



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, May 19, 2016, 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

- I. CALL TO ORDER
- II. ESTABLISH A QUORUM
- III. DISCUSS/CONSIDER/TAKE ACTION ON QUALIFICATION OF ELECTED DIRECTORS
- IV. ADMINISTER OATH OF OFFICE TO ELECTED DIRECTORS
- V. DISCUSS/CONSIDER/TAKE ACTION ON APPOINTMENT OF BOARD OFFICERS AND BOARD COMMITTEES
- VI. DISCUSS/CONSIDER/TAKE ACTION ON RESOLUTION TO INDEMNIFY ELECTED DIRECTORS
- VII. 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
- VIII. CONSENT AGENDA
 - A. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT
 1. Steiner 24" Waterline Improvements, Pay Estimate # 5-Final, Central Road and Utility, Ltd.
 2. Eck Lane WTP Backwash Improvements, Pay Estimate #3, Protta Construction Inc. and Protta Inc, JV
 3. Flintrock Wastewater Treatment Plant Expansion, Pay Estimate #1, PLW Central Texas
 - B. APPROVE PAYMENT OF CURRENT INVOICES
 - C. APPROVE MINUTES – April 21, 2016 Meeting
- IX. PUBLIC COMMENT, 6:30 P.M.
- X. OLD BUSINESS
 - A. DISCUSS/CONSIDER/TAKE ACTION REGARDING WHOLESALE WATER SERVICE TO THE APPROXIMATE TEN ACRE COMMERCIAL TRACT AT THE NORTHEAST CORNER OF HIGHWAY 71 WEST AND BEE CREEK ROAD IN THE SERENE HILLS DEFINED AREA

XI. NEW BUSINESS

- A. DISCUSS/CONSIDER/TAKE ACTION REGARDING SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2016:**
 - 1. REQUEST BY DEVELOPER TO WAIVE LIMITATION ON TWO-YEAR DEVELOPER INTEREST ON LAND COSTS; AND**
 - 2. AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BOND**

- B. DISCUSS/CONSIDER/TAKE ACTION ON RECOMMENDATION BY THE DISTRICT'S FINANCIAL ADVISOR REGARDING REFINANCING CERTAIN WATER DEVELOPMENT REVENUE REFUNDING BONDS, INCLUDING:**
 - 1. APPROVING RESOLUTION AUTHORIZING THE ISSUANCE OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 WATER DEVELOPMENT REVENUE REFUNDING BONDS IN ONE OR MORE SERIES;**
 - 2. APPROVING THE OFFICIAL STATEMENTS;**
 - 3. AUTHORIZING EXECUTION OF ONE OR MORE BOND PURCHASE AGREEMENTS, PAYING AGENT/REGISTRAR AGREEMENTS AND ESCROW AGREEMENTS;**
 - 4. ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING ONE OR MORE SERIES OF THE BONDS; AND**
 - 5. AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS**

- C. DISCUSS/CONSIDER/TAKE ACTION REGARDING CONTRACT AWARD FOR DISTRICT LANDSCAPE MAINTENANCE AND SERVICES**

- D. DISCUSS/CONSIDER/TAKE ACTION REGARDING AMENDED INFORMATION FORM FILED PURSUANT TO SECTION 49.455 OF THE TEXAS WATER CODE FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17**

XII. THE BOARD WILL MEET IN EXECUTIVE SESSION REGARDING WHOLESALE WATER SERVICE TO THE APPROXIMATE TEN ACRE COMMERCIAL TRACT AT THE NORTHEAST CORNER OF HIGHWAY 71 WEST AND BEE CREEK ROAD IN THE SERENE HILLS DEFINED AREA, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072

XIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO CONSIDER THE REQUEST BY THE DEVELOPER TO WAIVE THE LIMITATION ON TWO-YEAR DEVELOPER INTEREST ON LAND COSTS FOR THE SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2016 AND TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072

XIV. ADJOURNMENT


Linda R. Sandlin
Administrative Assistant



STATEMENT OF ELECTED/APPOINTED OFFICER

(Pursuant to Tex. Const. art. XVI, §1(b), amended 2001)

I, Jeff Roberts, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE READ THE FOREGOING STATEMENT AND THAT THE FACTS STATED THEREIN ARE TRUE.

Jeff Roberts

Director, Travis County Water Control and Improvement District No. 17
Travis County, Texas

SWORN TO and subscribed before me this _____ day of May, 2016, by Jeff Roberts.

