



TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17

3812 Eck Lane • Austin, Texas 78734
Phone (512) 266-1111 • Fax (512) 266-2790

Notice is hereby given pursuant to V.T.C.A., Government Code § 551, that the Board of Directors of Travis County Water Control and Improvement District No. 17 will hold a regular meeting, open to the public, on Thursday, September 17, 2015, at 6:00 p.m., at the Travis County Water Control and Improvement District offices, at 3812 Eck Lane.

The Consent Agenda allows the Board of Directors to approve all routine, non-controversial items with a single motion, without the need for discussion by the full Board. Any item may be removed from consent and considered individually upon request of a Board member or a member of the public attending the meeting. Any citizen having interest in these matters is invited to attend.

Items on the Agenda - AMENDED

- I. CALL TO ORDER
- II. ESTABLISH A QUORUM
- III. MANAGER AND COMMITTEE REPORTS
 - A. MANAGER'S REPORT: STATUS OF DISTRICT OPERATIONS, FINANCES, DISTRICT CONSTRUCTION PROJECTS, DEVELOPER CONSTRUCTION PROJECTS, DISTRICT ADMINISTRATION AND MANAGEMENT, DISTRICT PLANNING
 - B. COMMITTEE REPORTS
 1. COMMUNICATIONS / PARKS AND CONSERVATION COMMITTEE REPORT
 2. LEGAL COMMITTEE REPORT
 3. PLANNING COMMITTEE REPORT
 4. BUDGET AND FINANCE COMMITTEE REPORT
 5. POLICY COMMITTEE REPORT
 6. IMPACT FEE ADVISORY COMMITTEE
 7. STORMWATER COMMITTEE
- IV. CONSENT AGENDA
 - A. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT
 1. Mansfield Water Treatment Plant Phase 1, Pay Estimate #21, Archer Western Contractors
 2. Mansfield Water Treatment Plant Phase 2, Pay Estimate #23, Archer Western Contractors
 3. Flintrock Lift Station "A" Expansion, Pay Estimate #9, Excel Construction Services, LLC
 - B. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE SERENE HILLS DEFINED AREA
 1. Serene Hills Phase 2W, Water, Wastewater and Drainage Improvements, Pay Estimate #8, Central Road & Utility, Ltd.
 - C. APPROVE PAYMENT OF CURRENT INVOICES
 - D. APPROVE MINUTES – August 20, 2015 Regular Meeting
- V. PUBLIC COMMENT, 6:30 P.M.
- VI. OLD BUSINESS
 - A. DISCUSS/CONSIDER/TAKE ACTION REGARDING THE LOWER COLORADO RIVER AUTHORITY'S WATER MANAGEMENT PLAN BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
 - B. DISCUSS/CONSIDER/TAKE ACTION REGARDING TRAVIS VISTA WATER AND SEWER SUPPLY CORPORATION
 - C. DISCUSS/CONSIDER/TAKE ACTION ON PROPOSED MANSFIELD WATER TREATMENT PLANT PHASE 1, RAW WATER INTAKE AND PUMP STATION CHANGE ORDER NO. 5, RIVER CITY

ENGINEERING, WHICH INCLUDES ITEMS FROM CHANGE ORDER NO. RCP1 #15A AND #15B, ARCHER WESTERN CONTRACTORS

- D. DISCUSS/CONSIDER/TAKE ACTION ON A RESOLUTION OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 ADOPTING USE OF AUTHORIZED ALTERNATIVE CONTRACT PROCUREMENT METHODS PURSUANT TO THE TEXAS GOVERNMENT CODE**

VII. NEW BUSINESS

- A. PRESENTATION BY GENERAL COUNSEL ON OPEN MEETINGS, OPEN RECORDS AND BOARD COMMUNICATION**
- B. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED 2015 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**
- C. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED FISCAL YEAR 2016 GENERAL FUND OPERATING BUDGET**
- D. DISCUSS/CONSIDER/TAKE ACTION ENGAGEMENT LETTER FOR ANNUAL AUDIT SERVICES BY MCCALL GIBSON SWEDLUND BARFOOT PLLC**
- E. DISCUSS/CONSIDER/TAKE ACTION REGARDING TERMINATION AND EQUIPMENT TRANSFER AGREEMENT OF CELL TOWER CONTRACT WITH CRICKET COMMUNICATIONS, LLC**
- F. DISCUSS/CONSIDER/TAKE ACTION REGARDING REIMBURSEMENT OF CONTRACTED FACILITIES THAT INCLUDE THE 24" WATERLINE OVERSIZE IMPROVEMENTS FOR STEINER RANCH MU-1B (RESUBDIVISION OF LOT 2, BLOCK C, STEINER RANCH PHASE TWO SECTION 10)**
- G. DISCUSS/CONSIDER/TAKE ACTION REGARDING EXTENSION / CHANGE OF THE MANDATORY OUTDOOR WATERING SCHEDULE REQUIREMENTS OUTLINED IN THE TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 DROUGHT CONTINGENCY PLAN**
- H. DISCUSS/CONSIDER/TAKE ACTION ON THE PETITIONS FOR ADDITION OF LANDS AND THE ORDERS ADDING LANDS FOR THE FOLLOWING PROPERTIES:**
- 1. Lots 1A, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12, 13, 14, 15, 16, 17, 18, 19, 20 of Block A and Lot 1 of Block E, McCormick Ranch on Lake Austin Subdivision, Section 1; 133.007 ACR ABS 450 SUR 50 JACKSON J ABS 91 SUR 48 & WADE SURV BRADFORD WM; 75.044 ACR ABS 813 SUR 47 WADE E B ABS 91 SUR 48 BRADFORD WM, TR VISTA PRESERVE, LLC owners.**
 - 2. Lots 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43 of Block A, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26 of Block C, Lot 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 of Block D and Lot 1 of Block D, McCormick Ranch on Lake Austin Subdivision, Section 2, Taylor Morrison of Texas, Inc. owners.**
 - 3. Lots 6 and 8, Cherry Mountain, Phase II subdivision, owner Cherry Peak Ltd., addressed as 3805 Peak Lookout Dr.**
 - 4. Lot 5, Cherry Mountain, Phase II subdivision, owners Scott and Adrienne Trigg, addressed as 3801 Peak Lookout Dr.**
 - 5. Lot 1, Peak Lookout Place subdivision, owners Gary and Marlys Euscher, addressed as 4004 Peak Lookout Dr.**
 - 6. Lot 16, Cherry Mountain, Phase II subdivision, owners, Christian and Audrey Young, addressed as 3900 Peak Lookout Dr.**
 - 7. 0.801ACR of Lot 33, Brill Arno Third Subdivision, owners Michael and Deana Hadsell, addressed as 17017 South Ridge Ln.**
 - 8. Lot 23, Block A, River Bend Subdivision, owners David and Erika Simono, addressed as 13248 Shore Vista Dr.**
 - 9. 0.100ACR 616 SUR 628 PEARSON IH, owner Jessica Marks, addressed as 16400 Stewart Rd.**
 - 10. Lot 1, Wild Cherry Subdivision, owner Pula Jeanne Hallock, addressed as 3700 Wild Cherry Dr.**
 - 11. Lot 32, Block 1M, Travis Landing No. 2, Phase 5 Subdivision, owner Jonathan Kantor, addressed as 5201 Cree Ln.**
 - 12. Lot 41, Majestic Hills Ranchettes Subdivision, owner Chris Vilven, addressed as 3912 Serene Hills Dr.**

13. Lot 99, Travis Landing No. Phase 2 Subdivision, owner Big Country Custom Homes, addressed as 5011 McCormick Mountain Dr.
 14. Lot 1, Block A, Henning Heights I, owner Brad Thomas, addressed as 16515 Flint Rock Rd.
 15. 0.440 ACR ABS 2125 SUR 592 STEPHENSON W, owners Albert and Jean Magara, addressed as 4709 Hudson Bend Rd.
 16. 16.329 ACR ABS 818 SUR 79 WALDRON C W, owner Wells Harriette A Family Trust, addressed as 16701 Flint Rock Rd.
 17. 3.488 ACR ABS 818 SUR 79 WALDRON C W, owner Cummings Service Corporation, Inc, addressed as Flint Rock Rd.
- VIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071 REGARDING LOWER COLORADO RIVER AUTHORITY'S WATER MANAGEMENT PLAN BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
- IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS REGARDING TRAVIS VISTA WATER AND SEWER SUPPLY CORPORATION, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071
- X. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071 REGARDING THE PROPOSED MANSFIELD WATER TREATMENT PLANT PHASE 1, RAW WATER INTAKE AND PUMP STATION CHANGE ORDER NO. 5, RIVER CITY ENGINEERING, WHICH INCLUDES ITEMS FROM CHANGE ORDER NO. RCP1 #15A AND #15B, ARCHER WESTERN CONTRACTORS
- XI. ADJOURNMENT


Linda R. Sandlin
Administrative Assistant





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 20, 2015 at 6:00 p.m. This meeting was scheduled and conducted in compliance with the Texas Open Meetings Act.

DRAFT

I. CALL TO ORDER

President Roberts called the meeting to order at 6:02 p.m.

II. ESTABLISH A QUORUM

A quorum was established with all Directors present: Carruthers, Decker, Roberts, Steed and Ward. General Manager Deborah Gernes, General Counsels Lauren Kalisek and Ashleigh Acevedo, and District Engineers Pat Lackey and Will Pena were also present.

Attorney Kalisek introduced Counsel Ashleigh Acevedo as the newest member of the firm who will be assisting with our District work.

III. MANAGER AND COMMITTEE REPORTS

A. MANAGER'S REPORT: STATUS OF DISTRICT OPERATIONS, FINANCES, DISTRICT CONSTRUCTION PROJECTS, DEVELOPER CONSTRUCTION PROJECTS, DISTRICT ADMINISTRATION AND MANAGEMENT, DISTRICT PLANNING

Manager Gernes reported that in addition to the written report:

- The District water production for July was normal for summer months but overall annual revenue was still below that budgeted. Expenses are down as well because of low water production, so the budget does not show a loss but a small surplus.
- City of Austin had two committees of the Austin City Council, Public Utilities Committee and the Health and Human Services Committee, hear from advocates for both sides of the fluoridation issue following council member Zimmerman's call for stopping fluoridation. The City Council voted to continue fluoridation.
- The independent auditor's three year contract expired after the Fiscal Year 2014 audit and Manager Gernes requested direction by the Board to either extend the service of McCall Gibson Swedlund Barfoot PLLC or prepare a new Request for Proposal. *A brief discussion was held and the General Manager was directed to prepare on a Letter of Agreement for extension.* This item will be on the September 2015 agenda.

