sale of this parcel in Serene Hills Defined Area and any other property WCID 17 has in this development. President Steed thanked Mr. Ward for his interest.

Mr. Steed held Public Comment open for any others that might arrive later.

Motion: Director Roberts to close Public Comment.

Second: Director Decker.

Ayes: 5

Noes: 0

Unanimous.

President Steed closed Public Comment at 7:38 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.**

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.

No action.

VII. NEW BUSINESS**A. 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. RECEIVE BIDS ON \$2,350,000 TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 STEINER RANCH DEFINED AREA UNLIMITED TAX BONDS, SERIES 2011;**

Mr. Garry Kimball presented the final sale summary for the Travis County Water Control and Improvement District No. 17 Steiner Ranch Defined Area Unlimited Tax Bonds, Series 2011 in the amount of \$2,350,000. He reviewed the five bidders, representing eleven firms, and recommended the lowest bidder, Southwest Securities, Inc. with a net interest cost of 3.801 percent. Director Carruthers requested information on the low points of bonds and Mr. Kimball stated that the market had hit its low point in September 2011 and was off by about 20 points now from that low point.

Motion: Director Roberts to approve the final sale of the Steiner Ranch Defined Area Unlimited Tax Bonds, Series 2011 in the amount of \$2,350,000 to Southwest Securities, Inc.

Second: Director Carruthers.

Ayes: 5

Noes: 0

Unanimous.

2. APPROVE ORDER AUTHORIZING THE ISSUANCE OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 STEINER RANCH DEFINED AREA UNLIMITED TAX BONDS; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AWARDED THE SALE OF THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS; AND

President Steed requested any questions regarding the information previously presented to authorize the issuance of the Steiner Ranch Defined Area Unlimited Tax Bonds, Series 2011; the ad valorem tax; approval of the Official Statement; authorization of a paying agent/registrar agreement; and award of sale of the bonds. Mr. Kimball reported that after a reimbursement audit is complete and approved, closing procedures for the Series 2011 bonds would be finalized.

Motion: Director Carruthers to approve matters of the Steiner Ranch Defined Area Unlimited Tax Bonds, Series 2011 in the amount of \$2,350,000 as presented.

Second: Director Roberts and Decker.

Ayes: 5

Noes: 0

Unanimous.

3. POSSIBLE ACTION REGARDING CLOSING PROCEDURES FOR THE SERIES 2011 BONDS.

Tabled with no action.

B. DISCUSS/CONSIDER/TAKE ACTION ON CONTRACT AWARD TO ROSS CONSTRUCTION CO., INC. FOR THE STEINER RANCH RIVER DANCE PHASE 7B-2 WATER, WASTEWATER AND DRAINAGE IMPROVEMENTS.

Mr. Leroy Kraatz was present and recommended acceptance of the bid from Ross Construction, Inc. for River Dance Phase 7B, Phase 2 in the amount of \$369,641.58.

Motion: Director Decker to approve contract award to Ross Construction Co., Inc. for the Steiner Ranch River Dance Phase 7B-2 water, wastewater and drainage improvements under the direction of Taylor Morrison.

Second: Director Roberts.

Ayes: 5

Noes: 0

Unanimous.

C. DISCUSS/CONSIDER/TAKE ACTION ON DECLARING CERTAIN DISTRICT REAL PROPERTY AS SURPLUS PROPERTY:

1. LOT 58, UNIT 6, CARDINAL HILLS, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT OF RECORD IN VOLUME 51 PAGE 94 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS; AND

2. LOT 74, UNIT 6, CARDINAL HILLS, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT OF RECORD IN VOLUME 51 PAGE 94 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS

Ms. Gernes reviewed how WCID 17 acquired Lot 58, Unit 6 from Cardinal Hills Investors, Ltd. and the conditions of Lot 74, Unit 6 recommending swapping lots with CHI. Mr. Klein acknowledged that WCID 17 received a fully executed Special Warranty Deed for Lot 74, Unit 6 and in order to carry out the obligation of exchange, both lots would need to be declared as surplus property. He continued that WCID 17 had received a contract to purchase Lot 74, Unit 6, Cardinal Hills and that upon surplus declaration, WCID 17 would issue a Bill of Sale and Quit Claim Deed to the buyer.

