



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, August 17, 2017, 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 – MET AUGUST 8, 2017
 5. POLICY COMMITTEE REPORT – MET JULY 27, 2017 AND AUGUST 10, 2017
 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. Flintrock Wastewater Treatment Plant Expansion, Pay Estimate #16, PLW Central Texas
 - B. APPROVE PAYMENT OF CURRENT INVOICES
 - C. APPROVE MINUTES – Regular Meeting held July 20, 2017
- V. PUBLIC COMMENT, 6:30 P.M.
- VI. PRESENTATION BY CHRIS PHILLIPS, OF HYDROPRO SOLUTIONS, REGARDING WATER SMART APPLICATION AND ALLEGRO ADVANCED METERING INFRASTRUCTURE.
- VII. OLD BUSINESS
 - A. DISCUSS/CONSIDER/TAKE ACTION REGARDING CAUSE NO. J2-CV-17-003150; CYNTHIA HUGHES v. TRAVIS COUNTY WCID #17; IN THE JUSTICE OF THE PEACE, PRECINCT 2
- VIII. NEW BUSINESS
 - A. DISCUSS/CONSIDER/TAKE ACTION ON ITEMS RELATED TO THE TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA \$7,000,000 UNLIMITED TAX BONDS, SERIES 2017-A, BOND NO. 3, TO INCLUDE:
 1. RECEIVE BIDS ON \$7,000,000 TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2017-A;

2. **CONSIDERATION AND ACTION WITH RESPECT TO "ORDER AUTHORIZING THE ISSUANCE OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2017-A:**
 - a. **LEVYING AN AD VALORUM TAX IN SUPPORT OF THE BONDS;**
 - b. **APPROVING AN OFFICIAL STATEMENT;**
 - c. **AUTHORIZING EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT;**
 - d. **AWARDING THE SALE OF THE BONDS;**
 - e. **AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BOND; AND**
 3. **DISCUSSION AND POSSIBLE ACTION REGARDING CLOSING PROCEDURES FOR THE SERIES 2017-A BONDS**
- B. DISCUSS/CONSIDER/TAKE ACTION REGARDING DECLARATION OF SURPLUS EQUIPMENT**
- C. DISCUSS/CONSIDER/TAKE ACTION REGARDING THE AGREEMENT FOR WHOLESAL WASTEWATER SERVICE BETWEEN LAKEWAY MUNICIPAL UTILITY DISTRICT AND TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17**
- D. DISCUSS/CONSIDER/TAKE ACTION ON AMENDMENTS TO TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 RULES AND POLICIES AS RECOMMENDED FOR SECTIONS:**
1. **1.9, ANNEXATION;**
 2. **2.1.9, MISCELLANEOUS – RETURN PAYMENT FEES;**
 3. **6.2, EASEMENTS – PROVISION FOR CONSTRUCTION AND EASEMENT VARIANCES; AND**
 4. **APPENDICES A - PERSONNEL POLICIES – ADDITION OF SECTION 3.21, EMPLOYEE FITNESS ENHANCEMENT POLICY**
- E. DISCUSS/CONSIDER/TAKE ACTION ON ESTABLISHMENT OF A FM620 WATERLINE RELOCATION (TXDOT) MONTHLY FEE FOR ALL CUSTOMERS**
- F. DISCUSS/CONSIDER/TAKE ACTION REGARDING THE PROPOSED FISCAL YEAR 2018 EMPLOYEE COMPENSATION**
- G. DISCUSS/CONSIDER/TAKE ACTION REGARDING THE PROPOSED FISCAL YEAR 2018 GENERAL FUND OPERATING BUDGET**
- H. DISCUSS/CONSIDER/TAKE ACTION ON THE PROPOSED 2017 TAX RATES AND SETTING PUBLIC HEARING REGARDING THESE PROPOSED RATES:**
1. **THE DISTRICT-WIDE OPERATIONS AND MAINTENANCE TAX;**
 2. **STEINER RANCH DEFINED AREA DEBT SERVICE TAX;**
 3. **FLINTROCK RANCH ESTATES DEFINED AREA DEBT SERVICE TAX; AND**
 4. **SERENE HILLS DEFINED AREA OPERATIONS AND MAINTENANCE TAX AND DEBT SERVICE TAX**
- I. DISCUSS/CONSIDER/TAKE ACTION ON THE PETITIONS FOR ADDITION OF LANDS FOR THE FOLLOWING PROPERTIES:**
1. **LOT 3 OF THE OVERLOOK AT FLINTROCK FALLS SUBDIVISION, ADDRESSED AS 3840 PAWNEE PASS, WAYNE AND DIANE HUSSEY, OWNERS;**
 2. **LOT C OF THE MAJESTIC HILLS RANCHETTES 2 SUBDIVISION, ADDRESSED AS 1700 MAJESTIC RIDGE RD, STEVEN AND PATRICE COX, OWNERS;**
 3. **LOT 122 OF THE TRAVIS LANDING NO 2 PHASE 2 SUBDIVISION, ADDRESSED AS 4907 MCCORMICK MOUNTAIN DR, JENSEN LITTLE, OWNER;**
 4. **LOT 2, BLOCK B OF THE LAKE COUNTRY ESTATES SUBDIVISION, ADDRESSED AS 4402 TRAVIS VISTA DR, CARLOS ALMEIDA AND ALEJANDRA JUNCO, OWNERS;**
 5. **111.009 ACRES, MORE OR LESS, OUT OF THE ABS308 SUR GILBERT J & VAR SURS, ADDRESSED AS 1505 HURST CREEK RD, HURST JOINT VENTURE LP, OWNER;**
 6. **LOT 1, BLOCK 2 OF HIDDEN VALLEY SECTION 1 SUBDIVISION, ADDRESSED AS 3300 BLUE JAY LN, GENE AND DANA SELLERS, OWNERS;**
 7. **LOT 2, BLOCK 2 OF HIDDEN VALLEY SECTION 1 SUBDIVISION, ADDRESSED AS 3302 BLUE JAY LN, CHERYL OGLE, OWNER;**
 8. **LOT 36 OF THE MAJESTIC HILLS RANCHETTES SUBDIVISION, ADDRESSED AS 17109 MAJESTIC RIDGE RD, KELLY AND BONNIE QUICK, OWNERS;**
 9. **LOT 12, BLOCK 1M OF TRAVIS LANDING NO 2 PHASE 5 SUBDIVISION, ADDRESSED AS 15500 ENID DR, BRB DEVELOPMENT LLC, OWNER;**
 10. **LOT 4A OF THE LAKE COUNTRY ESTATES SEC 2 RESUB OF LOT 3 SUBDIVISION, ADDRESSED AS 4202 SERENE HILLS DR, BEN AND LELA RAWSON, OWNERS;**

11. LOT 3 OF THE ANNIE STEWART SECTION F SUBDIVISION, ADDRESSED AS 1007 N HURST CREEK RD, ALAVALAPATI RAM KISHORE AND NEELIMA GOWRIGAR, OWNERS.

- IX. **DISCUSS/CONSIDER/TAKE ACTION REGARDING CITY OF AUSTIN RETENTION OF DISTRICT'S ATTORNEYS, LLOYD GOSSELINK, FOR REVIEW OF CITY WATER AND WASTEWATER RATES**
- X. **THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, REGARDING CAUSE NO. J2-CV-17-003150; CYNTHIA HUGHES v. TRAVIS COUNTY WCID #17; IN THE JUSTICE OF THE PEACE, PRECINCT 2**
- XI. **THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071 REGARDING ESTABLISHMENT OF A FM620 WATERLINE RELOCATION (TXDOT) MONTHLY FEE FOR ALL CUSTOMERS**
- XII. **THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071 REGARDING THE AGREEMENT FOR WHOLESALE WASTEWATER SERVICE BETWEEN LAKEWAY MUNICIPAL UTILITY DISTRICT AND TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17**
- XIII. **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

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, July 20, 2017 at 6:00 p.m. This meeting was scheduled and conducted in compliance with the Texas Open Meetings Act.

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I. CALL TO ORDER

President Roberts called the meeting to order at 6:05 p.m.

II. ESTABLISH A QUORUM

President Roberts established a quorum of all Directors present; Roberts, Carruthers, Decker, Steed and Ward. General Manager Jason Homan, General Counsels Ashleigh Acevedo and Stefanie Albright, and District Engineer Pat Lackey, were also present.

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

General Manager (GM) Homan reported that in addition to his written report:

- Trihydro would be making support changes based on the resignation of Will Pena and Michael Bevilacqua. He said he was initially disappointed by a lack of communication from Trihydro on this issue. GM Homan said a meeting was held with Pat Lackey and Mark Donner (Trihydro Senior Vice President) a week later and they assured him that Pat Lackey would be the District's lead engineer. *A discussion ensued regarding where District files were kept and availability should there be a natural disaster in any area of the District.*
- The 24-inch waterline built as three projects to serve Steiner Ranch had been completed, tested and would be online next week.
- Hughes Park waterline improvements are underway.
- Wild Cherry effluent line to serve the irrigation tract behind the hospital is under construction.
- Scrap cable from the Eck Lane raw water intake barge change out had been hauled away and the District received \$11,009 for the load.
- Zebra mussels have been found in Lake Travis causing the District to research the expected affects the District could potentially see on the water supply system. A budget item will be added to fiscal year 2018 for intake inspections by divers to monitor the District's conditions. *A handout regarding zebra mussels was distributed and will be emailed to Directors.*
- During the ongoing financial review, a contract with Lakeway Municipal Utility District expired in 2011 for North Lakeway Village wholesale wastewater and living unit equivalent (LUE) reservation fees but the District has continued to pay the reservation fee. GM Homan has requested Trihydro evaluate the land use assumptions for the North Lakeway Village development to determine what number of LUEs may

potentially need to remain under reservation. GM Homan said he would be meeting with the Budget/Finance committee more specifically to initiate contract negotiations for wholesale wastewater and continuation of LUE reservations. Leslie Terrell reminded the Board that ninety (90) LUEs will be required by the Lynd development in the near future and potentially a few more for commercial use along FM620.