- Geotab tracking devices were being installed on company vehicles as a safety feature with installation near completion.
- Engineer Pena updated the Directors that the Mansfield Water Treatment Plant remained on track for an October startup. He also stated that he was working with Archer Western regarding adjustment of the contractual period timeline and resolution of the change order for the raw water pilings.
- President Roberts presented Manager Gernes with an atomic clock as a thank you for keeping all time.
- The Lower Colorado River Authority is continuing to assess the drought rate of \$175 per acre foot for raw water until the end of the calendar year at which time it will become the regular rate. Due to the rate increase an increase in water rates will be necessary.
- The Lake Travis Regional Reuse & Recycling Center will opening the reuse building on September 11, 2015 for any customers that would like to pick up free paint products and partial containers of household products. A collection event has been scheduled for September 23, 2015 from 9 a.m. to noon and a quarterly schedule is being created for Fiscal Year 2016 events.
- The draft permit from the Texas Commission on Environmental Quality (TCEQ) for the Flintrock Wastewater Treatment Plant expansion had been received. TCEQ granted everything requested including additional irrigation credit for existing land as well as for Serene Hills median areas.
- President Roberts reported that he and other area officials met with Commissioner Daugherty and Representative Workman to discuss the creation of a groundwater district. Roberts stated that the municipalities present were in agreement with the groundwater district concept, but against any taxes imposed on surface water customers.

- Director Decker requested an update on the windmill in Serene Hills. Manager Gernes reported that the developer had an interest in preserving it for a scenic feature along the trail system to be implemented.

B. COMMITTEE REPORTS

- 1. COMMUNICATIONS / PARKS AND CONSERVATION COMMITTEE REPORT- August 4** The Committee met and discussed the purchase and use of tablets by the Board, posting board material onto website for review, social media participation, sign for new water treatment plant and holding an open house at the Mansfield Water Treatment Plant in the fall. The committee's recommendation to the Board is to not purchase tablets at this time, but to continue to post documents to the website.
- 2. PLANNING COMMITTEE REPORT- July 24** The Planning Committee met and after reviewing growth projections, projected facility infrastructure, and annual planned maintenance it was determined that a new raw water contract with the Lower Colorado River Authority could be delayed because of the decrease in usage and conservation efforts.
- 3. BUDGET AND FINANCE COMMITTEE REPORT – July 29** *The recommendations from this meeting will be discussed during agenda item VII. G.*
- 4. POLICY COMMITTEE REPORT – July 22** *The recommendations from this meeting will be discussed during agenda items VII.C. and D.*

IV. CONSENT AGENDA

- A. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT**
 - 1. Mansfield Water Treatment Plant Phase 1, Pay Estimate #20, Archer Western Contractors**
 - 2. Mansfield Water Treatment Plant Phase 2, Pay Estimate #22, Archer Western Contractors**
 - 3. Flintrock Lift Station "A" Expansion, Pay Estimate #8 and Change Order #4, Excel Construction Services, LLC**
- B. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE SERENE HILLS DEFINED AREA**
 - 1. Serene Hills Phase 2W, Water, Wastewater and Drainage Improvements, Pay Estimate #7, Central Road & Utility, Ltd.**
- C. APPROVE PAYMENT OF CURRENT INVOICES**
- D. APPROVE MINUTES – July 16, 2015 Regular Meeting**

President Roberts requested questions regarding any of the Consent Agenda items.

Motion: Director Steed to approve all items of the Consent Agenda as presented

Second: Director Decker

Ayes: 5

Noes: 0

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

President Roberts opened Public Comment at 6:55 p.m. and left Public Comment open for anyone that may arrive and wish to address the Board of Directors

Motion: Director Decker to close Public Comment

Second: Director Ward

Ayes: 5

Noes: 0

President Roberts closed Public Comment at 8:25 p.m.

VI. OLD BUSINESS

A. DISCUSS/CONSIDER/TAKE ACTION REGARDING THE LOWER COLORADO RIVER AUTHORITY'S WATER MANAGEMENT PLAN BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Manager Gernes updated the Directors that the comment period allowed by the Texas Commission on Environmental Quality (TCEQ) had now expired and that few comments were submitted. She reminded the Directors of the meetings held between the Lower Colorado River Authority (LCRA) and the Highland Lakes Firm Water Customers Cooperative (HLFWCC) where the HLFWCC requested the LCRA restore the Drought Management Plan as part of the Water Management Plan (WMP) under review by the TCEQ. She said LCRA did file amendments to the WMP that contained a majority of what the HLFWCC requested and that the HLFWCC submitted a resolution to the TCEQ in support of the amendments. She also stated that all initial protests for a contested case hearing were still on file, but that it is anticipated they would all be withdrawn after LCRA makes some small additional amendments to the WMP submittal.

B. DISCUSS/CONSIDER/TAKE ACTION REGARDING TRAVIS VISTA WATER AND SEWER SUPPLY CORPORATION

Manager Gernes reported that four customers remained to be completely connected to the central system and that this work should be done by August 28. She said that there is only one plumbing company working all seventeen properties and that the excessive heat and rocky conditions slowed progress. She stated that the City of Austin (COA) had received the request to waive the COA Impact Fee of \$1,400 and the request would go before Council for approval.

C. DISCUSS/CONSIDER/TAKE ACTION ON PROPOSED MANSFIELD WATER TREATMENT PLANT PHASE 1, CHANGE ORDER NO. RCP1 #15A AND #15B, ARCHER WESTERN CONTRACTORS

Tabled; no action.

VII. NEW BUSINESS

A. DISCUSS/CONSIDER/TAKE ACTION ON ITEMS RELATED TO THE SERENE HILLS DEFINED AREA \$4,450,000 UNLIMITED TAX BONDS, SERIES 2015; BOND ISSUE NO. 1:

- 1. APPROVE REIMBURSEMENT AUDIT FOR THE SERIES 2015 BOND;**
- 2. APPROVE DISBURSEMENTS OF SERIES 2015, BOND ISSUE NO. ; AND**
- 3. AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BOND**

Leslie Terrell reviewed the Independent Accountant's Report on Applying Agreed-Upon Procedures for the reimbursement of the Serene Hills Defined Area \$4,450,000 Unlimited Tax Bonds, Series 2015; Bond Issue No. 1. The audit concurred that the reimbursement was in accordance with the terms and conditions of the Utility Development and Conveyance Agreement along with First, Second and Third Amendments. Ms. Terrell pointed out that because of some contingencies and the lower interest rate of the bond sale from what was approved by the Texas Commission on Environmental Quality (TCEQ), the reimbursement to the developer would be adjusted to \$3,247,782.58. She further stated that after all disbursements, there would be a surplus of \$334,000 that could be applied to future projects as approved by the TCEQ. Ms. Terrell requested approval of the reimbursement audit as presented and disbursement of \$3,247,782.58 to the developer after the bond closing.

Motion: Director Decker to approve the Reimbursement Audit for the Series 2015 Bond and disbursement of the funds after the July 25, 2015 closing.

Second: Director Ward

Ayes: 5

Noes: 0

- B. DISCUSS/CONSIDER/TAKE ACTION ON APPEAL BY SERENE HILLS DEFINED AREA DEVELOPER TO CONSIDER REIMBURSEMENT PERCENTAGES FOR CERTAIN FACILITIES, AS LISTED, TO BE REIMBURSED AT 100 PERCENT INSTEAD OF 70 PERCENT:**
- 1. SECTION 2E LIFT STATION BUILT AS PART OF THE HEB WASTEWATER LINE PROJECT;**
 - 2. SECTION 3WA LIFT STATION;**
 - 3. FORCE MAIN 2E BUILT AS PART OF THE HEB WASTEWATER LINE PROJECT;**
 - 4. OFFSITE FORCE MAIN DEVELOPER PORTION; AND**
 - 5. REUSE LINE DEVELOPER PORTION**

Mr. Ken Heroy requested clarification of the Board regarding the listed items reimbursement percentages. He stated that item B. 2. [Section 3WA Lift Station] should be excluded from the 100% request and that another offsite water line along Highway 71 West should have been included. Engineer Pena stated that even though the offsite water line along Highway 71 West was not included on the agenda, it and all central facilities would be reimbursed to the extent allowed by the Texas Commission on Environmental Quality (TCEQ). President Roberts

assured Mr. Heroy that following TCEQ existing rules, central facilities would be reimbursed at 100 percent with all other infrastructure being reimbursed at 70 percent. He further stated that this would be consistent with other development reimbursables within the District. No action necessary.

C. DISCUSS/CONSIDER/TAKE ACTION TO ADOPT ORDER APPROVING CHANGES TO THE RULES AND POLICIES OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 REGARDING PLUMBING PERMITS TIME VALIDITY; POLICY 3.4.1

Manager Gernes reported that a change to the time for plumbing permits to be valid was reviewed with the Policy Committee in July. The change being requested would enable closing permits for jobs that are small enough to be completed in three months and would not necessitate a one-year permit, i.e. changing out a hot water heater. She stated that the Policy Committee concurred with the recommended changes.

Motion: Director Decker to adopt the recommended changes to the plumbing permit time validity as presented.

Second: Director Ward

Ayes: 5

Noes: 0

D. DISCUSS/CONSIDER/TAKE ACTION TO ADOPT ORDER APPROVING CHANGES TO THE PERSONNEL POLICY OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 REGARDING RECENTLY ADOPTED LEGISLATIVE EMPLOYMENT CLARIFICATIONS AND POLICY 3.12 LONGEVITY

Manager Gernes recommended changes and updates to the Personnel Policy in keeping accordance with attorneys review of changes adopted by the 2014 Legislation including items such as nursing mother accommodations and military family leave act changes. She said the Policy Committee also reviewed all proposed amendments in July and made recommendations to update the District's Rules and Policies relating to Personnel Policy. *Directors held a discussion regarding changes proposed.*

Motion: Director Carruthers to adopt the Order Approving Changes to the Personnel Policy as presented.

Second: Director Ward

Ayes: 5

Noes: 0

E. DISCUSS/CONSIDER/TAKE ACTION ON ADOPTION OF ALTERNATIVE CONTRACT PROCUREMENT METHODS PURSUANT TO THE TEXAS GOVERNMENT CODE

Manager Gernes explained that there were additional alternative contract procurement methods authorized by Texas Government Code that the District could benefit from when bidding more complex projects. Engineer Pena stated that the additional methods allow various grading criteria to evaluate not only the bid cost but the contractors as well. He said the criteria to be used would be disclosed in the bid documentation for each project. Attorney Kalisek stated that the resolution before the Board would authorize the General Manager to make a choice of the method to use. Although any contract would require Board approval, President Roberts requested a change to the resolution to clarify the Board would approve the method of contracting. Ms. Kalisek said she would make the changes and present it at the next meeting.

Tabled; no action.

F. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED 2015 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

Leslie Terrell reported that the Travis County Central Appraisal District had been delayed in issuing the certified tax rolls due to a petition made by City of Austin challenging the level of appraisal of C1 vacant land and F1 commercial real property. She said this delay could cause the need for a Special Meeting to enable setting the tax rates in September. Attorney Kalisek stated that tax rates must be set and approved within sixty (60) days of receipt of the certified appraised values; therefore, the District could vote on the proposed rates at the regular September meeting, call for a Public Hearing, and then adopt rates at the October meeting after holding a Public Hearing. Tabled; no action.

G. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED FISCAL YEAR 2016 GENERAL FUND OPERATING BUDGET

Manager Gernes and Leslie Terrell presented the proposed Fiscal Year 2016 General Fund Operating Budget for the Directors to review prior to approval in September. Discussion was held on several issues that included the potential necessity to increase both the water and wastewater rates. Director Carruthers also pointed out that after the Budget and Finance Committee met in July, and proposed to increase the Operation and Maintenance Tax to \$0.06 due to increasing District maintenance and capital costs. Tabled; no action.