Notary Public

(SEAL)

STATEMENT OF ELECTED/APPOINTED OFFICER

(Pursuant to Tex. Const. art. XVI, §1(b), amended 2001)

I, Jerri Lynn Ward, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

UNDER PENALTIES OF PERJURY, I DECLARE THAT I HAVE READ THE FOREGOING STATEMENT AND THAT THE FACTS STATED THEREIN ARE TRUE.

Jerri Lynn Ward

Director, Travis County Water Control and Improvement District No. 17
Travis County, Texas

SWORN TO and subscribed before me this _____ day of May, 2016, by
Jerri Lynn Ward.

Notary Public

(SEAL)

**Form 2204 - Oath of Office
(General Information)**

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Execution and Delivery Instructions

The Oath is considered filed once it has been received by this office.

Mail: P.O. Box 12887, Austin, Texas 78711-2887.

Overnight mail or hand deliveries: James Earl Rudder Officer Building, 1019 Brazos, Austin, Texas 78701.

Fax: (512) 463-5569. If faxed, the original Oath should also be mailed to the appropriate address above.

Email: Scanned copies of the executed Oath may be sent to register@sos.state.tx.us. If emailed, the original Oath should also be mailed to the appropriate address above.

NOTE: Do not have the Oath of Office administered to you before executing and filing the Statement of Officer (Form 2201 – commonly referred to as the “Anti-Bribery Statement”) with the Office of the Secretary of State.

Commentary

All state or county officers, other than the governor, lieutenant governor, and members of the legislature, who qualify for office, are commissioned by the governor. Tex. Gov't Code, Section 601.005. The Secretary of State performs ministerial duties to administer the commissions issued by the governor, including confirming that officers are qualified prior to being commissioned. Submission of this oath of office to the Office of the Secretary of State confirms an officer's qualification so that the commission may be issued.

Pursuant to art. XVI, Section 1 of the Texas Constitution, the Oath of Office *may not* be taken until a Statement of Officer (see Form 2201) has been subscribed to and, as required, filed with the Office of the Secretary of State. Additionally, gubernatorial appointees who are appointed during a legislative session *may not* execute their Oath until after confirmation by the Senate. Tex. Const. art. IV, Section 12. A Statement of Officer form required to be filed with the Office of the Secretary of State is filed upon receipt by the Secretary of State. The Oath of Office may be administered by anyone authorized under the provisions of Chapter 602 of the Texas Government Code. Commonly used officials include notaries public and judges.

Officers Required to File Oath of Office with the Secretary of State:

- Gubernatorial appointees, appellate and district court judges, and district attorneys
- Directors of districts operating pursuant to chapter 36 or 49 of the Texas Water Code file a duplicate original of their Oath of Office within 10 days of its execution. Tex. Water Code Ann. Sections 36.055(d); 49.055(d)

Officers Not Required to File Oath of Office with the Secretary of State:

- Members of the Legislature elected to a *regular* term of office will have their Oath of Office administered in chambers on the opening day of the session and recorded in the appropriate Journal. Members elected to an *unexpired* term of office should file their Oath of Office with either the Chief Clerk of the House or the Secretary of the Senate, as appropriate.
- All other persons should file their Oaths locally. Please check with the county clerk, city secretary or board/commission secretary for the proper filing location.

Questions about this form should be directed to the Government Filings Section at (512) 463-6334 or register@sos.state.tx.us.

Revised 10/2011

This space reserved for office use

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334



OATH OF OFFICE

Filing Fee: None

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,
I, Jeff Roberts, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Travis County Water Control and Improvement District No. 17 of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

Signature of Officer

.....
State of Texas)
County of Travis)

Sworn to and subscribed before me
this 19th day of May, 2016.

(seal)

Signature of Notary Public or Other Officer
Administering Oath

Printed or Typed Name

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Revised 10/2011

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Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334



OATH OF OFFICE

Filing Fee: None

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,

I, Jerri Lynn Ward, do solemnly swear (or affirm), that I will faithfully execute the duties of the office of Travis County Water Control and Improvement District No. 17 of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God.

Signature of Officer

.....
State of Texas)
County of Travis)

Sworn to and subscribed before me
this 19th day of May, 2016.