Motion: Director Roberts to declare Lot 58, Unit 6, Cardinal Hills and Lot 74, Unit 6, Cardinal Hills as surplus property.

Second: Director Ward.

Ayes: 5

Noes: 0

Unanimous.

D. DISCUSS/CONSIDER/TAKE ACTION ON THE SALE OF CERTAIN REAL PROPERTY WITHIN THE CARDINAL HILLS SUBDIVISION.

Please read discussion held Item VII. C. above.

Motion: Director Ward to authorize the President to execute a Bill of Sale and Quit Claim Deed for the sale of Lot 74, Unit 6, Cardinal Hills.

Second: Director Carruthers.

Ayes: 5
Noes: 0
Unanimous.

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

1. OBTAINING AN EASEMENT FROM THE LOWER COLORADO RIVER AUTHORITY;

Tabled with no action.

2. SALE OF REAL PROPERTY WITHIN THE SERENE HILLS DEFINED AREA; AND

Discussion held in Executive Session. Tabled with no action.

F. DISCUSS/CONSIDER/TAKE ACTION ON AMENDMENTS TO THE DISTRICT'S PERSONNEL POLICY, INCLUDING:

1. MOVEMENT OF SECTION 1.2, POSITION DESCRIPTIONS, OF THE PERSONNEL POLICIES TO THE APPENDIX "A" SECTION OF SAME;

2. THE DISTRICT'S WEAPONS POLICY;

3. POLICY RELATED TO SOCIAL NETWORKING; AND

4. EDITS TO POLICY REGARDING UNPAID FAMILY/MEDICAL LEAVE.

Ms. Gernes reviewed the items to amend in accordance with recent legislative changes and employment law.

Motion: Director Decker to approve an Order Approving Changes to the Personnel Policy of Travis County Water Control and Improvement District No. 17 as presented.

Second: Director Carruthers.

Ayes: 5

Noes: 0

Unanimous.

G. DISCUSS/CONSIDER/TAKE ACTION ON ANNUAL REVIEW OF THE DISTRICT'S INVESTMENT POLICY.

Tabled with no action.

H. DISCUSS/CONSIDER/TAKE ACTION ON WAIVING OF METER UPGRADE FEES FOR THE HOMES BEING RECONSTRUCTED IN STEINER RANCH THAT WERE DECLARED TO BE IN A NATURAL DISASTER AREA.

Ms. Gernes reminded the Board that at the September 2011 Regular Board Meeting a discussion was held regarding the homes involved in the recent wild fire in Steiner Ranch to waive one-half living unit equivalent (LUE) fee for any residents that had previously used a 5/8 inch meter as service is re-activated. This waiver is being requested because these new homes will most likely now qualify for a 3/4 inch meter based on fixture count as well as falling under the District Irrigation Policy adopted, after these homes were originally built, requiring a 3/4 inch meter.

Motion: Director Ward to approve waiver of one-half living unit equivalent fee for homes destroyed in Steiner Ranch fire of September 4, 2011 that previously had a 5/8 inch water meter and would now be required to have a 3/4 inch meter because of District policy updates.

Second: Director Decker.

Ayes: 5

Noes: 0

Unanimous.

I. DISCUSS/CONSIDER/TAKE ACTION ON AMENDMENTS TO THE DISTRICT'S POLICY, INCLUDING;

1. QUARTERLY FINANCE COMMITTEE MEETINGS; AND

Motion: Director Decker to approve an Order to the Rules and Policies of Travis County Water Control and Improvement District No. 17 Regarding Meetings of the District Finance Committee.

Second: Director Carruthers.

Ayes: 5

Noes: 0

Unanimous.