H. DISCUSS/CONSIDER/TAKE ACTION ON THE PETITIONS FOR ADDITION OF LANDS AND THE ORDERS ADDING LANDS FOR THE FOLLOWING PROPERTIES:

1. Lot 5 of the Estates at Commanders Point Final Plat, addressed as 14419B Agarita Rd, David and Dana Culpepper, owners.
2. Lot 6 of the Estates at Commanders Point Final Plat, addressed as 14419A Agarita Rd, Kelly Gray Investments, LLC, owner.
3. Lot 3A of the Lake Country Estates Subdivision Section 2, addressed as 4212 Serene Hills Dr, Sam and Sally Fatigato, owners.
4. Lot 41 of the Majestic Hills Ranchettes, addressed as 3912 Serene Hill Dr, Alan and Patricia Vilven, owners.
5. Lot 5, Block B of the Lake Country Estates, addressed as 17207 Raynham Hill Dr, Matthew and Nicole Scrivener, owners.
6. 5.7460 acres out of the CW Waldron SUR 78 ABS 821 and W Fawcett SUR 427 ABS 297, addressed as 16500 Flintrock Rd, James and Tara Stanislaus, owners.
7. Lot 12, Block 1 of the Hidden Valley Subdivision Section 1, addressed as 14007 Hummingbird Ln, Edward Campos, owner.
8. 2.871 acres out of the Rusk Transport Co SUR 83 ABS 2122, addressed as 907 N. Hurst Creek Rd, Donald L Evans and Walter J Paine, owners.
9. Lot A of the Majestic Hills Ranchettes, addressed as 17006 Majestic Ridge Rd, Mark C. Bergeron, owner.
10. Lot 22, Block 1 of the Travis Landing No. 2 Phase 3 Subdivision, addressed as 5005 McIntyre Cir, Alberto and Lucila Patino, owners.

Leslie Terrell explained that the property owners of the listed properties had come to the District requesting water service and that she recommended approval of all. Manager Gernes stated that more annexation petitions would be coming in future meetings.

Motion: Director Ward to approve the Petitions for Addition of Lands as presented

Second: Director Decker and Director Steed

Ayes: 5

Noes: 0

VIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071 REGARDING LOWER COLORADO RIVER AUTHORITY'S WATER MANAGEMENT PLAN BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Executive Session not held

IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS REGARDING TRAVIS VISTA WATER AND SEWER SUPPLY CORPORATION, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071

Executive Session not held

X. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEYS IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071 REGARDING THE PROPOSED MANSFIELD WATER TREATMENT PLANT PHASE 1, CHANGE ORDER NO. RCP1 #15A AND #15B, ARCHER WESTERN CONTRACTORS

Executive Session not held

XI. ADJOURNMENT

Motion: Director Carruthers to adjourn

Second: Director Ward and Director Decker

Ayes: 5

Noes: 0

President Roberts adjourned the meeting at 8:29 p.m.

Approved this _____ day of _____ 2015, with a motion

by Director _____ and a Second by Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary

**RESOLUTION OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT
DISTRICT NO. 17 ADOPTING USE OF AUTHORIZED ALTERNATIVE CONTRACT
PROCUREMENT METHODS**

THE STATE OF TEXAS	§
	§
COUNTY OF TRAVIS	§

WHEREAS, Travis County Water Control & Improvement District No. 17 (the “District”) is a water conservation and reclamation district created pursuant to Article XVI, Section 59 of the Texas Constitution;

WHEREAS, Chapter 2269 of the Texas Government Code authorizes such districts to adopt alternative contract procurement methods, including the Competitive Bidding Method, Competitive Sealed Proposal Method, Construction Manager-Agent Method, Construction Manager-at-Risk Method, Building Using Design-Build Method, and the Job Order Contracts Method (“Methods”), under certain conditions;

WHEREAS, the District’s Board of Directors desires to evidence its election to permit the provisions of Chapter 2269 of the Texas Government Code to supersede the requirements of Section 49.273 of the Texas Water Code so that it may elect any of the Methods for District construction projects as determined by the District’s General Manager;

NOW THEREFORE, it is ordered by the Board of Directors of Travis County Water Control & Improvement District No. 17 as follows:

Section 1: The above recitals, including defined terms, are true and correct and are incorporated herein for all purposes.

Section 2: The District elects to permit the provisions of Chapter 2269, Subchapters C, D, E, F, G, and I of the Texas Government Code to supersede the provisions of Section 49.273 of the Texas Water Code for certain District construction projects identified pursuant to this Resolution.

Section 3: The District’s Board of Directors finds that authorizing the District’s General Manager to ~~elect~~ recommend to the Board for final approval one of the Methods in Texas Government Code Chapter 2269, Subchapters C, D, E, F, G, and I provides the best value for construction projects.

Section 4: The District’s Board of Directors hereby expressly delegates to the General Manager its authority regarding any actions authorized or required by Texas Government Code Chapter 2269 by the District necessary to implement the use of any contract procurement method approved by the Board for a particular construction project and not reserved to the Board by this Resolution.

Section 5: The District's Board of Directors shall approve any final construction contract negotiated through any of the Methods.

PASSED AND APPROVED this ~~20th day of August~~ 17th day of September, 2015.

Jeff Roberts
President, Board of Directors

ATTEST:

Jerri Lynn Ward
Secretary, Board of Directors

Leslie Terrell

From: Chris Swedlund
Sent: Tuesday, August 25, 2015 4:20 PM
To: leslie@wcid17.org
Subject: RE: FY 2015 Audit

Leslie,

I just pulled the original proposal we did for the District back in 2012 to verify if there was anything like that included in our proposal. I did not see anything other than the three-year engagement at a cost not to exceed \$31,000 per year.

As it relates to our yearly audit fees over the last three years, we have written off time in the amount of \$12,894, \$11,209 and \$4,276 for the 2012, 2013 and 2014 audits, respectively. I was hoping to be able to ask for an increase for the 2015 audit. I was thinking of a fee not to exceed \$33,000. I believe your prior auditor's fee for the 2011 audit was \$35,000 so our fee would still be less than the amount they were charging the District over three years ago. This proposed increase would hopefully help us get closer to breaking even on your audit. I would be happy to work up either a one-year, two-year or three-year engagement letter based on the above proposed fee. However, if the only way to keep the District as a client is to hold our fees to the \$31,000 billed in the prior years, we will obviously oblige to this but from a business perspective I felt I needed to ask for the small increase in order to help cover our costs.

We would very much appreciate the opportunity to continue as the auditor for the District. We enjoy working with you and I feel like we have done a good job for the District over the last three years.

I look forward to hearing from you on how to proceed.

Have a wonderful afternoon!

Thanks so much,

Chris Swedlund
McCall Gibson Swedlund Barfoot PLLC
13100 Wortham Center Drive, Suite 235
Houston, TX 77065-5610
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1 yr - \$33,000 - 2015
2 yr - \$33,000 each - 2015 & 2016
3 yr - \$33,000 each - 2015, 2016, 2017

From: Leslie Terrell [<mailto:lterrell@wcid17.org>]
Sent: Tuesday, August 25, 2015 2:59 PM
To: Chris Swedlund
Subject: RE: FY 2015 Audit

Hey Chris,

Sorry I haven't gotten to you sooner, busy days around here, but then again, it is always busy here. The Board asked if there is any financial incentive if we renew our engagement with you after the initial 3 year period. I just haven't had a moment to pull your RFP document out and take a look. Do you recall if you had anything like that included in your RFP?

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

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September 17, 2015

Board of Directors
Travis County Water Control and
Improvement District No. 17
Travis County, Texas

We are pleased to confirm our understanding of the services we are to provide Travis County Water Control and Improvement District No. 17 (the "District") for the year ended September 30, 2015. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended September 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis, and
- 2) Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund

We have also been engaged to report on supplementary information other than RSI that accompanies the District's financial statements. The document we submit to you will include various supplementary schedules as required by the Texas Commission on Environmental Quality (the "Commission") as published in the *Water District Financial Management Guide*. This supplementary information will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole except for that portion marked "unaudited", on which we will express no opinion.

Audit Objective

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for overseeing our financial statement preparation services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them. Nonattest services to be provided include the preparation of the financial statements, preparation of the appropriate capital asset schedules including calculation of depreciation on the capital assets and preparation of the journal entries to convert the fund financial statements to the government-wide financial statements as required by generally accepted accounting principles.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

1 yr-2

Management Responsibilities (Continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, consultants, regulators, the public or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with the Commission's requirements. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the Commission's requirements, (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with the Commission's requirements, (3) that the methods of measurement or presentation have not changed from those used in the prior period, and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

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Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

1 yr - 3

Audit Procedures – General (Continued)

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees and Other

We are aware of the State statute requiring the audit to be completed within 120 days and filed with the Texas Commission on Environmental Quality within 135 days from the closing date of the audit and barring any unforeseen circumstances every effort will be made to comply with this rule.

In accordance with provisions of the Local Records Retention Schedule Section 2-1: Item 1025-01(e) we agree to retain our audit work papers in our office for a period of three years after all questions arising from the audit have been resolved. In order to allow for all questions arising from the audit to be resolved and to comply with Rule 501.76(f) of the Rules of Professional Conduct of the Texas State Board of Public Accountancy the actual date will be the five-year anniversary of the audit report in question.

Engagement Administration, Fees and Other (Continued)

We expect to present a draft of the audit report within 45 days of the availability of the District's accounting records. Chris Swedlund is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report. Our fees for these services will be at our standard hourly rates and include any other direct charges. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The following is an estimate of our fees for the services included in this engagement letter.

- Audit of the District's financial statements as of and for the year ended September 30, 2015, not to exceed \$33,000

If for any reason our services are terminated prior to issuance of a final report, our engagement will be deemed to have been completed, even if we have not completed our report. The District will be obligated to compensate us for our time expended through the date of termination. The above fee is based on anticipated cooperation from your consultants and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

We believe this letter accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If you agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return it to us. We appreciate the confidence you have placed in us by retaining this firm as your independent auditor in this matter.

Sincerely,



McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

This letter correctly sets forth the understanding of the District.

Signature Title Date

Engagement Letter

1 pg-5

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Jgr-2

Management Responsibilities (Continued)

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Page-3

Audit Procedures – General (Continued)

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J. G. - 4

Engagement Administration, Fees and Other (Continued)

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We believe this letter accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If you agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return it to us. We appreciate the confidence you have placed in us by retaining this firm as your independent auditor in this matter.

Sincerely,

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

This letter correctly sets forth the understanding of the District.

Signature Title Date

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3 yrs - 2

Management Responsibilities (Continued)

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, consultants, regulators, the public or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

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With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Audit Procedures – General (Continued)

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Engagement Administration, Fees and Other

We are aware of the State statute requiring the audit to be completed within 120 days and filed with the Texas Commission on Environmental Quality within 135 days from the closing date of the audit and barring any unforeseen circumstances every effort will be made to comply with this rule.