- GM Homan announced that the Policy Committee would meet July 27th at noon and the Budget/Finance committee would meet August 3rd at 6:00 p.m.
- *The Board discussed District operations, finances and administration.*

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**

No committees met in the past month

IV. CONSENT AGENDA

A. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT

- 1. Flintrock Wastewater Treatment Plant Expansion, Pay Estimate #15, PLW Central Texas**
- 2. Apache Shores Water Line Improvements – 2016, Pay Estimate #7, Final, Prota Construction, Inc.**
- 3. Tacara at Steiner Ranch, 24” Waterline, INV#04, Casey Development, Ltd.**
- 4. Tacara at Steiner Ranch 24” Waterline, Reimbursement Request Inv. #1005, Baxter Contracting, LLC / Casey Development, Ltd.**

B. APPROVE PAYMENT OF CURRENT INVOICES

C. APPROVE MINUTES – Regular Meeting held June 20, 2017

Director Roberts asked if there were any questions regarding items on the Consent Agenda.

Motion: Director Decker to approve the Consent Agenda as presented

Second: Director Ward

Ayes: 5

Noes: 0

Unanimous

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

President Roberts opened Public Comment at 6:35 p.m.

No public was present to address the Board of Directors. President Roberts left Public Comment open for anyone who might arrive and wish to address the Board.

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Motion: Director Ward to close the Public Comment
Second: Director Steed
Ayes: 5
Noes: 0
Unanimous

President Roberts closed Public Comment at 7:11 p.m.

VI. PUBLIC HEARING, 6:45 P.M. – REGARDING AMENDMENT OF THE DISTRICT WASTEWATER IMPACT FEE FOR THE SOUTH DISTRICT (FLINTROCK) WASTEWATER SYSTEM

President Roberts opened Public Hearing at 6:45 p.m.

No public was present for the proposed amendment of the District Wastewater Impact Fee for the South District System. President Roberts left the Public Hearing open for any late attendees. Discussion was held under Item VIII. New Business B.

Motion: Director Carruthers to close the Public Hearing
Second: Directors Steed and Ward
Ayes: 5
Noes: 0
Unanimous

President Roberts closed Public Hearing at 7:00 p.m.

VII. PUBLIC HEARING, 6:45 P.M. – REGARDING CONSIDERATION OF POLICY AMENDMENT TO ADOPT A PROPOSED MCCORMICK MOUNTAIN SERVICE AREA AND ESTABLISHMENT OF A SUBSEQUENT USER FEE FOR THE WATERLINE IMPROVEMENTS TO SERVE THIS PROPOSED AREA

President Roberts opened Public Hearing at 6:45 p.m.

No public was present for the proposed amendment of the Proposed McCormick Mountain Service Area and Establishment of a Subsequent User Fee to serve the Proposed Area. President Roberts left the Public Hearing open for any late attendees. Discussion was held under Item VIII. New Business D.1.and 2.

Motion: Director Decker to close the Public Hearing
Second: Director Steed
Ayes: 5
Noes: 0
Unanimous

President Roberts closed Public Hearing at 7:02 p.m.

VIII. NEW BUSINESS

A. DISCUSS/CONSIDER/TAKE ACTION ON ITEMS TO AUTHORIZE REIMBURSEMENT AUDIT ENGAGEMENT LETTER AS RELATED TO THE

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SERENE HILLS DEFINED AREA SERIES 2017-A BOND ISSUE NO. 3 – McCALL GIBSON SWEDLUND BARFOOT PLLC

Manager Homan explained that a reimbursement audit was approved June 15, 2017 and this engagement letter supports the cost estimate of \$6,000 to \$8,000 that would be paid directly from the Bond proceeds.

Motion: Director Carruthers to authorize the execution of the reimbursement audit engagement letter as related to the Serene Hills Defined Area Series 2017-A Bond Issue No. 3 presented on behalf of McCall Gibson Swedlund Barfoot PLLC

Second: Director Decker

Ayes: 5

Noes: 0

Unanimous

B. DISCUSS/CONSIDER/TAKE ACTION ON RECOMMENDATION FROM THE DISTRICT IMPACT FEE ADVISORY COMMITTEE TO AMEND THE DISTRICT WASTEWATER IMPACT FEE FOR THE SOUTH DISTRICT (FLINTROCK) WASTEWATER SYSTEM

Manager Homan said the Impact Fee Advisory Committee met April 4, 2017 and received new information from the District engineer, based on the Flintrock Wastewater Treatment Plant expansion. He stated that based on actual construction cost being higher than what had been estimated in the 2015 Update to the Study and the current National Construction Cost Index, the current fee of \$12,600 could be revised up to a maximum value of \$13,464. Manager Homan said the committee recommended an increase of the South District (Flintrock) Wastewater System Impact Fee to \$13,200 per living unit equivalent. *After the close of Public Hearing, the following motion was made.*

Motion: Director Carruthers, based on the recommendation of the District Impact Fee Advisory Committee, increase the South District (Flintrock) Wastewater System Impact Fee to \$13,200 effective August 1, 2017.

Second: Director Ward

Ayes: 5

Noes: 0

Unanimous

C. DISCUSS/CONSIDER/TAKE ACTION REGARDING CONTRACT AWARD FOR WILD CHERRY EFFLUENT STORAGE TANK ERECTION AS RECOMMENDED BY TRIHYDRO

Engineer Lackey stated that four (4) bids were received and opened July 13, 2017 for construction of the effluent storage tank necessary for additional drip irrigation provision from the Flintrock Wastewater Treatment Plant expansion. Lackey said that the bids for the project included a Base Bid and an Alternate Bid. He explained the Base Bid for this project used an existing 200,000 gallon bolted steel tank, while the Alternate Bid included installing and erecting a new bolted steel tank in lieu of the existing, dissembled tank with all other site and electrical work being the same for both bids. He explained that several years ago the District replaced a 200,000 gallon bolted steel tank with a concrete tank and that the District-owned bolted steel tank was stored at the storage yard in Apache Shores. Mr. Lackey then recommended award of the Alternate Bid with use of a new tank to the

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low bidder, Central Road & Utility, Ltd., in the amount of \$382,828.30. *Discussion was held regarding why the Base Bids were higher than the Alternate Bids and potential use of the storage tank owned by the District.*

Motion: Director Decker to award the contract for the Wild Cherry Effluent Storage Tank Erection to Central Road & Utility, Ltd. for the Alternate Bid in the amount of \$382,828.30

Second: Director Carruthers

Ayes: 5

Noes: 0

Unanimous

D. DISCUSS/CONSIDER/TAKE ACTION REGARDING CONSIDERATION OF POLICY AMENDMENT TO:

- 1. ADOPT A PROPOSED MCCORMICK MOUNTAIN SERVICE AREA; AND**
- 2. ESTABLISHMENT OF A SUBSEQUENT USER FEE FOR WATERLINE IMPROVEMENTS TO SERVE THIS PROPOSED AREA**

Manager Homan explained that the McCormick Mountain waterline replacement was a project included in the District's Waterline Improvements Plan. Manager Homan said the developer installed a 12-inch waterline to the top of McCormick Mountain hilltop and the District was proposing to construct 8-inch and 12-inch waterlines along McCormick Mountain Drive, Weletka Drive, and Watumba Road to improve fire flow capacity to the area and to replace aging waterlines. Manager Homan further recommended consideration to adopt a Service Area and Subsequent User Fee for the waterline improvements to serve an anticipated 42 lots in the defined area. *After the close of Public Hearing, two motions were made.*

Motion: Director Ward to adopt the proposed McCormick Mountain Service Area as presented in the Subsequent User Fee Report by Trihydro and dated July 5, 2017

Second: Director Decker

Ayes: 5

Noes: 0

Unanimous

Motion: Director Decker to establish a subsequent user fee of \$6,760 for the McCormick Mountain Service Area as presented July 20, 2017

Second: Director Steed

Ayes: 5

Noes: 0

Unanimous

E. DISCUSS/CONSIDER/TAKE ACTION REGARDING CAUSE NO. J2-CV-17-003150; CYNTHIA HUGHES v. TRAVIS COUNTY WCID #17; PLEA TO THE JURISDICTION AND ANSWER:

- 1. AUTHORIZATION OF ENGAGEMENT LETTER – LLOYD GOSSELINK; AND**

Manager Homan stated that an engagement letter was before the Board for District attorney representation in a new litigation file. Attorney Albright said this was Lloyd Gosselink’s standard letter for sub-matters.

Motion: Director Ward to authorize approval of supplemental engagement letter for specific litigation case

Second: Director Steed

Ayes: 5

Noes: 0

Unanimous

2. CASE STATUS REPORT FROM DISTRICT ATTORNEY

Manger Homan reported that the District was served with a lawsuit alleging miscalculation of water use and improper discontinuance of water service.