2. METER UPGRADES FOR RECONSTRUCTED HOMES.

Discussion was held with no action to incorporate into the Rules and Policy.

J. DISCUSS/CONSIDER/TAKE ACTION ON 2010-2011 UPDATES TO THE DISTRICT'S RULES AND POLICIES.

Motion: Director Decker to approve an Order Approving the Mission Statement, Bylaws, Personnel Policy, Code of Ethics and Values/Ethics Policy and Service Rules and Policies of Travis County Water Control and Improvement District No. 17 incorporating all 2010-2011 updates.

Second: Director Carruthers.
Ayes: 5
Noes: 0
Unanimous.

- K. DISCUSS/CONSIDER/TAKE ACTION ON ORDER APPROVING TAXATION OF GOODS-IN-TRANSIT OTHERWISE EXEMPTED FROM TAXATION UNDER TEXAS TAX CODE § 11.253.**
Tabled with no action.

- L. DISCUSS/CONSIDER/TAKE ACTION TO AUTHORIZE THE TRAVIS CENTRAL APPRAISAL DISTRICT TO REAPPRAISE HOMES DECLARED BY THE TEXAS GOVERNOR TO BE IN A NATURAL DISASTER AREA, BASED PROPORTIONATELY ON ITS MARKET VALUE PRIOR TO AND IMMEDIATELY AFTER THE DISASTER.**

Motion: Director Roberts to authorize a Resolution Authorizing Travis County Central appraisal District to Reappraise Homes Declared by the Texas Governor to be in a Natural Disaster Area.

Second: Director Carruthers.
Ayes: 5
Noes: 0
Unanimous.

- M. DISCUSS/CONSIDER/TAKE ACTION ON INTERIM AGREEMENT TO TRANSPORT, TREAT, AND DISPOSE OF MUNICIPAL SLUDGE BETWEEN THE DISTRICT AND HURST CREEK MUD.**

Ms. Gernes explained that the sludge belt press installed at the Flintrock Wastewater Treatment Plant would handle excess sludge treatment. She said she has been working with Hurst Creek MUD (HCMUD) to help save them money in sludge hauls while HCMUD is in the process of expanding their plant to process sludge.

Motion: Director Roberts to authorize the General Manager to execute an Interim Agreement to Transport, Treat, and Dispose of Municipal Sludge Between Hurst Creek Municipal Utility District and Travis County Water Control and Improvement District No. 17.

Second: Directors Ward and Decker.
Ayes: 5
Noes: 0
Unanimous.

- N. DISCUSS/CONSIDER/TAKE ACTION ON FIRST AMENDMENT TO STRUCTURE LEASE AGREEMENT BETWEEN THE DISTRICT AND AT&T.**

Tabled with no action.

- O. DISCUSS/CONSIDER/TAKE ACTION REGARDING PROTEST TO THE PUBLIC UTILITY COMMISSION OF THE POTENTIAL ELECTRIC RATE INCREASES BY AUSTIN ENERGY.**

Ms. Gernes informed the Board of the City of Austin's intent to significantly increase the Austin Energy electric rates in the fall 2011. She stated that a rate case petition was being prepared by out of city residential customers and other utilities were preparing to protest excessive rate hikes to the Public Utility Commission (PUC). A decision was held regarding the demand rate on a calculated surcharge that WCID 17 pays and how a significant increase would impact all customers. Gernes requested authorization to sign petitions and/or letters that will be presented to the PUC.

Motion: Director Carruthers to authorize the General Manager to write a letter to the Public Utility Commission protesting the potential electric rate increases and/or to sign a joint letter with other utilities or residential customers.

Second: Director Ward.
Ayes: 5
Noes: 0
Unanimous.

President Steed recessed the meeting at 8:04 p.m. and called it back to order at 8:17 p.m.