(seal)

Signature of Notary Public or Other Officer
Administering Oath

Printed or Typed Name

CURRENT
Travis County WCID 17 Board of Directors

Officers

President	Jeff Roberts
Vice President	Mickey Decker
Secretary	Jerri Ward
Alternate Secretary	Rob Carruthers
Director	David Lewis Steed

Committees

Budget/Finance:	David Steed	Rob Carruthers
Communication/ Conservation/Parks:	Mickey Decker	Rob Carruthers
Legal:	David Steed	Jerri Ward
Planning:	David Steed	Jeff Roberts
Policy:	Jerri Ward	Mickey Decker

RESOLUTION TO INDEMNIFY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17:

WHEREAS, the Board of Directors of Travis County Water Control and Improvement District No. 17 (“the District”) desires to adopt a resolution indemnifying the directors of the District in cases where claims or actions are brought against individual directors in connection with the performance of their official duties for the District.

NOW THEREFORE, be it resolved by the Board of Directors of Travis County Water Control and Improvement District No. 17 that:

Section 1. The District shall indemnify Director Jeff Roberts, if such director was, is or is threatened to be made a named defendant or respondent in a proceeding, whether civil, criminal, administrative, arbitrative, or investigative, including all appeals, because that person is or was a director of the District. Indemnification shall be against all expenses, including, without limitation, attorneys’ fees, court costs, expert witness fees, judgments, decrees, fines, penalties, and reasonable expenses actually incurred by such director in connection with the proceeding, except that if such director is found liable to the District or is found liable on the basis that he improperly received personal benefit, then indemnification shall be limited to reasonable expenses actually incurred by such director in connection with the proceeding, and shall not be made in respect of any proceedings in which such director shall have been found liable for willful or intentional misconduct in the performance of his duty to the District.

Section 2. The indemnification provided in this resolution shall also extend to good-faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board of Directors may, in proper cases, extend the indemnification to cover the good-faith settlement of any such action, suit, or proceeding, whether formally instituted or not.

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PASSED, APPROVED, AND ADOPTED this 19th day of May, 2016.

TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17

(SEAL)

By: _____

Name: _____

Title: President, Board of Directors

ATTEST:

By: _____

Name: _____

Title: Secretary, Board of Directors

RESOLUTION TO INDEMNIFY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17:

WHEREAS, the Board of Directors of Travis County Water Control and Improvement District No. 17 (“the District”) desires to adopt a resolution indemnifying the directors of the District in cases where claims or actions are brought against individual directors in connection with the performance of their official duties for the District.

NOW THEREFORE, be it resolved by the Board of Directors of Travis County Water Control and Improvement District No. 17 that:

Section 1. The District shall indemnify Director Jerri Lynn Ward, if such director was, is or is threatened to be made a named defendant or respondent in a proceeding, whether civil, criminal, administrative, arbitratve, or investigative, including all appeals, because that person is or was a director of the District. Indemnification shall be against all expenses, including, without limitation, attorneys’ fees, court costs, expert witness fees, judgments, decrees, fines, penalties, and reasonable expenses actually incurred by such director in connection with the proceeding, except that if such director is found liable to the District or is found liable on the basis that he improperly received personal benefit, then indemnification shall be limited to reasonable expenses actually incurred by such director in connection with the proceeding, and shall not be made in respect of any proceedings in which such director shall have been found liable for willful or intentional misconduct in the performance of his duty to the District.

Section 2. The indemnification provided in this resolution shall also extend to good-faith expenditures incurred in anticipation of, or preparation for, threatened or proposed litigation. The Board of Directors may, in proper cases, extend the indemnification to cover the good-faith settlement of any such action, suit, or proceeding, whether formally instituted or not.

[Remainder of Page Intentionally Left Blank]

PASSED, APPROVED, AND ADOPTED this 19th day of May, 2016.

TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17

(SEAL)

By: _____

Name: _____

Title: President, Board of Directors

ATTEST:

By: _____

Name: _____

Title: Secretary, Board of Directors



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, March 17, 2016 at 6:00 p.m. This meeting was scheduled and conducted in compliance with the Texas Open Meetings Act.

I. CALL TO ORDER

President Roberts called the meeting to order at 6:01 p.m.

II. ESTABLISH A QUORUM

A quorum was established with Directors Decker, Roberts, Steed and Ward present. Director Carruthers was absent. General Manager Deborah Gernes, General Counsel Lauren Kalisek and Ashleigh Acevedo, and District Engineer Will Pena 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

Manager Gernes reported that in addition to the written report

- She, along with Thurman Carlisle, Supervisor of Water Operations, had formulated and submitted a new monitoring plan which lists every water test done by the District in both plants and the distribution system to the Texas Commission on Environmental Quality based on a change in the total coliform rule (Revised Total Coliform Rule RTCR.) She said another new rule required the District to formulate and carry out a Nitrification Action Plan which requires nitrate and nitrite testing to monitor the effectiveness of chloramine disinfection. She said this plan had also been written and submitted, and that nitrate/nitrite testing would begin soon.
- Continuing on with water testing, the Lake Travis Independent School District (LTISD) facilities manager, Wesley Perkins, reached out to discuss lead and copper testing because of parent's inquiries about this issue due to the recent Flint Michigan lead problems. Manager Gernes said she offered to do tests at the LTISD schools in the District if they requested it and offered any assistance to Mr. Perkins. She also directed him to the District's lead information on the website.