This matter was discussed in Executive Session XI.

After Executive Session, no action.

F. DISCUSS/CONSIDER/TAKE ACTION ON ANNEXATION PROCEDURES REGARDING PETITIONS FOR ADDITION OF LANDS AND THE ORDERS ADDING LANDS FOR PROPERTIES REQUESTING WATER SERVICE FROM TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17

Manager Homan discussed findings of a recent annexation audit where some property recordings were missed by either Travis County or the District. Manager Homan said he will work on an internal procedure to follow annexations annually and present to the Policy Committee for further review. *This matter was further discussed in Executive Session XII.*

After Executive Session, no action.

G. DISCUSS/CONSIDER/TAKE ACTION ON TERMINATION OF CURRENT AUDITOR ENGAGEMENT LETTER, AND REQUEST FOR PROPOSAL FOR FUTURE FINANCIAL AUDITOR

Manager Homan stated that the current auditor of the District’s financial statements engagement includes Year-End September 30, 2017. He said McCall Gibson Swedlund Barfoot PLLC has audited the District’s financial statements for the past five years and that he was not satisfied with the performance in regard to several items, one being past due balances not being noted. Manager Homan said he would like to terminate the agreement prior to beginning work on the current fiscal year audit.

This matter was further discussed in Executive Session XII.

Executive Session ended at 8:56 p.m. After Executive Session, the following motion was made.

Motion: Director Carruthers to terminate the current auditor engagement and begin Request for Proposal for a financial auditor

Second: Director Steed

Ayes: 5

Noes: 0

Unanimous

President Roberts called for recess at 7:40 p.m. Meeting resumed at 7:50 p.m. with all Directors present and moving into Executive Sessions.

IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, AND TO DISCUSS REAL AND PERSONAL PROPERTY IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072, REGARDING RECOMMENDATION FROM THE DISTRICT IMPACT FEE ADVISORY COMMITTEE TO AMEND THE DISTRICT WASTEWATER IMPACT FEE FOR THE SOUTH DISTRICT (FLINTROCK) WASTEWATER SYSTEM

Executive Session not held.

X. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, AND TO DISCUSS REAL AND PERSONAL PROPERTY IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072, REGARDING A PROPOSED MCCORMICK MOUNTAIN SERVICE AREA AND ESTABLISHMENT OF A SUBSEQUENT USER FEE FOR WATERLINE IMPROVEMENTS TO SERVE THE PROPOSED AREA

Executive Session not held.

XI. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, REGARDING CASE STATUS REPORT OF CAUSE NO. J2-CV-17-003150; CYNTHIA HUGHES v. TRAVIS COUNTY WCID #17; PLEA TO THE JURISDICTION AND ANSWER

Executive Session was opened by President Roberts at 7:51 p.m. and closed at 8:13 p.m. No Action taken.

XII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, REGARDING ANNEXATION PROCEDURES REGARDING PETITIONS FOR ADDITION OF LANDS AND THE ORDERS ADDING LANDS FOR PROPERTIES REQUESTING WATER SERVICE FROM TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17

Executive Session was opened by President Roberts at 8:14 p.m. and closed at 8:26 p.m. No action taken.

XIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, REGARDING TERMINATION OF CURRENT AUDIT ENGAGEMENT LETTER AND REQUEST FOR PROPOSAL FOR FUTURE FINANCIAL AUDITOR

Executive Session was opened by President Roberts at 8:26 p.m. and closed at 8:56 p.m. No action taken.

XIV. ADJOURNMENT

Motion: Director Carruthers to adjourn

Second: Director Ward

Ayes: 5

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Noes: 0
Unanimous

President Roberts adjourned the meeting at 10:01p.m.

Approved this _____ day of _____ 2016, with a motion

by Director _____ and a Second by Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary

**ORDER DECLARING CERTAIN EQUIPMENT AS SURPLUS PROPERTY AND
AUTHORIZING THE SALE OF SUCH EQUIPMENT**

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

WHEREAS, Travis County Water Control & Improvement District No. 17 (the “District”) is a conservation and reclamation district operating pursuant to Chapters 49 and 51 of the Texas Water Code;

WHEREAS, the District owns certain equipment, which is more specifically described as Exhibit A, attached hereto (the “Equipment”);

WHEREAS, the District’s Board of Directors has assessed and considered the usefulness and value of the Equipment, and the Board believes that the Equipment is not needed by the District; and

WHEREAS, the Board desires to declare the Equipment surplus property and to authorize the sale of such Equipment.

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 are true and correct and are incorporated into this Resolution for all purposes.

Section 2: The District’s Board of Directors has determined and hereby declares that the Equipment listed in Exhibit A, attached hereto and incorporated herein for all purposes, is surplus property as defined in Texas Water Code § 49.226 and is not needed by the District.

Section 3: The District’s Board of Directors authorizes its General Manager to sell the Equipment in accordance with Texas Water Code § 49.226.

PASSED AND APPROVED this _____ day of August, 2017.

Jeff Roberts, President

ATTEST:

Jerri Lynn Ward, Secretary

EXHIBIT A
Equipment

DESCRIPTION
Utility Truck Service Body 2001 Ford F550
8' Truck Bed with Tailgate 2004 3/4-Ton Chevrolet
8' Truck Bed with Tailgate 2007 1/2-Ton Chevrolet



Utility Truck Service Body

2001 Ford F550



8' Truck Bed with Tailgate
2004 3/4 Ton Chev.



8' Truck Bed with Tailgate
2007 1/2 Ton Chev.

**FIRST AMENDMENT TO THE AGREEMENT FOR WHOLESALE
WASTEWATER SERVICE
BETWEEN
LAKEWAY MUNICIPAL UTILITY DISTRICT AND
TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17**

THIS FIRST AMENDMENT TO THE AGREEMENT FOR WHOLESALE WASTEWATER SERVICE ("Amendment") is between Lakeway Municipal Utility District ("LMUD") and Travis County Water Control and Improvement District No. 17 ("WCID No. 17").

RECITALS

WHEREAS, on December 23, 2005, LMUD and WCID No. 17 entered into a certain Agreement for Wholesale Wastewater Service ("Agreement"), providing in part that LMUD would reserve and sell up to 600 living unit equivalents of wastewater capacity to WCID No. 17; and

WHEREAS, Article VI, Section 6.01 (6) of the Agreement provides that if WCID No. 17 does not pay fees to LMUD for any remaining living unit equivalents of wastewater capacity within four years of the effective date of that Agreement, WCID No. 17's right to purchase such wastewater capacity will revert to LMUD; and

WHEREAS, since the effective date of the Agreement, WCID No. 17 has purchased a portion of the 600 living unit equivalents of wastewater capacity from LMUD; and

WHEREAS, WCID No. 17 agreed to purchase such capacity primarily to provide retail wastewater service to the North Lakeway Village development; and

WHEREAS, the developer for such development has requested an extension of time from WCID No. 17 to purchase the additional wastewater capacity; and

WHEREAS, WCID No. 17 desires to continue reserving the remaining living unit equivalents of wastewater capacity from LMUD, to extend the deadline in Section 6.01 (6) for two additional years, and to continue paying LMUD the applicable reservation fees during such extension; and

WHEREAS, LMUD desires to amend Section 6.01 (6) of the Agreement to extend WCID No. 17's deadline to purchase the remaining living unit equivalents of wastewater capacity for two additional years.

NOW THEREFORE, in consideration of the terms, conditions, and covenants contained in this Agreement, the adequacy and sufficiency of which are hereby acknowledged, LMUD and WCID No. 17 agree as follows:

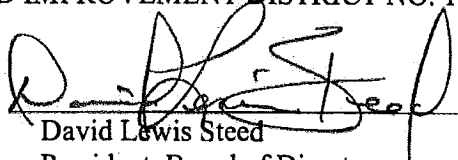
AGREEMENT

1. The Recitals and definitions contained above are true and correct and incorporated herein for all purposes.
2. WCID No. 17 and LMUD agree to amend the Agreement as follows: Article VI, Section 6.01 (6) of the Agreement is hereby replaced with the following provision:

“(6) At the end of six (6) years from the Effective Date of this Agreement, WCID No. 17 may pay LUE Fees for any remaining reserved but not yet paid for LUEs. If WCID No. 17 elects not to pay LUE Fees for any reserved but not yet paid for LUEs at that time, any remaining reserved but not yet paid for LUEs shall revert to Lakeway, and WCID No. 17 shall no longer pay Reservation Fees and shall no longer be entitled to pay additional LUE Fees.”
3. To the extent this Amendment conflicts with any portion of the Agreement, this Amendment shall prevail.
4. The remaining provisions of the Agreement not amended herein remain in full force and effect.
5. This Amendment is effective on the last date of execution by an authorized representative of LCMUD and WCID No. 17.


[SIGNATURES TO FOLLOW]

TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17

By: 
David Lewis Steed
President, Board of Directors


Date: December 17, 2009

ATTEST:



Mark Moran, Secretary

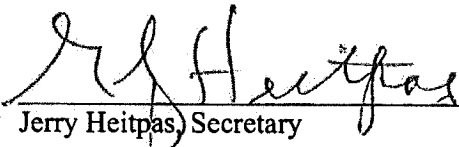
LAKEWAY MUNICIPAL UTILITY
DISTRICT

By: 

Tom Rogers, President

Date: December 16, 2009

ATTEST:



Jerry Heitpas, Secretary

STATE OF TEXAS	§	AGREEMENT FOR WHOLESALE
	§	WASTEWATER SERVICE BETWEEN
	§	LAKEWAY MUNICIPAL UTILITY
	§	DISTRICT AND TRAVIS COUNTY
COUNTY OF TRAVIS	§	WATER CONTROL AND IMPROVEMENT
	§	DISTRICT NO. 17

THIS AGREEMENT FOR WHOLESALE WASTEWATER SERVICE ("Agreement") is between Lakeway Municipal Utility District ("Lakeway") and Travis County Water Control and Improvement District No. 17 ("WCID No. 17").