In accordance with provisions of the Local Records Retention Schedule Section 2-1: Item 1025-01(e) we agree to retain our audit work papers in our office for a period of three years after all questions arising from the audit have been resolved. In order to allow for all questions arising from the audit to be resolved and to comply with Rule 501.76(f) of the Rules of Professional Conduct of the Texas State Board of Public Accountancy the actual date will be the five-year anniversary of the audit report in question.

3yr-4

Engagement Administration, Fees and Other (Continued)

We expect to present a draft of the audit report within 45 days of the availability of the District's accounting records. Chris Swedlund is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report. Our fees for these services will be at our standard hourly rates and include any other direct charges. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The following is an estimate of our fees for the services included in this engagement letter.

- Audit of the District's financial statements as of and for the year ended September 30, 2015, not to exceed \$33,000
- Audit of the District's financial statements as of and for the year ended September 30, 2016, not to exceed \$33,000
- Audit of the District's financial statements as of and for the year ended September 30, 2017, not to exceed \$33,000

If for any reason our services are terminated prior to issuance of a final report, our engagement will be deemed to have been completed, even if we have not completed our report. The District will be obligated to compensate us for our time expended through the date of termination. The above fee is based on anticipated cooperation from your consultants and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. The American Arbitration Association will administer any such mediation in accordance with its Commercial Mediation Rules. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

We believe this letter accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If you agree with the terms of the engagement as described in this letter, please sign the enclosed copy and return it to us. We appreciate the confidence you have placed in us by retaining this firm as your independent auditor in this matter.

Sincerely,

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants

This letter correctly sets forth the understanding of the District.

Signature Title Date

Market: STX
Site Name:Austi Energy – Quinlan Park
Site #:AUS-039
Fixed Asset #:AUS-0039

TERMINATION AND EQUIPMENT TRANSFER AGREEMENT

This Termination and Equipment Transfer Agreement (the “Agreement”) is made effective this ____ day of _____, 2015 (the “Effective Date”), by and between Cricket Communications, LLC, a Delaware corporation, with an address at 7337 Trade Street, Suite 1600, San Diego, CA 92121, Attn: Network Real Estate Administration (“Cricket”), and Travis County Water Control & Improvement District No. 17 with an address at 3409 ½ Quinlan Park Rd. Austin Texas 78730 (“Lessor”).

WITNESSETH

WHEREAS, Cricket and Lessor (or its respective predecessors) are parties to a certain Site Lease with Option Agreement (the “Lease”) dated 1st Day of November 2006 whereby Cricket was entitled to install, maintain, operate and remove communications equipment and appurtenances described in the Lease (the “Equipment”) at a tower/structure owned or operated by Lessor and located at 3409 ½ Quinlan Park Rd. Austin Texas 78730 (the “Site”); and

WHEREAS, Cricket has notified Lessor that Cricket intends to terminate the Lease; and

WHEREAS, the parties wish to modify Cricket’s responsibility for removal the Equipment from the Site under the Lease; and

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants contained herein and intending to legally be bound hereby, agree as follows:

1. **Termination of Lease:** Lessor hereby acknowledges and agrees that as of the Effective Date, this Agreement shall serve as notice of Cricket’s termination of the Lease. The Lease shall terminate as of 30th day of June 2016 (the “Lease Termination Date”), rendering the Lease null and void. All rights and obligations of the parties under the Lease shall terminate as of the Lease Termination Date, except for those rights and obligations which expressly survive the termination of the Lease.
2. **Consideration:** As consideration for Lessor’s agreement to the terms and conditions described herein, including but not limited to Lessor’s assumption of the obligation to remove any and all Equipment remaining at the Site, Cricket agrees to pay the amount of Four Thousand Dollars and no cents (\$4,000.00) (the “Pay and Walk Fee”) within sixty (60) days after the full execution and delivery of this Agreement.
3. **Transferred Equipment:** All of Cricket’s right, title, and interest in and to any Equipment that remains located at the Site (the “Transferred Equipment”) shall be deemed to be automatically transferred to Lessor free and clear of all liens and encumbrances, as of 30th day of June 2016 (the “Transfer Date”). The Transferred Equipment includes the building/shelter and adjoining structural components, and all other equipment remaining on the Site as of the Transfer Date as further described on Exhibit A, attached. Lessor shall be solely responsible for, and shall pay, any and all taxes, including sales/use/property taxes that may be due in connection with the transfer of the Transferred Equipment. Lessor agrees to assume all of the rights and obligations of Cricket, including removal, for the Transferred Equipment.
4. **No Warranty:** The parties hereby explicitly acknowledge and agree that the Transferred Equipment is being transferred “as is, where is” with all faults and without warranty. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, ALL WARRANTIES

AND REPRESENTATIONS OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE CONDITION, QUALITY, MERCHANTABILITY AND FITNESS OR SUITABILITY FOR ANY PARTICULAR USE OR PURPOSE ARE HEREBY EXCLUDED AND DISCLAIMED. CRICKET SHALL HAVE ABSOLUTELY NO OBLIGATION TO REPAIR OR REPLACE ANY OF THE TRANSFERRED EQUIPMENT.

5. **Indemnification:** Cricket shall indemnify and hold harmless Lessor against claims of third parties in or to the Transferred Equipment that arose prior to the Transfer Date. Lessor shall indemnify and hold harmless Cricket against claims of third parties relating to the Transferred Equipment that arise subsequent to the Transfer Date.
6. **Waiver and Release:** In consideration of this Agreement, Cricket hereby waives remuneration for the full market value of the Transferred Equipment. As of the Transfer Date, Lessor hereby releases Cricket from all of the remaining responsibilities and obligations of Lessee/Tenant/Licensee under the Lease, including removal of the Transferred Equipment. The parties specifically acknowledge that the Lease contained provisions that were expressly intended to survive the expiration or termination of the Lease. The foregoing notwithstanding, the parties agree that any such responsibility or obligation shall remain in full force and effect and is incorporated by reference into this Agreement. Lessor agrees to release and hold Cricket harmless for any defect in the Transferred Equipment.
7. **Construction:** Each party has had the opportunity for its own counsel to review this Agreement and participate in its drafting. Therefore, the rule construing the document against the drafter shall not apply to this Agreement or against any party.
8. **Amendment:** No amendment, supplement, modification, or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound thereby.
9. **Waiver:** No waiver by either party of any provision herein shall be deemed a waiver of any other provision or of any prior or subsequent breach of any provision herein.
10. **Assignment:** Neither this Agreement nor any rights or obligations under this Agreement shall be assignable by either party without the prior written consent of the other parties.
11. **Authorization:** The signatories hereto represent that they are duly authorized to execute this Agreement on behalf of their respective entities.
12. **Binding Effect:** This Agreement shall be binding upon and inure to the benefit of the parties' respective successors and assigns.
13. **Choice of Law:** This Agreement shall be construed in accordance with, and all disputes hereunder shall be governed by, the laws of the State where the Site is located.
14. **Counterparts:** This Agreement may be executed in more than one original, and the parties agree that each original executed shall be treated as the original for all purposes. Facsimile signatures shall be acceptable to both parties and shall be deemed original signatures.
15. **Severability:** If any term, covenant or condition of this Agreement, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to other persons or

circumstances, shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

- 16. Survival:** All terms, covenants and obligations contained in the Agreement shall remain in full force and effect without any limitation.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the parties have signed this Agreement on the date above written.

Cricket:

Cricket Communications, LLC
A Delaware limited liability company

(Signature)

VICTORIA FORBES

(Name Typed)

DIRECTOR OF REAL ESTATE

(Title)

(Date)

Lessor:
**[Travis County Water Control and
Improvement Distric No. 7]**

(Signature)

JEFF ROBERTS

(Name Typed)

PRESIDENT OF THE BOARD

(Title)

(Date)

Exhibit A

DECOM SCOPE OF WORK - CONTINUED

Remaining materials will be assigned to the landlord.

Site Inventory (Items remaining on site):	Description	N/A	LEAVE	REMOVE
BTS				X
Coax	Remove jumpers at ground level		X	
Platform			X	
Antennas			X	
Antenna Mounts		X		
Doghouse		X		
Duct bank		X		
Conduit	Remove Conduit between cabinets		X	
Ice Bridge			X	
Fencing			X	
Cable Tray		X		
Waveguide ladder			X	
PTC/PPC				X
Ground Ring			X	
Ground Vaults		X		
H-Frame				X
Microwave		X		
Shelter		X		

Exceptions Noted:

Item Number

NOTES:

This is a ground only lease. Landlord requires removal of equipment cabinets and coax will be cut abase of tower and removed from ground level.

SITE LEASE WITH OPTION

THIS SITE LEASE WITH OPTION ("Lease") is entered into this 1st day of November 2006 ("Effective Date") by and between Travis County Water Control & Improvement District No. 17 ("Lessor") and Alaska Native Broadband 1 License, LLC, a Delaware limited liability company ("Lessee"). Lessor and Lessee are at times collectively referred to hereinafter as the "Parties" or individually as the "Party".

1. Option to Lease.

(a) In consideration of the payment of Five Hundred and No/100 Dollars (\$500.00) (the "Option Fee") by Lessee to Lessor, Lessor hereby grants to Lessee an option to lease the use of a portion of the real property described in the attached Exhibit A (the "Property"), on the terms and conditions set forth herein (the "Option"). The Option shall be for an initial term of twenty-four (24) months, commencing on the Effective Date (as defined above) (the "Option Period").

(b) During the Option Period and any extension thereof, and during the term of this Lease, Lessor agrees to cooperate with Lessee in obtaining, at Lessee's expense, all licenses and permits or authorizations required for Lessee's use of the Premises from all applicable government and/or regulatory entities (including, without limitation, zoning and land use authorities, and the Federal Communication Commission ("FCC")) (the "Governmental Approvals"), including appointing Lessee as agent for all land use and zoning permit applications, and Lessor agrees to cooperate with and to allow Lessee, at no cost to Lessor, to obtain a title report, zoning approvals and variances, and land-use permits, and Lessor expressly grants to Lessee a right of access to the Property to perform surveys, soils tests, and other engineering procedures or environmental investigations on the Property, necessary to determine that Lessee's use of the Premises as defined below will be compatible with Lessee's engineering specifications, system design, operations and Governmental Approvals. During the Option Period and any extension thereof, Lessee may exercise the Option by commencing installation of the Communications Facilities (as defined below).

(c) If Lessee exercises the Option, then, subject to the following terms and conditions, Lessor hereby leases to Lessee the use of that portion of the Property sufficient for placement of Communications Facilities (as defined below), together with all necessary space and easements for access and utilities, as generally described and depicted in the attached Exhibit B (collectively referred to hereinafter as the "Premises"). The Premises is located at 3409 1/2 Quinlan Park Rd. and comprises approximately 200 square feet.

2. Term. The initial term of the Lease shall be five (5) years commencing on the date of the exercise of the Option (the "Commencement Date"), and terminating at midnight on the last day of the initial term (the "Initial Term").

3. Permitted Use. The Premises may be used by Lessee for the transmission and reception of radio communication signals and for the construction, installation, operation, maintenance, repair, removal or replacement of related facilities, tower and base, antennas, microwave dishes, global positioning system antennas, equipment shelters and/or cabinets and related activities.

4. Rent. Lessee shall pay Lessor, as rent, Six Thousand and No/100 Dollars (\$6,000.00) per year ("Rent"). Rent shall be payable on the first day of the first month following the Commencement Date and thereafter Rent will be payable annually to Lessor at the address specified in Section 12 below.