- P. DISCUSS/CONSIDER/TAKE ACTION ON DISTRICT REVENUE BOND CAPACITY AND PROJECT FINANCING RECOMMENDATION.**

Ms. Gernes stated that the Planning Committee met to discuss Capital Project Financing for the Flintrock Wastewater Treatment Plant improvements and the new Mansfield Water Treatment Plant improvements. She stated that she is receiving multiple requests for wastewater service in the south district area without being able to give developers a true timeline for delivery, due to the procedure of living unit equivalents (LUEs) paying for such expansion, but developers will not purchase them until they know when they can receive service. She said that because of the low interest rates in the open market, Garry Kimball is recommending using the District's current cash reserve for the wastewater plant improvements and using the outside market for funding of the new construction of the water treatment plant instead of a Water Development Board (WDB) loan, taking advantage of the low rates. Mr. Kimball pointed out that the water treatment improvements would be repaid by incoming impact

fees and operation and maintenance tax, and a long term loan for the water treatment plant would cut some costs associated with a WDB loan.

Mr. Kimball explained the revenue bond system and advantages of using a long term loan versus other financing options. He said that WCID 17 would still submit an application to the TCEQ and he recommended board authorization to begin preparation of the application for submission in early January. Kimball said the District could then expect TCEQ to respond by March 2012 and that would provide 90 days to secure an open market loan. Discussion was held regarding the time frame of now versus later and explained that this is only preliminary preparation and that nothing other than the application and projected costs associated with the water treatment plant improvements to be part of this initial work.

Director Roberts asked for clarification on whether these two capital projects had been approved by the Board. Director Steed said that no actual plans had been approved because the plants had not been designed but that the River City Engineering contract to design the Mansfield Water Treatment Plant had been approved by the Board. Ms. Kalisek and Mr. Lackey reminded the Board that both the Flintrock Wastewater Treatment Plant expansion and the Mansfield Water Treatment Plant are included in the Districts approved capital improvement plans upon which the impact fees are based. Ms. Gernes said the costs for these improvements are engineer's estimates only. Mr. Lackey explained that with the Flintrock Wastewater Treatment Plant having no available capacity, development was being held up and with the 2011 summer peak day of water production being 15.7 million gallons per day, the need is present for both the wastewater and water treatment plant improvements. Mr. Kimball explained that the TCEQ memorandum of approval of application would be good for one year with one renewal allowed upon request. Mr. Lackey explained to the Directors that tonight was to inform them of the need and choices to be made to finance the wastewater treatment plant expansion and water plant improvements, requesting their approval to proceed with the TCEQ application.

Q. DISCUSS/CONSIDER/TAKE ACTION TO AUTHORIZE DISTRICT ENGINEERS TO PROCEED WITH PREPARATION OF APPLICATION FOR PROJECT FINANCING TO TCEQ.

Please read discussion held Item VII. P. above.

Motion: Director Decker to authorize the District staff, engineers and consultants to prepare bond application to TCEQ for an amount not to exceed \$25,000,000 and authorize the Board President and other officers to execute any documents necessary to finalize and file application.

Second: Director Roberts.

Ayes: 5

Noes: 0

Unanimous.

R. DISCUSS/CONSIDER/TAKE ACTION TO AUTHORIZE THE GENERAL MANAGER TO HIRE A REAL ESTATE CONSULTANT.

Discussion held in Executive Session. No action.

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 called to order by President Steed at 8:57 p.m. and closed at 9:11 p.m. 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 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.

Executive Session was not held. No action.

XI. THE BOARD WILL MEET IN EXECUTIVE SESSION TO DELIBERATE THE SALE OF CERTAIN REAL PROPERTY WITHIN THE SERENE HILLS DEFINED AREA 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.

Executive Session was called to order by President Steed at 8:19 p.m. and closed at 8:57 p.m. No action.

XII. ADJOURNMENT.

Motion: Director Carruthers to adjourn.

Second: Director Roberts.

Ayes: 5

Noes: 0


Unanimous.

President Steed adjourned the meeting at 9:25 p.m.

Approved this 17th day of November 2011, with a motion

by Director Ward and a Second by Director Decker.

Ayes 5 Noes 0 Abstained 0


Presiding Officer


Secretary