WHEREAS, WCID No. 17 desires to provide Wastewater Service to certain property within its boundaries; and

WHEREAS, Lakeway has existing excess Wastewater capacity in its facilities; and

WHEREAS, Lakeway and WCID No. 17 desire to enter into this Agreement to set forth the terms and conditions on which Lakeway will provide wholesale Wastewater service to WCID No. 17;

NOW, THEREFORE, in consideration of the terms, conditions, and covenants contained in this Agreement, Lakeway and WCID No. 17 agree as follows:

ARTICLE I: DEFINITIONS

1.01 Definition of Terms. The following terms, when used in this Agreement, have the meanings set forth below, unless otherwise provided in this Agreement:

(a) **Annual average daily volume:** the arithmetic average of all daily flows during the preceding 365 days expressed in gpd. The daily flow determinations will be from the flow totalizer associated with the Master Meter.

(b) **Capital Expenditures:** expenditures for long-term betterments or additions, being expenditures which, if made for privately owned property, would be added to the basis of the property improved, and would be depreciable over the useful life of the improvements, and would be in the nature of an investment for the future chargeable to a capital asset account.

(c) **Default:** means the failure of a Party to perform or comply with any of its contractual obligations under this Agreement.

(d) **Development:** the subdivision of land; the construction or alteration of any structure; or any use or extension of the use of land that increases the number of LUEs for Wastewater service.

(e) Domestic Wastewater: water borne human excreta and gray water of the kind typically received from residential structures.

(f) EPA: the United States Environmental Protection Agency.

(g) Future Facilities: wastewater collection and transmission facilities constructed by WCID No. 17 after construction of the Initial Facilities.

(h) gpd: gallons per day.

(i) gpm: gallons per minute.

(j) Infiltration: water that enters a wastewater collection system through defects such as cracks or breaks in the piping, manholes, or other appurtenances.

(k) Inflow: water that enters a wastewater collection system through direct sources such as drain spouts, manholes, clean-outs, or other appurtenances.

(l) Initial Facilities: the wastewater facilities initially constructed by WCID No. 17 to collect Wastewater within WCID No. 17 and to connect to Lakeway's System, including the Master Meter, and all modifications to Lakeway's System necessary to accommodate the impact on Lakeway's System of the proposed connection to WCID No. 17.

(m) Lakeway: Lakeway Municipal Utility District.

(n) Lakeway General Manager: the General Manager of Lakeway or his authorized designee.

(o) Lakeway's System: Lakeway's Wastewater collection, treatment, storage and land disposal system, as they exist at any time, including any receiving stream in the event of a discharge of treated Wastewater.

(p) LUE: the average daily volume of Wastewater produced from a single family residence that is served by a 5/8 or 3/4 inch water meter, or its equivalent, as more particularly defined herein.

(q) LUE Fee: the fee charged by Lakeway to WCID No. 17 for capacity on a per LUE basis as provided in Section 6.01(a) of this Agreement.

(r) Master Meter: the meter installed at the Point of Delivery of Wastewater by WCID No. 17 to Lakeway to measure the quantity of Wastewater delivered by WCID No. 17 to Lakeway.

(s) Monthly average daily volume: the arithmetic average of all daily flows during the preceding 30 days expressed in gpd. The daily flow determinations will be from the flow totalizer associated with the Master Meter.

(t) mg/L: milligrams per liter.

(u) Non-Domestic Wastewater: wastewater that is not Domestic Wastewater.

(v) Party: a party to this Agreement, i.e., Lakeway or WCID No. 17, as determined by the context.

(w) Points of Delivery: connection of the Lakeway System designated by Lakeway where Wastewater will pass from WCID No. 17's System into Lakeway's System.

(x) Reservation Fee: the fee charged by Lakeway to WCID No. 17 to reserve the ability to require capacity in the Lakeway System on a per LUE basis, as provided in Section 6.01(a) this Agreement.

(y) TCEQ: the Texas Commission on Environmental Quality, or its successor agency.

(z) Two-hour peak volume: the total flow measured by the Master Meter within any two-hour period expressed in gpm.

(aa) Volume Charge: the fee charged by Lakeway to WCID No. 17 for wholesale wastewater service as provided in Section 6.01(b) of this Agreement.

(bb) Wastewater: liquid or water borne waste, including, without limitation, Domestic Wastewater, industrial waste or other wastes, whether separate or commingled.

(cc) Wastewater Service: collection, treatment and disposal of liquid and water carried industrial wastes and sewage, Domestic Wastewater and Non-Domestic Wastewater from residential dwellings, commercial buildings and other structures.

(dd) WCID No. 17: Travis County Water Control and Improvement District No. 17.

(ee) WCID No. 17's System or WCID No. 17 System: the Wastewater facilities of WCID No. 17 for collection and transportation of Wastewater from its customers to the Wastewater Master Meter into the Lakeway System.

ARTICLE II: PROVISION OF WHOLESALE SERVICE

2.01 Level and Control of Wholesale Service.

(a) Provision of Wholesale Wastewater Service to Service Area. Subject to the terms and conditions of this Agreement, Lakeway commits and agrees to accept and treat up to 600 LUEs of Wastewater from Development within WCID No. 17.

(b) Limit on Service. The provision of Wastewater Service shall be limited to a maximum annual daily average volume equal to 208 gpd multiplied by the number of LUEs for which LUE fees have been paid in full, a maximum monthly daily average volume of 253 gpd multiplied by the number of LUEs for which LUE fees have been paid in full, and a two-hour peak volume of 0.578 gpm multiplied by the number of LUEs for which LUE fees have been paid in full. If WCID No. 17 has purchased 600 LUEs, the provision of Wastewater Service shall be limited to a maximum annual daily average volume of 124,800 gpd, a maximum monthly daily average volume of 151,800 gpd, and a two-hour peak volume of 347 gpm.

(c) Control of Volume Limits. Service will be provided in Living Unit Equivalents ("LUEs"). Initially an LUE is an annual average daily volume of 208 gpd and a monthly average daily volume of 253 gpd. Attached as Exhibit "A" is an LUE equivalency chart showing the number of LUEs assigned to various types of structures for planning purposes. Also shown on Exhibit "A" are the LUEs for each meter size. The meter size equivalencies will be used to assign LUEs to existing connections. If part of the water going through a meter is used for irrigation, Lakeway's General Manager will evaluate that meter and assign to it an LUE equivalency for wastewater, based on the amount of land under irrigation and the nature of the structure served by the meter.

(d) Development Approval by WCID No. 17. Before Development of any land within WCID No. 17 that is to produce Wastewater that will be delivered pursuant to this Agreement, WCID No. 17 will acquire information on the proposed Development that is sufficient for it to determine the number of Wastewater LUES that will be required for the project. If WCID No. 17 determines that a proposed Development will cause any one of the limits in paragraph 2.01 (b) above to be exceeded, WCID No. 17 shall deny permission for the developer to proceed. WCID No. 17 may invite the developer to redesign the project to use only the remaining unused LUEs, if any.

(e) Approval of Concept Plans. For planning purposes, WCID No. 17 may want to know what future Development it can approve that will not cause the Wastewater flows to exceed the limit set forth above in paragraph 2.01(b). In that event, WCID No. 17 may submit a concept plan at any time, showing previously approved and proposed Development, so that Lakeway can state whether it agrees that the project shown on the concept plan will not cause the Wastewater flows to exceed any of the limits in paragraph 2.01(b). The concept plan shall include a projected LUE count for the existing and proposed Development.

(f) Determination of Flow Limits. When any builder applies to WCID No. 17 for a plumbing permit, a number of LUEs will be allocated to that project by WCID No. 17, based on the proposed meter size.

WCID No. 17 will make an annual report to Lakeway on the number of LUEs used and committed as of the date of the report.

When the LUEs allocated by WCID No. 17 equal 50% of a volume limit set forth in paragraph 2.01(b) above, Lakeway and WCID No. 17 will exercise their reasonable engineering judgment to redefine an LUE and the LUE equivalency chart, based on experience as of that date. Thereafter Lakeway and WCID No. 17 will repeat this process annually.

At any time Lakeway may determine, in its own discretion, that a volume limit set forth in paragraph 2.01(b) has been reached, or will be reached at buildout of WCID No. 17 approved development. WCID No. 17 agrees that, after the date on which, in Lakeway's reasonable judgment, a volume limit set forth in paragraph 2.01(b) has been reached, or will be reached at buildout of WCID No. 17 approved Development, it will not allow any new connections to the WCID No. 17 System, except for connections within Development previously approved by WCID No. 17 pursuant to paragraph 2.01(d).

The capacity made available to WCID No. 17 is that stated in paragraph 2.01(b) of this Agreement. LUEs are used solely for planning and accounting purposes. When a capacity limit stated in paragraph 2.01(b) is reached, the number of LUEs made available to WCID No. 17 may be more or less than the number of LUEs that have been paid for.