5. Renewal.

(a) Lessee shall have the right to extend this Lease for five (5) additional five (5) year terms ("Renewal Term"). Each Renewal Term shall be on the same terms and conditions as set forth herein, except that Rent shall be increased by ten percent (10%) of the Rent paid over the preceding term.

(b) This Lease shall automatically renew for each successive Renewal Term unless Lessee notifies Lessor, in writing, of Lessee's intention not to renew this Lease, at least sixty (60) days prior to the expiration of the Initial Term or any applicable Renewal Term. If Lessee shall remain in possession of the Premises at the expiration of this Lease without a written agreement executed by Lessor and Lessee, such tenancy shall be deemed a month-to-month tenancy under the same terms and conditions of this Lease.

6. Interference. Lessee agrees to have installed radio equipment of the type and frequency which will not cause interference to the equipment of Lessor or other lessees of the Property existing as of the date this Lease is executed by the Parties. In the event Lessee's equipment causes such interference, and after Lessor has notified Lessee of such interference, Lessee will take all steps necessary to correct and eliminate the interference. Lessor agrees that Lessor and/or any other tenants of the Property who currently have or in the future take possession of the Property will be permitted to install only such radio equipment that is of the type and frequency which will not cause interference to the existing equipment of the Lessee. The Parties acknowledge that there will not be an adequate remedy⁸ at law for non-compliance with the provisions of this paragraph and therefore, either Party shall have the right to specifically enforce the provisions of this paragraph in a court of competent jurisdiction.

7. Improvements; Utilities; Access.

(a) Lessee shall have the right, at its expense, to install, erect and maintain on the Premises improvements, personal property and facilities necessary to operate its communications system, including, without limitation, radio transmitting and receiving antennas, microwave dishes, global positioning system antennas, tower and base, equipment shelters and/or cabinets and related cables and utility lines (collectively the "Communications Facilities"). The Communications Facilities shall initially be configured as set forth in the attached Exhibit C. Lessee shall have the right to replace or upgrade the Communications Facilities on the Premises at any time during the term of this Lease. Lessee shall cause all construction to occur lien-free and in compliance with all applicable laws and ordinances. The Communications Facilities shall remain the exclusive property of Lessee. Lessee shall have the right to remove the Communications Facilities at any time during and upon termination of this Lease.

(b) The final plans and precise location of the Communications Facilities (the "Final Plans") shall be subject to approval by Lessor, which shall not be unreasonably withheld, conditioned or delayed. Lessor's approval will be deemed to have been given when Lessor signs and returns a copy of the Final Plans to Lessee. Lessor agrees to provide such approval within five (5) business days after the Final Plans are delivered to Lessor.

(c) Lessee, at its expense, may use any and all reasonable means of restricting access to the Communications Facilities, including, without limitation, the construction of a fence.

(d) Lessee shall, at Lessee's expense, keep and maintain the Communications Facilities now or hereafter located on the Premises in commercially reasonable condition and repair during the term of this Lease, normal wear and tear and casualty excepted. Upon termination or expiration of this Lease, the Premises shall be returned to Lessor in good, usable condition, normal wear and tear and casualty excepted.

(e) Lessee shall have the right to install utilities, at Lessee's expense, and to improve the present utilities on the Premises (including, but not limited to, the installation of emergency power generators) reasonably necessary to provide service to the Communications Facilities. Lessor agrees to use reasonable efforts to assist Lessee to acquire such utility service. Lessee shall, wherever practicable, install separate meters for utilities used on the Premises. In the event separate meters are not installed, Lessee shall pay the periodic charges for all utilities attributable to Lessee's use. Lessor shall diligently correct any variation, interruption or failure of utility service.



(f) As partial consideration for Rent paid under this Lease, Lessor hereby grants Lessee an easement in, under and across the Property for ingress, egress, utilities and access (including access for the purposes described in Section 1) to the Premises adequate to install and maintain utilities, which include, but are not limited to, the installation of power and telephone service cable, and to service the Premises and the Communications Facilities at all times during the Initial Term of this Lease or any Renewal Term (collectively, "Easement"). The Easement provided hereunder shall have the same term as this Lease.

(g) Lessee shall have 24-hours-a-day, 7-days-a-week access to the Premises at all times during the Initial Term of this Lease and any Renewal Term.

8. Termination. Except as otherwise provided herein, this Lease may be terminated, without any penalty or further liability as follows:

(a) upon thirty (30) days written notice by Lessor if Lessee fails to cure a default for payment of amounts due under this Lease within that thirty (30) day period;

(b) upon thirty (30) days written notice by either Party if the other Party commits a non-monetary default and fails to cure or commence a cure of such default within that thirty (30)-day period and diligently pursues such cure, or such longer period as may be reasonably required to diligently complete a cure commenced within that thirty (30)-day period;

(c) immediately if Lessee notifies Lessor of unacceptable results of any title report, environmental or soil tests prior to Lessee's installation of the Communications Facilities on the Premises, or if Lessee is unable to obtain, maintain, or otherwise forfeits or cancels any license (including, without limitation, an FCC license), permit or Governmental Approval necessary to the installation and/or operation of the Communications Facilities or Lessee's business;

(d) upon thirty (30) days written notice by Lessee if it determines that the Premises are not appropriate or suitable for its operations for economic, environmental or technological reasons;

(e) immediately upon written notice by Lessee if it is unable to occupy and utilize the Premises due to a ruling or directive of the FCC or other governmental or regulatory agency, including, without limitation, a take back of channels or change in frequencies;

(f) immediately upon written notice by Lessee if the Premises or the Communications Facilities are destroyed or damaged so as in Lessee's reasonable judgment to substantially and adversely affect the effective use of the Communications Facilities. In such event, all rights and obligations of the Parties shall cease as of the date of the damage or destruction, and Lessee shall be entitled to the reimbursement of any Rent prepaid by Lessee. If Lessee elects to continue this Lease, then all Rent shall abate until the Premises and/or Communications Facilities are restored to the condition existing immediately prior to such damage or destruction; or

(g) at the time title to the Property transfers to a condemning authority, pursuant to a taking of all or a portion of the Property sufficient in Lessee's determination to render the Premises unsuitable for Lessee's use. Lessor and Lessee shall each be entitled to pursue their own separate awards with respect to such taking. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of the exercise of the power shall be treated as a taking by condemnation.

9. Taxes. Lessee shall pay any personal property taxes assessed on, or any portion of such taxes directly attributable to, the Communications Facilities. Lessor shall pay any real property taxes or other fees and assessments attributable to the Property. In the event that Lessor fails to pay any such real property taxes or other fees and assessments, Lessee shall have the right, but not the obligation, to pay such owed amounts and deduct them from Rent amounts due under this Lease.

10. Insurance. Lessee shall provide Commercial General Liability Insurance in an aggregate amount of One Million and No/100 Dollars (\$1,000,000.00). Lessee may satisfy this requirement by obtaining the



appropriate endorsement to any master policy of liability insurance Lessee may maintain. Lessee shall list Lessor as an additional insured under its liability insurance policies and shall provide Lessor with written certification of such listing.

11. Hold Harmless. Lessee hereby agrees to indemnify, defend and hold Lessor and its agents, contractors, employees, officers, and directors, harmless from and against any and all claims, damages, losses and expenses, including but not limited to attorneys' fees and disbursements, arising out of or resulting from any claim, action or other proceeding (including without limitation any proceeding by any of Lessee's employees, agents or contractors) that is based upon (a) Lessee's breach of this Lease, (b) the conduct or actions of Lessee within or outside the scope of this Lease, or (c) any negligent act or omission or willful misconduct of Lessee.

12. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or sent by for next-business-day delivery by a nationally recognized overnight carrier to the following addresses:

<u>If to Lessee, to:</u>	<u>With a copy to:</u>	<u>If to Lessor, to:</u>	<u>With a copy to:</u>
Alaska Native Broadband License, LLC Attn: Telephone: Fax:	ANB-1 License Communications, Inc. c/o Cricket Communications, Inc. 10307 Pacific Center Court San Diego, CA 92121 Attn: Legal Department – Real Estate Telephone: Fax: (858) 882- 6080	Travis County Water Control & Improvement District No. 17 Attn: Debbie Gernes 3812 Eck Lane Austin, Texas 78734 Telephone: (512) 266- 1111 x 13 Fax: (512) 266-2790	Lauren Kalisek Lloyd Gosselink Blevins Rochelle & Townsend, P.C. 816 Congress, Suite 1900 Austin, Texas 78701 Telephone: (512) 322- 5847 Fax: (512) 472-0532

13. Quiet Enjoyment, Title and Authority. Lessor covenants and warrants to Lessee that (i) Lessor has full right, power and authority to execute this Lease; (ii) it has good and unencumbered title to the Property free and clear of any liens or mortgages, except those disclosed to Lessee and which will not interfere with Lessee's rights to or use of the Premises; and (iii) execution and performance of this Lease will not violate any laws, ordinances, covenants, or the provisions of any mortgage, lease, or other agreement binding on Lessor. Lessor covenants that at all times during the term of this Lease, Lessee's quiet enjoyment of the Premises or any part thereof shall not be disturbed as long as Lessee is not in default beyond any applicable grace or cure period.

14. Environmental Laws.

(a) Lessor represents, to the best of its knowledge and belief, that it has no knowledge of any substance, chemical or waste (collectively "Hazardous Substance") on the Property that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. Except as permitted by law, neither Party will allow any hazardous substances, including without limitation any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances and all other materials defined by or regulated under any Environmental Law, including those defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9604 (14), pollutants or contaminants as defined in CERCLA, 42 U.S.C. § 9604 (A) (2), or hazardous waste as defined in the Resources Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6903 (5), or other similar applicable Federal or State Laws or regulations, to be generated, released, stored, or deposited over, beneath, or on the Premises or on any structures located on the Premises from any source whatsoever. To the extent allowed by law, each Party covenants to indemnify and hold the other Party harmless from all claims, including claims made in strict liability, demands,



damages, fines, costs, cleanup, attorney's fees, and court costs (collectively, "Claims") arising from the indemnitor's material misrepresentations or from existing or future discharge (either intentionally or accidentally) of such matters on the Premises caused by the indemnitor or its predecessors in interest, agents, licensees or assigns.

(b) Lessor shall have the right to enter and inspect the Premises upon any of the following conditions: (1) Lessor must give Lessee reasonable prior notice, (2) Lessor must be accompanied by an employee of Lessee unless Lessee fails to make such employee available within a reasonable period of time given the circumstances, (3) Lessor, to the extent permitted by law, indemnifies Lessee for any injuries incurred by Lessee for any damages incurred by Lessee for any damage which Lessor causes to Lessee's equipment in the course of such inspection. Lessee shall remove any material used or stored on the Premises that Lessee reasonably believes constitutes an environmental or industrial hazard and may pose a threat to human health, safety, or the environment.