- The Public Utility Commission (PUC) now has authority over CCNs (Certificate of Convenience and Necessity) instead of the Texas Commission on Environmental Quality (TCEQ,) and was writing its' own regulations and had issued a draft version. She said David Klein of Lloyd Gosselink had reviewed the proposed rules and would issue his comments to the PUC if all clients approve. Manager Gernes said she had reviewed the comments with Mr. Klein and had approved them.
- The South Shore Forum met this morning and she learned that a portion of the proposed improvements to FM 620 from Lakeway Boulevard to Highway 71 was moving faster than expected. Ms. Gernes advised the Board again that the FM 620 improvement project could potentially cost the District many millions of dollars in utility relocation costs. She said the District needed to start planning now for financing methods and would add this issue to the Planning Committee agenda.
- She and President Roberts met with senior officers of Austin Energy, Debbie Kimberley, Vice President of Customer Energy Solutions and two senior staff members to discuss potential rate changes and other issues affecting the District. She said that Austin Energy now has a new program that will allow the District to model its usage and make cost projections for the more than 100 accounts of the District, using current and historical information to review how rate changes could affect future budgets. She said another opportunity the District would be taking advantage of was a means to receive rebates for load shedding during peak times by joining a coop. District 17 will also be receiving a small rebate for some of the energy efficient equipment at the Mansfield Water Treatment Facility. Discussions were held regarding the rate classification of the District and why the District cannot qualify as a state agency to receive a lower rate. The unfairness of financial transfers made by Austin Energy to the City of Austin General Fund was also discussed. President Roberts concluded that the meeting was a good information exchange for both the District and Austin Energy.

- The requested information regarding the 2012 financial contributions and expenditures of the Homeowners United for Rate Fairness (HURF), have been received and found satisfactory to issue the recently requested \$2,000 contribution to HURF to support monitoring of the Austin Energy rate meetings.

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. Steiner 24" Waterline Improvements, Pay Estimate # 4, Central Road and Utility, Ltd.
2. Eck Lane WTP Backwash Improvements, Pay Estimate #2 and Change Order #1, Prota Construction Inc. and Prota Inc, JV
3. Tacara 24" Waterline Improvements, Reimbursement Request # INV-1002, Casey Development, Ltd.

B. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE SERENE HILLS DEFINED AREA

1. Pond Fencing in Serene Hills Phase 2W, Pay Estimate No. 1-Final and Change Order #1, Northwest Fence and Iron

C. APPROVE PAYMENT OF CURRENT INVOICES

D. APPROVE MINUTES – March 17, 2016 Meeting

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

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

Second: Directors Steed and Decker

Ayes: 4

Noes: 0

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

President Roberts opened Public Comment at 6:35 p.m. Public Comment remained open for anyone that might arrive late wishing to address the Board

Motion: Director Steed to close Public Comment

Second: Director Decker

Ayes: 4

Noes: 0

President Roberts closed Public Comment at 7:18 p.m.

VI. OLD BUSINESS

- A. **DISCUSS/CONSIDER/TAKE ACTION REGARDING WHOLESALE WATER SERVICE TO THE APPROXIMATE TEN ACRE COMMERCIAL TRACT AT THE NORTHEAST CORNER OF HIGHWAY 71 WEST AND BEE CREEK ROAD IN THE SERENE HILLS DEFINED AREA**

Table, no action

VII. NEW BUSINESS

- A. **DISCUSS/CONSIDER/TAKE ACTION REGARDING SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2016:**
 - 1. **ADOPT RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION AT THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF ENGINEERING PROJECT AND 2ND SERENE HILLS DEFINED AREA BOND ISSUE; AND**
 - 2. **AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BOND**

Ken Heroy, bond engineer to developer of Serene Hills, addressed the Board to present the Bond 2 Draft Summary of Costs to reimburse the developer for completed infrastructure in a total bond amount of \$4,125,000 and asked for any questions. He stated that this application was based on no growth projections as suggested by Garry Kimball, District Financial Advisor, and the numbers, as submitted, were still being reviewed in the non-construction cost categories. He explained that the legal invoices must be done in date order and he was making sure all costs were included before submitting the application. Manager Gernes stated that the District's consultants have been reviewing the application and requesting back up material on some items be submitted by Mr. Heroy.