2.02 Wholesale Service Commitment Not Transferable. WCID No. 17 may not assign or transfer, in whole or in part, Lakeway's commitment to provide wholesale Wastewater service under this Agreement without the prior written approval of Lakeway, which approval may be denied for any reason or for no reason.

2.03 WCID No. 17's Retail Responsibilities. WCID No. 17 will be responsible for providing retail Wastewater service to its customers. WCID No. 17 will be responsible for ensuring compliance by its retail customers with the applicable terms of this Agreement and for the application of its own policies and regulations governing connections to the WCID No. 17 System.

2.04 Curtailed of Service. WCID No. 17 agrees that, if Wastewater service is curtailed within Lakeway or to other wholesale customers of Lakeway's System, Lakeway may impose a corresponding curtailment on wholesale service delivered to WCID No. 17. This Agreement will not be construed to prohibit Lakeway from curtailing service to WCID No. 17 completely, if necessary, for the completion of a maintenance operation or capital replacement, or if required due to an emergency, provided that the curtailment is only for the reasonable period necessary to complete the maintenance operation or capital replacement or repair or to respond to the emergency.

2.05 Cooperation During Maintenance or Emergency. WCID No. 17 will cooperate with Lakeway during periods of emergency, replacement of facilities, or required maintenance. If necessary, upon prior notice from Lakeway sufficient to allow WCID No. 17 to notify its customers, WCID No. 17 will discontinue use of, cycle, test, inspect or otherwise operate and maintain its lift stations or other equipment in a manner reasonably determined by the Lakeway General Manager to be necessary to the safe and efficient completion of repairs or the replacement of facilities, the restoration of service, and the protection of the public health, safety, and welfare.

ARTICLE III: PAYMENTS FOR MAINTAINING CAPACITY AND IMPROVING QUALITY

3.01 Regulatory Changes. If the capacity of Lakeway's Palos Verdes Wastewater Treatment Plant and associated effluent storage and disposal system is reduced from the capacities assigned to such facilities as of the Effective Date of this Agreement, by reason of any law or regulation, or by the action of any governmental agency, excluding Lakeway, Lakeway may proceed as follows:

(a) Lakeway may elect to construct additions or improvements to restore the lost capacity of its Palos Verdes Wastewater Treatment Plant and associated effluent storage and disposal system. In that event, WCID No. 17 shall pay its pro rata share of the cost of the additions and improvements based on the sum of the number of LUEs for which WCID No. 17 has paid LUE fees and the number of LUEs for which WCID No. 17 has not paid LUE fees but which WCID No. 17 is reserving through payment of Reservation Fees. Payment shall be due and payable at the time of award of the construction contract. Lakeway shall provide six months written notice to WCID No. 17 of the regulatory change, related improvements and estimated cost.

(b) In the alternative, Lakeway may elect to not make any additions or improvements. In that event, the total of the number of LUEs that WCID No. 17 has purchased and the number of LUEs that WCID No. 17 has reserved but not yet purchased shall be reduced by the same percentage that the capacity of the Lakeway's Palos Verdes Wastewater Treatment Plant and associated effluent storage and disposal system is reduced. WCID No. 17 shall then pay Reservation and LUE Fees based on the number of LUEs resulting from the foregoing reduction. If the provisions of this paragraph conflict with any other provisions in this Agreement, the provisions of this paragraph shall control.

3.02 Capital Expenditures. If Lakeway makes Capital Expenditures on its Palos Verdes Wastewater Treatment Plant and associated effluent storage and disposal system, other than those addressed in Paragraph 3.01(a) above, WCID No. 17 shall pay its pro rata share of the cost of those improvements. These improvements must be significant and necessary. Payment shall be due and payable at the time of award of the construction contract. Lakeway shall provide six months written notice to WCID No. 17 of the proposed improvements and the estimated cost. WCID No. 17 shall have 30 days after receipt of the foregoing notice to provide Lakeway with comments on the proposed Capital Expenditures. Thereafter, Lakeway may proceed at its sole discretion.

3.03 Infiltration and Inflow. After WCID No. 17 has completed the number of connections that cause the volume of Wastewater to reach any of the limits on service set forth in paragraph 2.01(b), if any one such limit is exceeded by reason of increases in inflow, infiltration, or other causes associated with service to WCID No. 17, Lakeway shall provide written notice to WCID No. 17 of such exceedance. WCID No. 17 shall have 90 days from receipt of such notice to commence action to address the exceedance. If, after one year, WCID No. 17 has failed to address the exceedance in a manner satisfactory to Lakeway, as determined by Lakeway in its sole discretion, WCID No. 17 shall purchase additional capacity by payment of additional LUE fees. The number of additional LUE fees to be paid by WCID No. 17 shall be determined by dividing the capacity that exceeds the limits set forth in Paragraph 2.01(b) by the capacity per LUE. The capacity per LUE shall be determined pursuant to Paragraphs 2.01(b) and (f).

If, after the adjustment described in the foregoing paragraph occurs, the volume of Wastewater from WCID No. 17 exceeds any of the limits on service set forth in paragraph 2.01(b), plus the excess amount for which payment was made pursuant to the preceding paragraph, the parties shall proceed in the manner described in the foregoing paragraph.

3.04 Determination of Cost. The cost of any improvements made the subject of this Article III shall include all costs of planning, design, construction, permitting, legal, engineering and other costs and fees which are reasonably incurred and related to the construction of the improvements.

ARTICLE IV: DESIGN AND CONSTRUCTION OF WASTEWATER FACILITIES

4.01 Master Meters and Point of Delivery. Lakeway agrees to accept and treat Wastewater delivered from WCID No. 17 to a single Master Meter located adjacent to Lakeway's Lift Station #8, which is adjacent to Lakeway's Palos Verdes Wastewater Treatment Plant at 417 Palos Verdes St., Lakeway, Texas. The Point of Delivery shall be the outlet of the meter. The Initial Facilities will include installation of the Master Meter, at a location, and of size, make, and design that is approved in writing by Lakeway's General Manager at the time of design of the Initial Facilities.

4.02 Standards for Plan Approval. Plans and specifications for the Initial Facilities and the Future Facilities must conform to Lakeway's design criteria for Lakeway's System and all applicable federal, state and local laws, ordinances, and regulations in effect at the time of submission.

4.03 Construction of Initial and Future Facilities. All plans and specifications for Initial Facilities and Future Facilities to be constructed by WCID No. 17 will be subject to review and approval of Lakeway's engineer prior to commencement of construction. WCID No. 17 will pay all reasonable costs for Lakeway's engineer to review its plans and specifications. WCID No. 17 agrees not to advertise for bids or award a contract for construction of the Initial Facilities or the Future Facilities until the Lakeway engineer has approved the plans in question.

Prior to the design of the Initial Facilities or the Future Facilities, Lakeway will review the impact on its system of the proposed connection to WCID No. 17. WCID No. 17 will reimburse Lakeway for any engineering expense that Lakeway incurs in performing this review. The Initial Facilities or the Future Facilities will include all modifications to Lakeway's System necessary to accommodate the impact on Lakeway's System of the proposed connection to WCID No. 17. These modifications may be for circumstances such as unusually odorous or corrosive sewage. These modifications will be designed by Lakeway's engineer, the expense of which will be reimbursed to Lakeway by WCID No. 17 within 30 days of the billing of any part of that expense to WCID No. 17 by Lakeway. The modifications described in this paragraph may be constructed by Lakeway or by WCID No. 17, as determined by the Lakeway General Manager. If the modifications are constructed by Lakeway, WCID No. 17 will reimburse Lakeway for the costs incurred by Lakeway in constructing the modifications, within 30 days of the billing of any part of that expense to WCID No. 17 by Lakeway.

4.04 Notice of Construction and Inspection. WCID No. 17 will deliver written notice to the Lakeway General Manager at least 30 days prior to commencing the construction of any of the Initial Facilities or the Future Facilities, which notice shall request approval of the commencement of construction. This notice will describe the facility to be constructed, the location of the construction, the proposed date for commencement of construction, the timetable for construction and any other material aspect of the proposed construction. WCID No. 17 shall not commence construction of the proposed facilities until it receives approval from Lakeway's General Manager. The Lakeway General Manager may inspect the construction of the Initial Facilities or the Future Facilities, in which case WCID No. 17 will reimburse Lakeway for Lakeway's reasonable costs of inspection.

4.05 As-Built or Record Drawings Required. WCID No. 17 will provide as-built or record drawings of all Initial Facilities and all the Future Facilities to the Lakeway General Manager. WCID No. 17 will exercise reasonable diligence to secure the required as-built or record drawings within a reasonable time following the completion of the facilities for which the drawings are to be produced which time will not exceed 180 days from the date of completion and acceptance of the facility.

4.06 Ownership, Operation and Maintenance. Upon completion of construction by WCID No. 17, and final acceptance by Lakeway of the Initial Facilities, ownership of the Master Meter and that part of the Initial Facilities in Lakeway's boundaries shall immediately vest in Lakeway, without further action, and without the necessity of any documents, and will be accepted by Lakeway for ownership, operation and maintenance. The remaining part of the Initial Facilities located in WCID No. 17's boundaries shall be owned, operated and maintained by WCID No. 17. All Future Facilities will be owned, operated and maintained by WCID No. 17. The Master Meter shall be located in Lakeway's boundaries.