15. Assignment and Subleasing.

(a) This Agreement may be sold, assigned or transferred by Lessee without any approval or consent of Lessor to Lessee's principal, affiliates, subsidiaries of its principal or to any entity which acquires all or substantially all of Lessee's assets in the market defined by the Federal Communications Commission in which the Property is located by reason of a merger, acquisition or other business reorganization. As to other Parties, this Agreement may not be sold, assigned or transferred without the written consent of the Lessor, which such consent will not be unreasonably withheld or delayed. Lessee may assign or sublease this Lease and any Easement hereunder at any time to Cricket Communications, Inc upon written notice to Lessor.

(b) Additionally, Lessee may, upon notice to Lessor, mortgage or grant a security interest in this Lease and the Communications Facilities, and may assign this Lease and the Communications Facilities to any mortgagees or holders of security interests, including their successors or assigns (collectively "Mortgagees"), provided such Mortgagees interests in this Lease are subject to all of the terms and provisions of this Lease. In such event, Lessor shall execute such consent to leasehold financing as may reasonably be required by Mortgagees. Lessor agrees to notify Lessee and Lessee's Mortgagees simultaneously of any default by Lessee and to give Mortgagees the same right to cure any default as Lessee or to remove any property of Lessee or Mortgagees located on the Premises, except that the cure period for any Mortgagees shall not be less than thirty (30) days after its receipt of the default notice, as provided in Section 8 of this Lease. All such notices to Mortgagees shall be sent to Mortgagees at the address specified by Lessee. Failure by Lessor to give Mortgagees such notice shall not diminish Lessor's rights against Lessee, but shall preserve all rights of Mortgagees to cure any default and to remove any property of Lessee or Mortgagees located on the Premises as provided in Section 17 of this Lease.

16. Successors and Assigns. This Lease and the Easement granted herein shall run with the land, and shall be binding upon and inure to the benefit of the Parties, their respective successors, personal representatives and assigns.

17. Waiver of Lessor's Lien. Lessor hereby waives any and all lien rights it may have, statutory or otherwise concerning the Communications Facilities or any portion thereof which shall remain Lessee's personal property for the purposes of this Lease, whether or not the same is deemed real or personal property under applicable laws, and Lessor gives Lessee and Mortgagees the right to remove all or any portion of the same from time to time, whether before or after a default under this Lease, in Lessee's and/or Mortgagee's sole discretion and without Lessor's consent.

18. Miscellaneous.

(a) The substantially prevailing Party in any litigation arising hereunder shall be entitled to its reasonable attorneys' fees and court costs, including appeals, if any.

(b) Each Party agrees to furnish to the other, within twenty (20) days after request, such truthful estoppel information about the Lease as the other may reasonably request.



(c) This Lease constitutes the entire agreement and understanding of the Parties, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease must be in writing and executed by the Parties.

(d) Each Party agrees to cooperate with the other in executing any documents (including a Memorandum of Lease in substantially the form attached as Exhibit D) necessary to protect its rights or use of the Premises. The Memorandum of Lease may be recorded in place of this Lease by either Party. In the event the Property is encumbered by a mortgage or deed of trust, Lessor agrees, upon request of Lessee, to obtain and furnish to Lessee a non-disturbance and attornment agreement for each such mortgage or deed of trust, in a form and content reasonably acceptable to Lessee. Lessee may obtain title insurance on its interest in the Premises. Lessor agrees to execute such documents as the Title Company may require in connection therewith.

(e) This Lease shall be construed in accordance with the laws of the State of Texas.

(f) If any term of this Lease is found to be void or invalid, such finding shall not affect the remaining terms of this Lease, which shall continue in full force and effect. The Parties agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable. Any questions of particular interpretation shall not be interpreted against the draftsman, but rather in accordance with the fair meaning thereof.

(g) The persons who have executed this Lease represent and warrant that they are duly authorized to execute this Lease in their individual or representative capacity as indicated.

(h) This Lease may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

(i) All Exhibits referred herein and any Addenda are incorporated herein for all purposes. The Parties understand and acknowledge that Exhibit A (the legal description of the Property), Exhibit B (the Premises location within the Property), and Exhibit C (Description of Communications Facilities), may be attached to this Lease and the Memorandum of Lease, in preliminary form. Accordingly, the Parties agree that upon the preparation of final, more complete exhibits, Exhibits A, B or C, as the case may be, which may have been attached hereto in preliminary form, may be replaced by Lessee with such final, more complete exhibit(s). The terms of all Exhibits are incorporated herein for all purposes.

(j) If Lessor is represented by any broker or any other leasing agent, (collectively, "Broker") Lessor is responsible for all commission fee or other payment to such Broker, and, to the extent allowed by law, agrees to indemnify and hold Lessee harmless from all claims by such broker or anyone claiming through such broker. If Lessee is represented by any broker or any other leasing agent, Lessee is responsible for all commission fee or other payment to such Broker, and agrees to indemnify and hold Lessor harmless from all claims by such broker or anyone claiming through such broker.

19. Cricket Acting Solely on Behalf of Lessee. Lessee and Lessor recognize and acknowledge that Lessee and Cricket Communications, Inc. ("Cricket") have entered into a management services agreement providing for Cricket to manage the build-out and operation of Lessee's network systems and facilities within the _____ market, subject to Lessee's oversight, control and approval. In connection with this build-out, Lessee and Lessor recognize and acknowledge that Cricket enters into this Lease on behalf of and for the benefit of Lessee. Accordingly, Cricket represents and warrants that it has full power and authority to enter into this Lease on behalf of and for the benefit of Lessee. Lessee and Lessor acknowledge that Cricket is acting solely as an agent for Lessee in connection with leasing the Premises and, as such, agree that any obligations or liabilities arising hereunder shall be the sole responsibility of Lessee, and that Cricket shall have no obligations or liabilities hereunder.

LESSOR: Travis County Water Control & Improvement District No. 17
Tax Identification Number (or Social Security Number): 746027190



By: David Lewis Steed
Printed Name: David Lewis Steed
Its: President
Date: 10/26/06

LESSEE: ALASKA NATIVE BROADBAND 1 LICENSE, LLC,
a Delaware limited liability company

By: MJuh 11/6/06
Name: MARIC WBER
(authorized signatory of Alaska Native Broadband 1 License, LLC)



**EXHIBIT A
LEGAL DESCRIPTION OF LESSOR'S PROPERTY**

To the Site Lease with Option dated November 1, 2006, between Travis County Water Control and Improvement District No. 17 as Lessor, and Alaska Native Broadband 1 License, LLC, a Delaware limited liability company, as Lessee.

City: Austin

State: Texas

County: Travis

The Property of which the Premises are a part is legally described as follows:

Lots 1 and 425 Block A Steiner Ranch Phase One Section 10 A



**EXHIBIT B
DESCRIPTION OF PREMISES**

To the Site Lease with Option dated November 1st, 2006, between Travis County Water district 17 as Lessor, and Alaska Native Broadband License, LLC, a Delaware limited liability company, as Lessee.

The location of the Premises within the Property together with access, ingress, egress, easements and utilities are more particularly depicted as follows:

Lots 1 and 425 Block A Steiner Ranch Phase One Section 10A


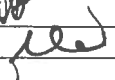
Lessor 
Lessee 



EXHIBIT C

DESCRIPTION OF COMMUNICATIONS FACILITIES

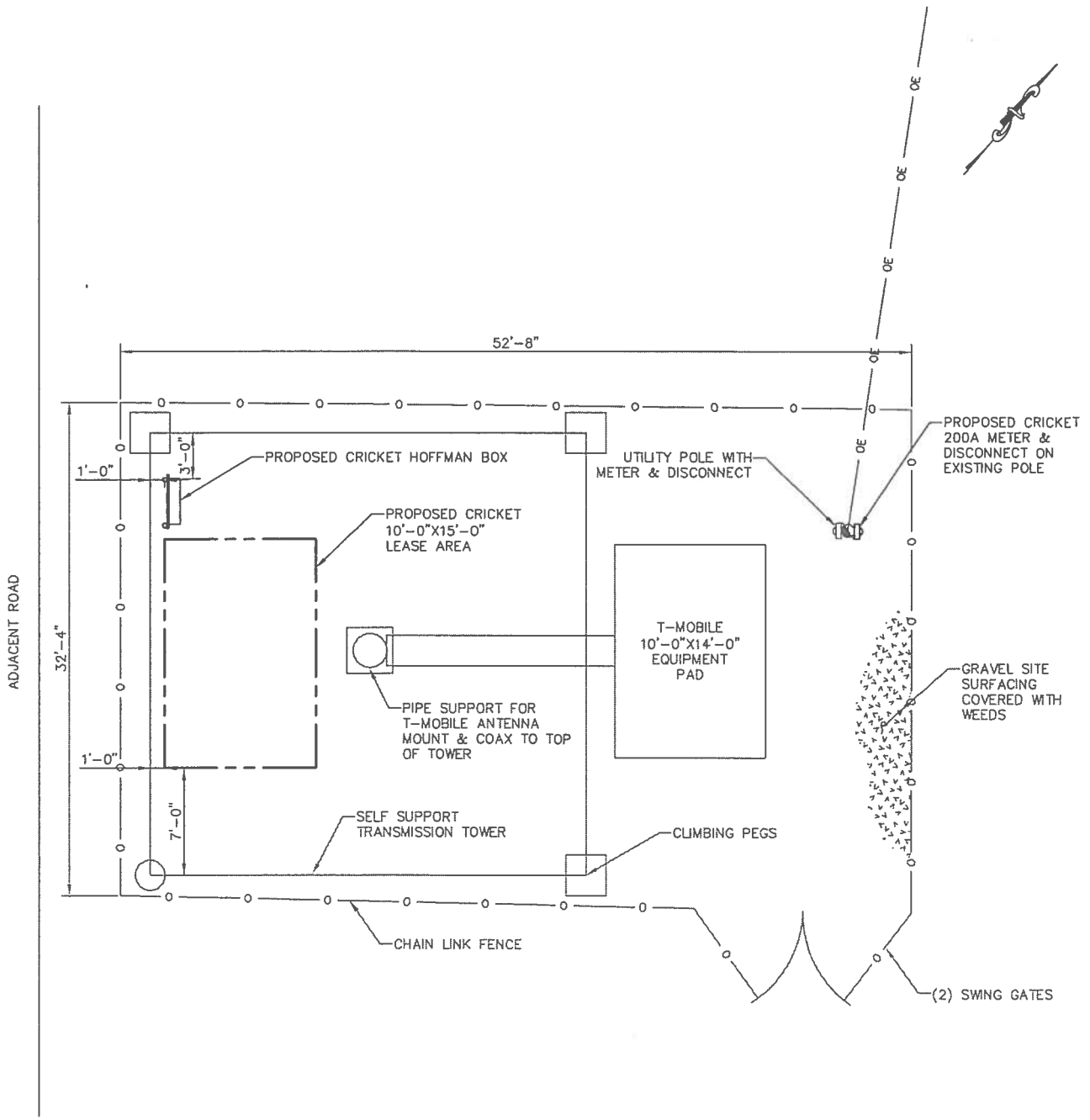
To the Site Lease with Option dated November 1st, 2006, between Travis County Water District No. 17 as Lessor, and Alaska Native Broadband I License, LLC, a Delaware limited liability company, as Lessee.