ARTICLE V: METERING OF FLOWS

5.01 Metering. Lakeway shall maintain and read the Master Meter. Lakeway shall keep accurate records of all measurements of Wastewater passing through the Master Meter and the records shall be open to inspection by WCID No. 17 during business hours. WCID No. 17 shall have access to the metering equipment at all reasonable times. Upon written request of WCID No. 17, Lakeway will give WCID No. 17 copies of such records or permit WCID No. 17 to have access to the same in the office of Lakeway during reasonable business hours. Lakeway shall calibrate the Master Meter once every two years, at Lakeway's expense, and, if requested by WCID No. 17, shall do so in the presence of a representative of WCID No. 17.

WCID No. 17 may request, in writing, Lakeway to calibrate the Master Meter at anytime. In that event Lakeway shall calibrate the Master Meter and, if requested by WCID No. 17, shall do so in the presence of a representative of WCID No. 17. If upon test of the Master Meter pursuant to the request of WCID No. 17 the percentage inaccuracy of such metering equipment is found to be in excess of four percent (4%), Lakeway shall pay the cost of the calibration. If the percentage inaccuracy of such metering equipment is found to be less than four percent (4%), the cost thereof shall be paid by WCID No. 17.

If upon any test of the Master Meter the percentage inaccuracy of such metering equipment is found to be in excess of four percent (4%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable. If such time is not ascertainable, then for a period extending back one-half time elapsed since the date of calibration, but in no event further back than a period of six months. If the Master Meter is out of service or repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered during the periods such meter is out of service or repair, shall be estimated and agreed upon by the parties hereto upon the basis of the best data available.

ARTICLE VI: RATES AND CHARGES

6.01 Wholesale Wastewater Fees and Rates. Lakeway's charges to WCID 17 for the provision of wholesale Wastewater Service contemplated by this Agreement shall consist of the following:

(a) LUE Fees and Reservation Fees.

(1) Lue Fees: The purchase price of each LUE shall be \$7,300. Capacity made available by Lakeway shall be at least 600 LUEs. More capacity may be made available at Lakeway's discretion.

(2) WCID No. 17 shall purchase at least 80 LUEs within 30 days of the Effective Date of this Agreement.

(3) Reservation Fees: WCID 17 shall pay a Reservation Fee of \$15 per month per LUE for the remainder of the 600 LUEs of capacity being made available by Lakeway for purchase under this Agreement. The initial reservation payment shall be made at the time of the contract signing, and subsequent reservation fee payments shall be made monthly thereafter on all LUEs whose LUE fees not paid for in full. Reservation Fee payments shall not apply to the purchase price of LUE Fees that are due and owing for any LUEs purchased by the District. While this Agreement is in effect WCID No. 17 shall continue to pay Reservation Fees for 600 LUEs less the number of LUE Fees that it has paid.

(4) If WCID 17 fails to pay the required reservation fees at the time they are due, remaining LUEs will revert to Lakeway and shall no longer be available to WCID 17.

(5) WCID No. 17 may pay in full for reserved LUEs at any time prior to the expiration of the applicable reservation period.

(6) At the end of four years from the Effective Date of this Agreement, WCID No. 17 may pay LUE Fees for any remaining reserved but not yet paid for LUEs. If WCID No. 17 elects not to pay LUE Fees for any reserved but not yet paid for LUEs at that time, any remaining reserved but not yet paid for LUEs shall revert to Lakeway, and WCID No. 17 shall no longer pay Reservation Fees and shall no longer be entitled to pay additional LUE Fees.

(7) When any flow limit stated in paragraph 2.01(b) is reached, or projected to be reached based on Development approved by Lakeway's General Manager pursuant to the provisions of paragraph 2.01(d), the number of LUEs used or to be used by WCID No. 17 may be more than or less than the number of LUEs that WCID No. 17 has purchased. If the number of LUEs used or to be used by WCID No. 17 is more than the number of LUEs that WCID No. 17 has purchased, WCID No. 17 shall not be obligated to make an additional payment. If the number of LUEs used or to be used by WCID No. 17 is less than the number of LUEs that WCID No. 17 has purchased, WCID No. 17 shall not be due any refund from Lakeway.

(b) Volume Charge. There will be a monthly Volume Charge for Wastewater. The Volume Charge will be set by Lakeway, and will be adjusted annually by Lakeway when it sets its budget, or at such other times as may be determined by Lakeway. The initial volume charge will be \$5.00 per 1,000 gallons. Lakeway shall provide written notice to WCID No. 17 of its intent to change the Volume Charge 60 days prior to any final decision by Lakeway affecting such charge.

(c) Corrosion, Odor Protection and Other Costs. Any costs incurred by Lakeway, after construction of the Initial Facilities, that are directly attributable to Wastewater received from WCID No. 17, that are not costs used to compute the Volume Charge, such as costs to protect against corrosion or odor, shall be billed to WCID No. 17 in the next month's bill.

(d) Lakeway shall not impose any additional charges or fees other than those specified in this Agreement.

6.02 Billing. Lakeway shall bill WCID No. 17 one time each month for the amounts owed for Wastewater Service. Each bill shall be paid to Lakeway, at its office in Lakeway, on or before twenty (20) days from the date of mailing of the bill to WCID No. 17 (the "Due Date").

6.03 Late Charges. Any amount billed to WCID No. 17 that is not paid by the Due Date shall accrue interest at a rate equal to the lesser of the maximum allowed by law or 1.5% per month. If the bill has not been paid by the Due Date, WCID No. 17 further agrees to pay all costs of collection, including reasonable attorney fees.

6.04 Effect of Nonpayment. If Lakeway has not received payment from WCID No. 17 within 30 days from the Due Date of the monthly bill, or other bill, the bill will be considered delinquent. In the event of any delinquency by WCID No. 17 in the payment of its bill, Lakeway will give written notice to WCID No. 17 of such delinquency and, if WCID No. 17 fails to make payment of the delinquency amount within 30 calendar days from the date of receipt of the written notice, then Lakeway may, at its discretion, temporarily terminate service to WCID No. 17 until payment is made. WCID No. 17 understands and agrees that it will not allow or make any new Wastewater connections to WCID No. 17's System after it receives the foregoing written notice until the delinquency is cured.

6.05 Billing Disputes. If WCID No. 17 disputes a bill, it shall nevertheless pay the bill, in full, pending such refund as may be determined as a result of appeal of the disputed bill. The dispute may be resolved by agreement, or by appropriate administrative agency or court decision.

6.06 WCID No. 17 Wastewater Rates and Charges and Taxes. WCID No. 17 agrees throughout the term of this Agreement to continuously operate and maintain WCID No. 17's System, and to fix and collect such rates and charges for its Retail Wastewater Services, which, together with any lawfully available tax or other revenue, will produce revenues in an amount equal to at least all payments under this Agreement, all other amounts as required by provisions of the orders or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding, and all costs of the operation and maintenance of WCID No. 17's System.

ARTICLE VII: WASTEWATER QUALITY

7.01 Condition of Wastewater Delivered. WCID No. 17 agrees to use good faith, diligent efforts to operate and maintain the WCID No. 17 System so as to ensure that Wastewater delivered to the Lakeway System will be in a condition that is non-corrosive and otherwise non-injurious to the facilities constituting the Lakeway System.

7.02 Non-Domestic Wastes.

(a) WCID No. 17 acknowledges that Lakeway may establish and amend from time to time:

- (1) types and quantities of discharges that are prohibited from entry into the Lakeway System;
- (2) discharge prohibitions for certain substances;
- (3) pretreatment, permitting, monitoring, and other requirements for persons who discharge prohibited substances; and
- (4) measures to protect Lakeway's System.

(b) WCID No. 17 will require all persons discharging Wastewater containing Non-Domestic Waste to the WCID No. 17 System to comply with Lakeway's rules and regulations regarding pretreatment. Persons discharging Non-Domestic Waste are to abate prohibited substances from their waste stream and are to conform their discharges to Lakeway's requirements, and WCID No. 17's regulations respecting the discharge of Non-Domestic Waste and pretreatment.

(c) WCID No. 17 will submit all plans for projects involving Non-Domestic Waste to Lakeway for approval, before the connection is made. Lakeway will determine whether WCID No. 17's wastewater plumbing code, which shall be the same as Lakeway's wastewater plumbing code, will adequately provide for the proposed Non-Domestic Waste. If not, Lakeway will prescribe the pretreatment requirements, which will be incorporated into the permit.

(d) WCID No. 17 agrees to seek injunctive or other appropriate relief to prohibit Wastewater discharges that will damage Lakeway's System, pass through Lakeway's System without adequate treatment, interfere with Lakeway's treatment system, interfere with Lakeway's compliance with its TCEQ waste discharge permit or otherwise pose an imminent danger to public health, or if a specific customer is not making sufficient progress toward implementing an approved pretreatment system.

(e) WCID No. 17 will reimburse Lakeway for any legal, engineering or other consultant expense that Lakeway incurs in addressing Non-Domestic Waste that it receives from WCID No. 17.

7.03 Sampling and Testing.

(a) WCID No. 17 agrees that Lakeway will have the right, at its option and expense, to sample wastewater discharges within the WCID No. 17 System at any location within the wastewater collection system.

(b) WCID No. 17 will make necessary arrangements for and provide assistance to Lakeway in obtaining lawful access to sampling points within WCID No. 17. WCID No. 17 agrees that its rules will provide that any of its individual customers found to be in violation of WCID No. 17's rules regarding allowable discharges or who refuse access for the purpose of

sampling may be disconnected from WCID No. 17's System.