Site Plan and Equipment

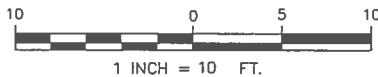
Approximately 250 square feet of ground space of that Property described in Exhibit A including, but not limited to the following:

- One ft. monopole/tower
- PCS antennas, microwave and GPS equipment
- Five BTS Radio Equipment cabinets
- One power panel
- One telco box





SITE LAYOUT PLAN




 400 Bowie Street, Suite 250
 Austin, Texas 78703
 P: 512.495.9470
 F: 512.495.9473
 P.O. Box 1528
 Austin, Texas 78767-1528
 www.cfaulknerengineering.com

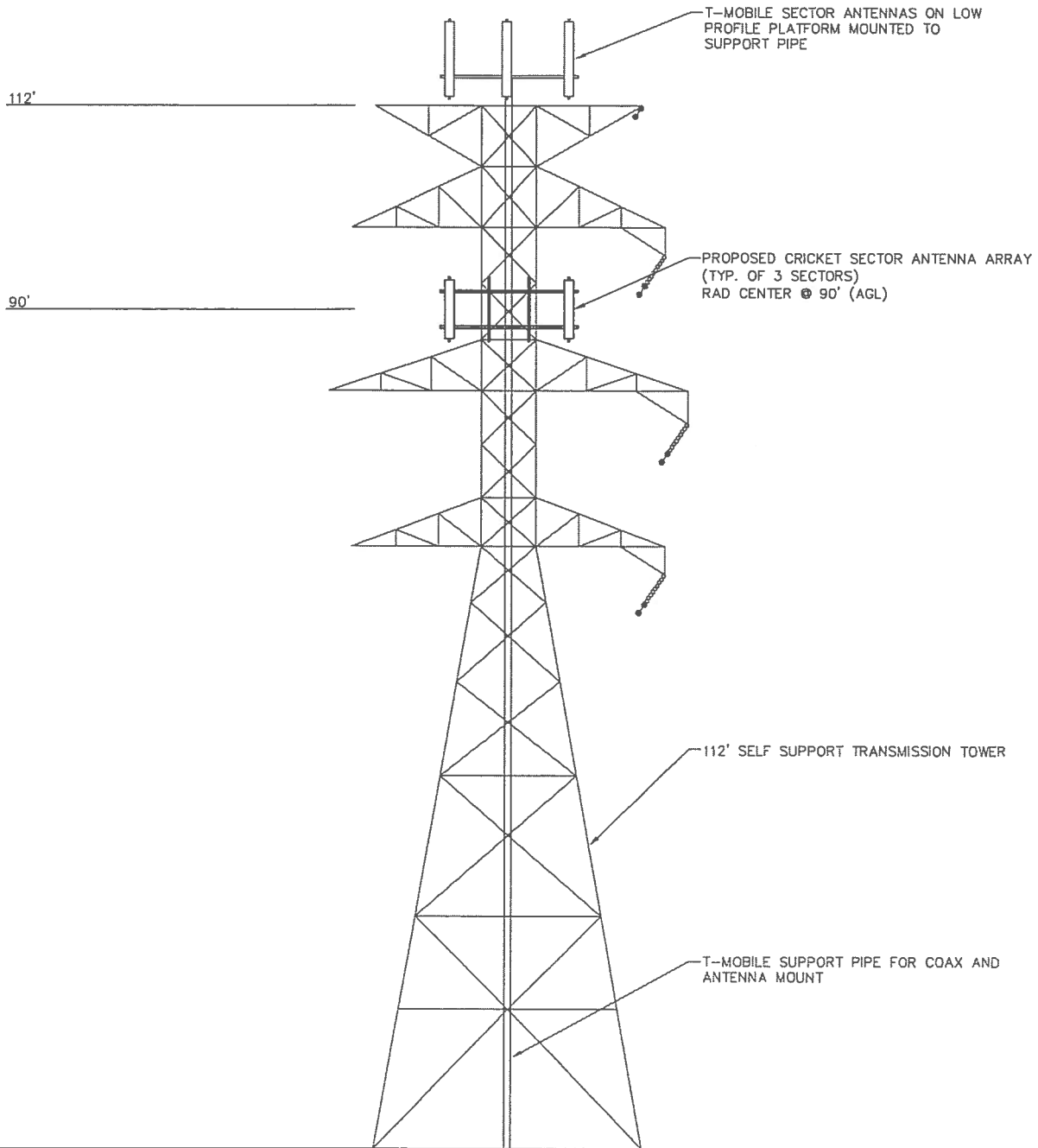
FOR INFORMATION ONLY

cricket
 communications
 AUS-039-D
 AUSTIN ENERGY - QUINLIN PARK

SITE PLAN EXHIBIT 1 OF 2

1

I:\Cricket\Sites-Austin\AUS-039-D Austin Energy - Quinlin Park\CAD\Cricket-AUS-039-B.as.dwg, 4/3/2006 7:10:13 PM, mam



TOWER ELEVATION

N.T.S



400 Bowie Street, Suite 250
Austin, Texas 78703
P: 512.495.9470
F: 512.495.9473
P.O. Box 1528
Austin, Texas 78767-1528
www.cfaulknerengineering.com

FOR
INFORMATION
ONLY



AUS-039-D
AUSTIN ENERGY - QUINLIN PARK

TOWER
ELEVATION
EXHIBIT 2 OF 2

2



EXHIBIT D

MEMORANDUM OF LEASE AND OPTION

To the Site Lease with Option dated November 1st, 2006, between Travis County Water District No. 17 as Lessor, and Alaska Native Broadband 1 License, LLC, a Delaware limited liability company, as Lessee.

NOTES: Note that the first Memorandum is the exhibit. The second one attached below should be signed as a separate recordable document.



AFTER RECORDING, PLEASE RETURN TO:

ANB-1 LICENSE REGIONAL

ATTN:

Memorandum of Lease and Option

Between Travis County Water control and Improvement district No. 17
("Lessor")

and Alaska Native Broadband 1 License, LLC, a Delaware limited liability company ("Lessee")

A Site Lease with Option ("Lease") by and between Travis County Water Control and Improvement District No. 17 ("Lessor") and Alaska Native Broadband 1 License, LLC, a Delaware limited liability company ("Lessee") was made regarding a portion of the following property:

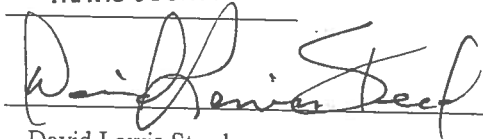
See Attached Exhibit "A" incorporated herein for all purposes.

The Option is for a term of () months after date of Lease, with up to one additional () month renewal ("Optional Period").

The Lease is for a term of five (5) years and will commence on the date as set forth in the Lease (the "Commencement Date") and shall terminate at midnight on the last day of the month in which the fifth (5th) anniversary of the Commencement Date shall have occurred. Lessee shall have the right to extend this Lease for () additional () year terms.

IN WITNESS WHEREOF, the parties hereto have executed this memorandum effective as of the date of the last party to sign.

LESSOR: TRAVIS COUNTY W.C. & I.D. #17

By: 

Printed Name: David Lewis Steed

Its: President, Board of Directors

LESSEE: ALASKA NATIVE BROADBAND 1 LICENSE, LLC,
a Delaware limited liability company

By: _____

Name: _____

(authorized signatory of Alaska Native Broadband 1 License, LLC)

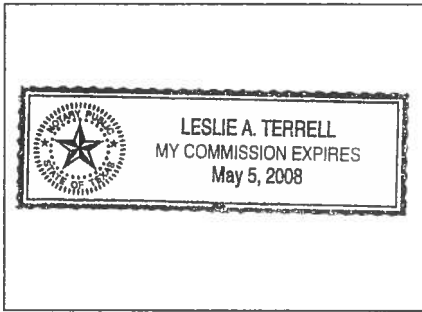


STATE OF Texas)

) ss.

COUNTY OF Travis)

I certify that I know or have satisfactory evidence that David Lewis Steed is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as President, Travis County WC1077 to be the free and voluntary act of such for the uses and purposes mentioned in the instrument.



Leslie A. Terrell

Notary Public

Print Name _____

My commission expires _____

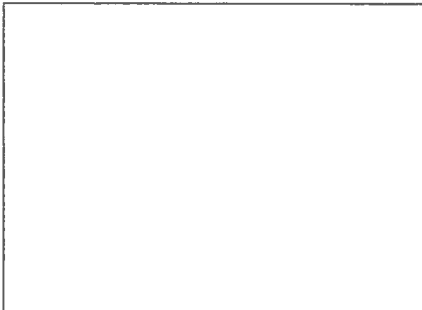
STATE OF _____)

) ss.

COUNTY OF _____)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the _____ of Cricket Communications, Inc. (Alaska Native Broadband 1 License, LLC's authorized representative) to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____.



Notary Public

Print Name _____

My commission expires _____



EXHIBIT A
Legal Description

The Property is legally described as follows:

Lots 1 and 425 Block A Steiner Ranch Phase One Section 10A



AFTER RECORDING, PLEASE RETURN TO:

ANB-1 LICENSE REGIONAL
ATTN:

Memorandum of Lease and Option

Between Travis County Water Control and Improvement district No. 17 ("Lessor")
and Alaska Native Broadband 1 License, LLC, a Delaware limited liability company ("Lessee")

A Site Lease with Option ("Lease") by and between Travis County Water District No. 17 ("Lessor") and Alaska Native Broadband 1 License, LLC, a Delaware limited liability company ("Lessee") was made regarding a portion of the following property:

See Attached Exhibit "A" incorporated herein for all purposes.

The Option is for a term of () months after date of Lease, with up to one additional () month renewal ("Optional Period").

The Lease is for a term of five (5) years and will commence on the date as set forth in the Lease (the "Commencement Date") and shall terminate at midnight on the last day of the month in which the fifth (5th) anniversary of the Commencement Date shall have occurred. Lessee shall have the right to extend this Lease for () additional () year terms.

IN WITNESS WHEREOF, the Parties hereto have executed this memorandum effective as of the date of the last party to sign.


LESSOR: Travis County Water Control and Improvement District No. 17

By: 

Printed Name: David Lewis Steed

Its: President, Board of directors

LESSEE: ALASKA NATIVE BROADBAND 1 LICENSE, LLC,
a Delaware limited liability company

By:  11/6/06

Name: MARK WORIK

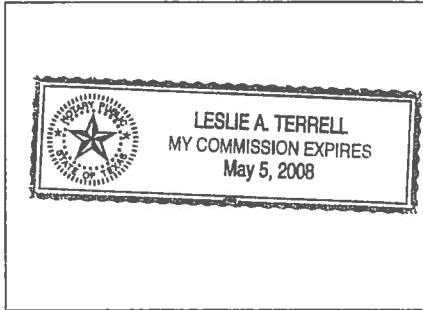
(authorized signatory of Alaska Native Broadband 1 License, LLC)



STATE OF Texas)
) ss.
COUNTY OF Travis)

This instrument was acknowledged before me on October 25, 2006,
by David Lewis Steed, President, Travis County WCIO#17.

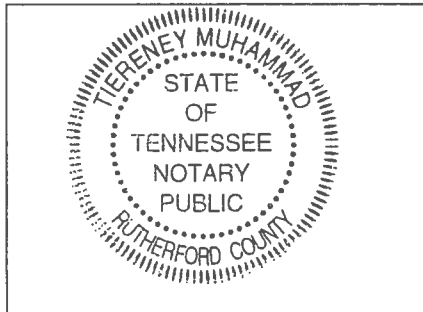
Dated: October 25, 2006.



Leslie A. Terrell
Notary Public
Print Name _____
My commission expires _____

STATE OF Tennessee)
) ss.
COUNTY OF Rutherford)

I certify that I know or have satisfactory evidence that Mark Wray is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the RND of Cricket Communications, Inc. (Alaska Native Broadband 1 License, LLC's authorized representative) to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



Tierney Muhammad
Notary Public
Print Name Tierney Muhammad
My commission expires _____

**MY COMMISSION EXPIRES:
October 17, 2009**



**EXHIBIT A
Legal Description**

The Property is legally described as follows:

Lots 1 and 425 Block A Steiner Ranch Phase One Section 10A



ITEM VII. F NEW BUSINESS – TAX RATES

- F. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED 2015 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

TCAD has been delayed in issuing the certified tax rolls by the end of July due to a petition made by City of Austin challenging the level of appraisal of C1 vacant land and F1 commercial real property.

I have attached a copy of the June 9, 2015 letter from TCAD explaining this delay as well as the follow up letter issued on July 24, 2015 stating that the certifications should be completed by **August 28th**.

Also attached is the detail listing for each jurisdiction of the debt service needs that will be considered in calculating the 2015 tax rate, to be collected in FY 2016.

We will need a special meeting to vote on the **proposed** tax rates and to set a public hearing. To meet notice requirements, we will need to hold the special meeting no later than September 3rd. Notice will be published in the Sept 9th edition of the Four Points News and Sept 10th edition of the Lake Travis View. The public hearing can be held at our regular board meeting on September 17th. We will also be able to adopt the tax rates at that same meeting.

Please check your calendars for availability for a special meeting September 1st, 2nd or 3rd.

TRAVIS CENTRAL APPRAISAL DISTRICT

BOARD OFFICERS

RICHARD LAVINE
CHAIRPERSON
KRISTOFFER S. LANDS
VICE CHAIRPERSON
ED KELLER
SECRETARY/TREASURER



MARYA CRIGLER
CHIEF APPRAISER

BOARD MEMBERS

TOM BUCKLE
BRUCE ELFANT
SHELLDA D. GRANT
DENNY HAMIL
ELEANOR POWELL
RICO REYES
BLANCA ZAMORA-GARCIA

TRAVIS CO WCID NO 17 - Juris No. 17
MR. DAVID STEED, PRESIDENT
3812 ECK LANE
AUSTIN, TX 78734

June 9, 2015

I understand how important the CADs certification is to the budgeting process of taxing units and wanted to give you a heads up on potential delays as soon as possible.

The Austin City Council has formally filed a petition challenging level of appraisal of C1 vacant land and F1 commercial real property. A hearing for the petition has been scheduled for June 22, 2015 at Travis Central Appraisal District, 8314 Cross Park Drive, Austin TX. The hearing will begin at 9:00AM. Taxing units that overlap the city of Austin, with properties subject to the challenge, are entitled to appear and offer evidence or testimony at the appraisal review board hearing. If you are a taxing unit that is not overlapped by the City of Austin, you are being notified because the delay could affect your certification date.

There are several probable scenarios for the resolution of the taxing unit challenge and each has ramifications on the date and manner by which the appraisal district may certify.

37. If the appraisal review board finds in favor of the appraisal district then Travis CAD will resume protest hearings and certify the appraisal roll as quickly as possible. Commercial property represents over fifty percent of the value under protest and the delays in processing those protests while we waited for resolution to the taxing unit challenges impacts our ability to certify in July. Pursuant to Section 41.12 (c)(1) of the Texas Property Tax Code we will postpone the date for the Appraisal Review Board to approve the appraisal records to a date no later than August 30th. The City of Austin can appeal the decision of the appraisal review board to district court.
38. If the appraisal review board finds in favor of the City of Austin and orders the chief appraiser to reappraise category C1 vacant land and F1 commercial property, then I will exercise the authority granted under Section 26.01(d) and certify to you the appraisal roll *excluding* C1 vacant land and F1 commercial real property at a date no later than August 30th. Categories C1 vacant land and F1 commercial real property will be provided as a separate listing giving the preceding years value and a reasonable estimate of value for the current year. Pursuant to Section 26.01(d) you will be required to use the lower value. Given the significant efforts from the appraisal district in the appraisal of commercial properties for 2015 the preceding values will be substantially lower (approximately 35%). This may have a significant impact on your effective and rollback tax rate calculations.

"The chief appraiser shall prepare and certify to the assessor for each taxing unit a list of those properties of which the chief appraiser has knowledge that are reasonably likely to be taxable by that unit but that are not included on the appraisal roll certified to the assessor under Subsection (a) or included on the listing certified to the assessor under Subsection (c). The chief appraiser shall include on the list for each property the market value, appraised value, and kind and amount of any partial exemptions as determined by the appraisal district for the preceding year and a

*reasonable estimate of the market value, appraised value, and kind and amount of any partial exemptions for the current year. **Until the property is added to the appraisal roll, the assessor for the taxing unit shall include each property on the list in the calculations prescribed by Sections 26.04 and 26.041, and for that purpose shall use the lower market value, appraised value, or taxable value, as appropriate, included on or computed using the information included on the list for the property.***

We have started to review the additional cost to the appraisal district as a result of the challenge and a preliminary estimate is available upon request. We will do our best to complete processing property protests as quickly and efficiently as possible and provide you certification at the soonest possible date.

Please feel free to contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Marya D. Crigler". The signature is stylized and somewhat cursive, with the first name being the most prominent.

Marya D. Crigler
Chief Appraiser
mcrigler@tcadcentral.org
(512) 834-9317 ext. 337

TRAVIS CENTRAL APPRAISAL DISTRICT

BOARD OFFICERS
RICHARD LAVINE
CHAIRPERSON
KRISTOFFER S. LANDS
VICE CHAIRPERSON
ED KELLER
SECRETARY/TREASURER



MARYA CRIGLER
CHIEF APPRAISER

BOARD MEMBERS
TOM BUCKLE
BRUCELFANT
SHELLDA D. GRANT
DENNY HAMILL
ELEANOR POWELL
RICO REYES
BLANCA ZAMORA-GARCIA

TRAVIS CO WCID NO 17 - Juris No. 17
2015

July 24,

MR. DAVID STEED, PRESIDENT
3812 ECK LANE
AUSTIN, TX 78734

Previously, on June 9, 2015, I had sent a letter informing you of delays in our certification processing due to a taxing unit challenge from the City of Austin. I understand how important the CAD's certification is to the budgeting process of taxing units and wanted to give you an update on our certification status. We have been operating extended hours, six days a week and are doing our best to complete processing property protests as quickly and efficiently as possible and provide you certification at the soonest possible date. As of this morning we are at 84% complete with protests hearings (our threshold is 95%). We are on target for the Appraisal Review Board to approve the appraisal records on August 24th and at this time I estimate that I will be able to certify the roll **August 28, 2015**. For school districts the certification will reflect the new homestead exemption amount of \$25,000. Please feel free to contact me if you have any questions or need additional information.

Sincerely,

Marya D. Crigler
Chief Appraiser
mcrigler@tcadcentral.org
(512) 834-9317 ext. 337

Steiner Ranch Defined Area

<u>Bond Series</u>		<u>Principal</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
				\$53,076	\$53,076
Series 2006 TWDB - STR#2,	\$5,890,000	\$175,000	\$12,595		\$187,595
Series 2006B - Ref #3,	\$3,644,996	\$415,000	\$8,300		\$423,300
SRDA #11 - Series 2006C	\$8,465,000	\$255,000	\$5,100		\$260,100
SRDA #12 - Series 2007	\$10,875,000	\$355,000	\$7,544		\$362,544
SRDA #13 - Series 2009		\$505,000	\$488,675		\$993,675
SRDA #14 - Series 2009A	\$6,750,000	\$225,000	\$241,023		\$466,023
Series 2009 - Ref #4	\$5,409,998.80	\$805,000	\$145,325		\$950,325
SRDA #15, Series 2010	\$3,200,000	\$110,000	\$129,569		\$239,569
Series 2011 - Ref #5	\$7,014,997.35	\$755,000	\$144,225		\$899,225
SRDA #16 Series 2011	\$2,350,000	\$85,000	\$75,100		\$160,100
SRDA 2012 -Ref #6	\$11,160,000	\$85,000	\$372,044		\$457,044
SRDA #17 Ref#7 Series 2013	\$14,834,984	\$1,415,000	\$379,525		\$1,794,525
SRDA #17, Series 2013	\$2,550,000	\$105,000	\$64,338		\$169,338
SRDA , Ref #8 Series 2014	\$6,829,999.90	\$90,000	\$172,450		\$262,450
SRDA #18 Series 2015	\$2,230,000	\$0	\$85,493		\$85,493
SRDA , Ref #9 Series 2015	\$12,919,989	\$175,000	\$352,319		\$527,319
Total Amount Required for FY 2016 Debt Service					\$8,291,699

Other:

Travis County Tax Collection Fee, \$1.34/parcel	\$	5,783.44
TCAD Fee	\$	47,292.30
	\$	53,075.74

I&S Funds, as of July 31, 2015 \$ 11,113,356.94

Certified Value, 08/28/2015 per TCAD

NOTE: Based on calculations using the form from Travis County Tax Office, the calculated tax rate is \$ _____, without any of the I&S money being applied.

How much I&S should be applied? \$

Flintrock Ranch Defined Area

<u>Bond Series</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
FREDA #1 - TWDB, Series 2003	\$0	\$0	\$7,330	\$7,330
FREDA #2, Series 2006	\$0	\$0		\$0
FREDA #3, Series 2009	\$135,000	\$208,338		\$343,338
FREDA #4, Series 2009A	\$235,000	\$493,600		\$728,600
FREDA Refunding, Series 2013	\$38,843	\$199,888		\$238,731
Total Amount Required for FY 2016 Debt Service				\$1,317,998

Other:

Travis County Tax Collection Fee, \$1.34/parcel	\$	672.68
TCAD Fee	\$	6,656.96
	\$	7,329.64

I&S Funds, as of July 31, 2015 \$ 1,282,530.99

Certified Value, 8/28/2015 per TCAD

NOTE: Based on calculations using the form from Travis County Tax Office, the calculated tax rate is \$_____, unless some of the I&S money is applied.

How much I&S should be applied?

Serene Hills Defined Area Tax - max \$0.65

<u>Bond Series</u>	<u>Principal</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
n/a			\$1,248	\$1,248
SHDA #1, Series 2015	\$0	\$111,672		\$111,672
				\$0
				\$0
Total Amount Required for FY 2016 Debt Service				\$112,920

Other:

Travis County Tax Collection Fee, \$1.34/parcel	\$	300.16
TCAD Fee	\$	947.72
	\$	1,247.88

I&S Funds, as of July 31, 2015 n/a

Certified Value, 8/28/2015 per TCAD

NOTE: Based on calculations using form from Travis County Tax Office, the highest M&O tax rate that can be levied without a roll back election is \$ ____.