(c) Unless otherwise determined by Lakeway, all samples will be collected and analyzed in accordance with the methods approved by EPA as set forth in Title 40, Code of Federal Regulations, Part 136, as amended.

ARTICLE VIII: STANDARDS FOR CONNECTIONS TO WCID NO. 17'S SYSTEM

8.01 WCID No. 17 Prevention of Infiltration and Inflow. WCID No. 17 will undertake reasonable measures to prevent entrance of Infiltration and Inflow into WCID No. 17's System. If Wastewater delivered by WCID No. 17 to the Master Meter exceeds 344 gpd per LUE (which is twice the current dry weather daily average flow) in any 24-hour period, WCID No. 17 will promptly present to Lakeway, for review and approval, an action plan to reduce Infiltration and Inflow. Upon receipt of Lakeway's approval of the action plan, WCID No. 17 will promptly proceed to implement that plan.

8.02 Construction and Testing Criteria for WCID No. 17 Wastewater Connections.

(a) The physical connection of each service line to the WCID No. 17 System facility will be the responsibility of WCID No. 17 and will not be left to the discretion of the plumber or contractor, unless the plumber or contractor is under the direct supervision of, or the work is inspected by, WCID No. 17's authorized representative.

(b) WCID No. 17 will maintain strict supervision and maintenance of its Wastewater facilities to prevent connections such as roof drains, air conditioning condensate, or any other connections that allow surface drainage to enter the WCID No. 17 System and then discharge to the Lakeway System.

(c) WCID No. 17 will adopt the same wastewater plumbing Code that is adopted by Lakeway, as it may be amended from time to time by Lakeway. Connections made to the WCID No. 17 System will be made using only materials permitted by that code. WCID No. 17 will inspect all connections to the WCID No. 17 System.

ARTICLE IX: LIABILITY FOR DAMAGES AND RESPONSIBILITY FOR TREATMENT AND DISPOSAL OF WASTEWATER

9.01 Liability of WCID No. 17. Liability for damages to third persons arising from the reception, transportation, delivery, and disposal of Wastewater under this Agreement will remain with WCID No. 17 to the Points of Entry. With the exception of the delivery by WCID No. 17 of Wastewater that is corrosive or otherwise injurious to the Lakeway System, upon passing through the Point of Entry, liability for damages to third persons will pass to Lakeway.

9.02 Liability of Lakeway. Subject to Section 9.01, Lakeway will bear the responsibility between the Parties for the proper reception, transportation, treatment and disposal of all Wastewater received by it at Points of Entry. However, this Agreement will not be construed to absolve WCID No. 17 of liability for damages to the Lakeway System or to third persons arising from the delivery by WCID No. 17 of Non-Domestic Wastes that is corrosive or otherwise damaging to the Lakeway System.

ARTICLE X: FORCE MAJEURE

10.01 Effect of Force Majeure. Lakeway shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to "Force Majeure." The term "Force Majeure" as employed herein shall mean: any act of God including but not limited to storms, floods, washouts, droughts, landslides, and lightning; acts of a public enemy, wars, blockades, insurrections, or riots; strikes or lockouts; epidemics or quarantine regulations; laws, acts, orders, or requests of federal, state, municipal, or other governments or governmental officers or agents under color of authority; freight embargos or failures; exhaustion or unavailability or delays in delivery of any product, labor, service or material. If Lakeway is required, ordered, or directed by any federal, state, or municipal law, executive order, rule, regulation, or request enacted or promulgated under color of authority to cease performance of any agreement or covenant hereunder, or if Lakeway by Force Majeure is prevented from performance of any agreement or covenant hereunder, then until such time as such law, order, rule regulation, request, or Force Majeure is terminated, and for a period of thirty (30) days after such termination, each and every obligation of Lakeway under this Agreement shall be suspended and inoperative and this Agreement shall continue in full force.

The settlement of strikes, lockouts and other industrial or labor disturbances will be entirely within the discretion of the Party having the difficulty and the requirement that any Force Majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the Party having the difficulty.

ARTICLE XI: TERM OF AGREEMENT; DEFAULT

11.01 Term of Agreement. This Agreement will become effective on the date of due execution by the authorized representatives of Lakeway and WCID No. 17 and continue for a period of 30 years thereafter, unless earlier terminated in accordance with the provisions hereof or extended by agreement of the Parties.

11.02 Default Process. The following provisions will apply in the event of Default:

(a) Default Proceedings for Non-Payment of Delinquent Bill. The default procedure for non-payment of the bills shall be as set forth in Article 6 of this Agreement, and, to the extent not remedied by that procedure, shall be as set forth in the following paragraph 11.02(b).

(b) Process for Defaults Other Than Non-Payment of Delinquent Bill. If one Party believes that the other Party is in Default of any provision of this Agreement, the non-defaulting Party will give written notice to the other Party, specifying the event of Default and extending the defaulting Party 90 days to cure the Default or, if the curative action cannot reasonably be completed within 90 days, 90 days to commence the curative action and thereafter to diligently pursue the curative action to completion. This 90 day period for notice and opportunity to cure must pass before the non-defaulting Party may initiate any remedies available to the non-defaulting Party due to an alleged Default. The non-defaulting Party must mitigate any direct or consequential damages arising from any Default to the extent reasonably possible under the circumstances. If the default is not cured within the 90 day period, or if curative action is not commenced or diligently pursued in the case of curative action that cannot reasonably be completed in 90 days, the non-defaulting party may pursue all remedies, at law or in equity, that it deems appropriate to redress such Default. Nothing in this Agreement will be construed to limit either Party's right to recover damages or to seek other appropriate curative remedies, such as relief by injunction or mandamus, if a non-defaulting Party files a breach of contract action relating to this Agreement.

ARTICLE XII: GENERAL PROVISIONS

12.01 Covenant of Good Faith and Fair Dealings. Lakeway and WCID No. 17 agree to cooperate and to deal with one another fairly and in good faith at all times to effectuate the purposes and intent of this Agreement. They also agree to execute and deliver such further legal documents or instruments and to perform such further acts as are reasonably necessary to effectuate the purposes and intent of this Agreement.

12.02 Notices. Any notice to be given hereunder by either party to the other party shall be in writing and may be effected by personal delivery, by facsimile, or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when received by facsimile or by personal delivery, or three days after deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to Lakeway shall be addressed:

Lakeway Municipal Utility District
1097 Lohmans Crossing Road
Lakeway, Texas 78734
Attn: General Manager
Ph (512) 261-6222
Fax (512) 261-6681

Any such notice mailed to WCID No. 17 shall be addressed:

Travis County W.C.I.D. No. 17
3812 Eck Lane
Austin, Texas 78734
Attn: General Manager
Ph (512) 266-1111
Fax (512) 266-2790

Either party may change the address or facsimile number for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

12.03 Approvals. Whenever the term “approve” or “approval” is used in this Agreement, the Party whose approval is required will not unreasonably withhold or delay it. Where approval is necessary, the Party seeking approval may request approval in writing. If the Party whose approval is requested fails to either approve the submittal or provide written comments specifically identifying the required changes within 21 working days, the submittal, as submitted by the requesting Party, will be deemed to have been approved by the Party whose approval is requested.

12.04 Waiver. The failure on the part of either party to require performance by the other of any portion of this Agreement shall not be deemed a waiver of, or in any way affect that party's rights to enforce such provision. Any waiver by either party or any provision of this Agreement shall not be a waiver of any other provision hereof.

12.05 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

12.06 Attorney's Fees. In the event either party shall become a party to any litigation against the other to enforce or protect any rights or interest under this Agreement and shall prevail, the losing party shall reimburse the prevailing party for all investigative and court costs and attorney's fees incurred in such litigation.

12.07 Governing Law. This Agreement shall be governed by the laws of the State of Texas and venue shall lie in Travis County, Texas.

12.08 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

12.09 Time. Time is of the essence. Unless otherwise specified, all references to “days” means calendar days. If the date for performance of any obligation falls on a Saturday, Sunday, or legal public holiday, the date for performance will be the next following regular business day.

12.10 No Partnership, Agency or Third Party Beneficiaries Intended. Nothing in this Agreement will be construed as creating any form of partnership or joint venture relationship between the parties, nor shall either party be authorized to act as an agent for the other party. Nothing in this Agreement shall be construed to confer any right, privilege or benefit on, or to otherwise create any vested right or third-party beneficiary relationship with any person or entity not a party to the Agreement.

12.11 Authority. Each of the persons signing on behalf of WCID No. 17 and Lakeway hereby confirm that they have the authority to execute this Agreement on behalf of the party indicated by their signature and have the authority to bind such party hereto.

12.12 Headings. The captions and headings appearing in this Agreement are inserted merely to facilitate reference and will have no bearing upon its interpretation.

12.13 Compliance with All Laws. WCID No. 17 and Lakeway agree that each of them will comply with all applicable federal, state, and local laws and any applicable ordinances, rules, orders, and regulations of any of the authorities having jurisdiction in carrying out its duties and obligations hereunder. However, nothing contained in this Agreement shall be construed as a waiver of any right to question or contest any law, ordinance, order, rule, or regulation in any forum having jurisdiction.

12.14 Entire Agreement. This Agreement contains all agreements between the parties hereto and any agreement not contained herein shall not be recognized by the parties. The captions used herein are for convenience only and shall not be used to construe this Agreement. Words of gender shall be construed to include any other gender, and words in the singular shall include the plural and vice versa unless the context requires otherwise.

12.15 Counterparts. This Agreement may be executed by the parties in any number of counterparts, each of which when so executed and delivered shall be deemed an original instrument, but all such counterparts together shall constitute but one and the same instrument.

12.16 Effective Date. This Agreement will become effective on the date of execution by the authorized representatives of both Lakeway and WCID No. 17.

12.17 Exhibits. The following exhibit is attached to this Agreement and incorporated herein by reference.

Exhibit "A": LUE Equivalency Chart.

[SIGNATURES TO FOLLOW]

LAKEWAY MUNICIPAL UTILITY DISTRICT

By: Thomas J. Rogee
President
Date: 11/28/05

TRAVIS COUNTY
W.C.I.D. NO. 17

By: David Lewis Steed
President
Date: 23 Dec 05

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

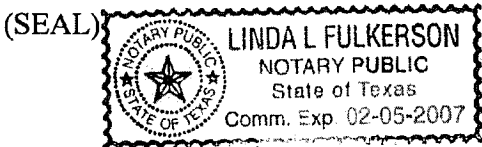
THIS INSTRUMENT was acknowledged before me on this the 28th day of November, 2005, by Karri Teaford, of Lakeway Municipal Utility District, on behalf of the District.



Karri Teaford
Notary Public Signature

THE STATE OF TEXAS §
§
COUNTY OF TRAVIS §

THIS INSTRUMENT was acknowledged before me on this the 23rd day of December, 2005, by DAVID LEWIS STEED, President of Travis County Water Control and Improvement District No. 17, on behalf of the District.



Linda L. Fulkerson
Notary Public Signature

EXHIBIT "A"

Equivalent Unit Conversions	
Facility Use	Equivalent to 1 LUE
Office	3,000 sq.ft
Retail	1,660 sq.ft.
Restaurant	400 sq.ft.
School	13 students
Hotel	2 rooms
Church	70 seats
Irrigation	1 meter
Rest Home	2 beds
Residence	1 living quarters

The Equivalent Unit Conversion table above may be adjusted using known criteria. For example, if a school prepares meals and has a dishwashing operation, the District will adjust the criteria accordingly. The District will consider flow volume, BOD and TSS waste strength when assigning LUE to a waste source.

Peak Meter Capacities			
LUEs	Meter Size	Meter Type	Recommended Peak gpm
1	5/8	Displacement	16
1	3/4	Displacement	24
2	1	Displacement	40
5	1 1/2	Displacement	80
8	2	Displacement	130
8	2	Combination	130
8	2	Turbine	130
17	3	Combination	255
18	3	Turbine	280
26	4	Combination	400
33	4	Turbine	500
53	6	Combination	800
73	6	Turbine	1,100
86	8	Combination	1,300
126	8	Combination	1,900

1.9 Annexation

If it is determined by the District that the property listed in the application for service is not within the District's taxing jurisdiction or within the District's CCNs, the property must be annexed before service can be provided. The District Board of Directors approves annexation of property at the monthly Board meetings as they are requested by property owners. Documents supplied by the District which must be completed by the Applicant are:

1. Petition for Addition of Lands;
2. Certificate Regarding Lien Holder Status, Consent of Lien Holder; and
3. Certificate Regarding Residents.

After the Applicant has paid the current annexation fees and submitted the completed documents listed above, the annexation request will be placed on the agenda of the next Board meeting and the District will complete the Certificate of Ownership. Once the Board has approved the Petition for Addition of Land and the Order Adding Land, all other District requirements for service must be met before service can begin.

After the annexation process is completed, the District will notify the taxing office of the addition of property to the District.

After the District receives verification from the taxing office that addition(s) of property to the District has been completed, the General Manager will be responsible for ensuring a 100 percent audit of all properties added to the District each fiscal year. Specifically, the General Manager shall ensure that all required documents were properly received by Travis County, recorded and added to the Travis Central Appraisal District. A report on the results of such audit will be provided to the Board of Directors prior to the end of each Calendar year.

2.1.9 Miscellaneous

Annexation Fee: The following charges are collected at the time an Applicant submits a petition for annexation.

Unplatted Tracts of Land: \$400.00 - 1st acre, \$10/acre for incremental acreage

Platted Lots: \$400.00 per lot, or 1st acre, \$10/acre for incremental acreage

Multiple Lots and/or Multiple Tracts

The lots/tract must be contiguous to qualify for this fee.

\$400.00 - 1st acre, or 1st lot

Incremental acreage over one acre per lot - \$10/acre or fraction thereof

\$25.00 for each additional lot/tract

Customer Mailing List: \$15.00 On labels - \$75.00

Maps: District Map 11 x 17	\$ 1.00
Plot page 18 x 24	\$ 4.00
Wall Map 42 x 50	\$100.00

Meter Key Deposit: \$25.00 (three working days to return or forfeit deposit)

Voter List: \$40.00

Research: \$40.00/hour, \$5.00 minimum

Return ~~Check~~ Payment Fee: \$25.00. After three (3) returned checks-payments within one (1) year, the account is put on a cash basis for a full year following. This fee also applies to any payments returned as "Stop Payments", "Closed Accounts" or "Non-Sufficient Funds" or payments returned in an electronic format such as ACH or Electronic Funds Transfer.

Copies Made Pursuant to the Texas Public Information Act

The charges for obtaining copies of District records pursuant to a request for public information will be assessed pursuant to Chapter 552, Texas Government Code and the regulations of the Texas Attorney General. Such charges may include the following:

- a. Standard-size, black and white, paper copy - \$0.10 per page
- b. Nonstandard-size copy:
 - 1. diskette - \$1.00 each
 - 2. CD - \$1.00 each
 - 3. magnetic tape – actual cost
 - 4. audio cassette - \$1.00 each
 - 5. other – actual cost
- c. Personnel charge - \$15.00 per hour
- d. Microfiche or microfilm charge:
 - 1. paper copy - \$0.10 per page
 - 2. fiche or film copy – actual cost
- e. Miscellaneous supplies – actual cost
- f. Postage and shipping charge – actual cost
- g. Overhead charges, per Texas Public Information Act and regulations of the Texas Attorney General, will be applied whenever applicable to a request and will be computed at 20% of the labor charge.

6.0 STANDARDS AND PROCEDURES FOR CONSTRUCTION AND DEVELOPMENT OF WATER, WASTEWATER, AND DRAINAGE FACILITIES

6.1 Purpose

The Board of Directors has determined that it is in the best interest of the District and its residents for all Development plans including Subdivisions and re-Subdivisions to be reviewed and approved to ensure the integrity of systems and to plan for future needs. These procedures provide for uniform and standard criteria for project Development and construction.

6.2 General Construction and Connection Procedures

The design, construction, and maintenance of all water and wastewater facility Developments within the District shall comply with all requirements of the City of Austin or the City of Lakeway, as applicable, TCEQ, and Travis County standard specifications as modified by the District.

Alterations, modifications, or expansion of existing facilities shall only be done upon approval from the Board of Directors. Step by step procedures for construction Development and approval are outlined in this policy. If construction has not started on an approved set of plans within six (6) months, and changes have been made to construction standards or standard details, the Developer will be required to follow the new standards.

The District General Manager, with advice from the District Engineer, shall have the authorization to approve construction and easement variances in the best interest of the District.

6.2.1 Feasibility Studies

a. Upon submission of required information and payment by a Developer of the fees specified, the District, in its discretion, may require a feasibility study for any tract of land within the District's Service Area to determine if there exists sufficient capacity in the District's System to serve a proposed Subdivision or Development, or if a need exists for an expansion to capacity, production, storage, or general purpose transmission facilities, or a combination to serve the proposed Subdivision, or Development. Each feasibility study shall include the following:

1. A map or plat showing the proposed Subdivision, its proximity to existing general purpose transmission facilities, and those improvements necessary to connect such facilities. The map or plat must show the legal description and the dimensions of the lots and/or tracts that result from the Subdivision of the property. The map or plat must be signed and sealed by a licensed surveyor or registered professional engineer.

3.21 EMPLOYEE FITNESS ENHANCEMENT

The District wishes to encourage employee fitness. As part of employee fitness, the District may provide access to a corporate membership rate at one of two participating gyms: Gold's and Bodywise. This membership requires that the employee provides written authorization for the District to withdraw required membership fees directly from the employee's bi-weekly compensation to cover all monthly costs of the membership. The District shall reimburse a maximum of \$20 per month per employee for this program.

As an alternate program, the District shall provide an annual reimbursement, up to a maximum of \$240 per employee per fiscal year, for individual qualified expenses incurred that involve wellness activities in which the employee is the purchaser and participant. Receipts for each fiscal year (October 1 to September 30) are required to be turned in to Human Resource between September 1 and September 15 each fiscal year for lump sum reimbursement.

Examples of alternate programs include, but are not limited to:

- Fitness club membership;
- Weight loss programs;
- Organized athletic event entry fees (i.e. 5K, 10K, Marathon);
- Club or League sport registration fees;
- Free weights purchase;
- Wellness programs (nutrition and fitness related);
- Exercise machines (i.e. treadmills, stationary bikes); and/or
- Bicycles.

Prior to expenditure when an employee is unsure if a desired program qualifies for reimbursement, employee must contact the General Manager to ensure the expense does qualify for reimbursement.

To receive full or partial reimbursement under this plan, employees must provide the following: original receipt with employees name on it, and payment method such as a copy of cancelled check, debit or credit card statement or bank statement.