Motion: Director Decker to approve the Resolution Authorizing the Filing of an Application at the Texas Commission on Environmental Quality for Approval of Engineering Project and 2nd Serene Hills Defined Area Bond contingent on the General Manager and consultants final approval of application prior to filing.

Second: Director Ward

Ayes: 4

Noes: 0

Mr. Heroy concluded that when the bond application is submitted it will be submitted on an expedited basis to allow for the Preliminary Official Statement (POS) to potentially be drafted over the summer and presented for late fall sale and close.

B. DISCUSS/CONSIDER/TAKE ACTION ON RESOLUTION APPOINTING NEW MEMBERS TO THE TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 IMPACT FEE ADVISORY COMMITTEE AND INCREASING THE SIZE OF SUCH COMMITTEE

Ms. Gernes recommended appointing Louis Hausman and Tim Schevers to fill one vacant position and one new member position to increase the size of the committee to eleven members. She stated that each had accepted the opportunity and was willing to serve on this committee. Ms. Gernes explained that these two candidates represent the small builder and general contractor sector of District 17. President Roberts requested any discussion but there was none.

Motion: Director Steed to adopt the Resolution Increasing the Size of the District's Impact Fee Advisory Committee and Appointing New Members to Such Committee as recommended by the District's General Manager

Second: Director Ward

Ayes: 4

Noes: 0

C. DISCUSS/CONSIDER/TAKE ACTION ON UPDATED INFORMATION FROM THE DISTRICT ENGINEER REGARDING INSTALLATION OF NEW WATER AND WASTEWATER LINES IN THE HUGHES PARK LAKE SUBDIVISION 2 AREA

The General Manager briefed the Board on the remaining locations in the District with low or no fire flow, highlighting the locations on the map. She reviewed the fact that in the past decade, the District had made significant improvements to fire protection throughout, increasing the ISO Rating (Insurance Service Office) for water efficiency by 90 percent. She pointed out that most of the streets with low fire flow are in out-of-District areas such as Apache Shores and River Ridge, but that progress was being made to replace lines even in those areas with two more lines being replaced in Apache Shores this year.

Manager Gernes highlighted four areas of priority for next year's waterline replacement projects: 1) Cardinal Hills in the area of Flamingo, Heron, Sunbird and Crane streets; 2) McCormick Mountain Drive 4-inch line replacement; 3) Cedar and Lyndon Streets; and 4) Back of the Moon and Rainbow streets in the Hudson Bend area.

She said that she had met with the engineers and that she felt the District could use surplus bond funds from the Water Development Board loan of \$2,369,000 to fund at least two of these projects and use local funds from General Fund surplus to fund another one or two.

Several members of the public were present from the Cedar/Lyndon Street area to express their concerns about fire flow and request that their neighborhood waterline be replaced next year. Mr. Roger Millar distributed a handout to the Board listing the fires which had taken place in and around their neighborhood and reiterating their points of concern. He also added that Texas Gas may be interested in putting gas lines in that area and could possibly share paving costs. Manager Gernes distributed a Subsequent User Fee Summary to illustrate the current fees associated with installing both water and wastewater lines to the Hughes Park area of approximately \$14,301 per customer, based on 58 lots in the area. Mr. Millar said he would take this information to his neighbors and wanted to work with the District toward resolution of better fire protection.

President Roberts directed that the issues of funding and prioritization be discussed at a meeting of the Planning Committee.

Sent to Committee

D. DISCUSS/CONSIDER/TAKE ACTION ON ORDER ADOPTING THE UNIFORM PLUMBING CODE, 2015 EDITION, PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS, ALONG WITH LOCAL AMENDMENTS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17

Ms. Gernes explained that the Uniform Plumbing Code (UPC) is periodically updated and that the District had currently been using the 2009 edition. She said the 2015 edition had been released and WCID 17 staff and inspectors had reviewed the 2015 edition and made a few local amendment recommendations. She recommends that District 17 adopt the UPC, 2015 edition, with the recommended local amendments and deletions to the Code. She said the local amendments outlined in the Order are to clarify or slightly modify sections in the Code and that the 2015 edition was the most up to date release.

Director Ward asked if there would be any onerous financial issues for district customers or plumbers and Manager Gernes explained that there should not be. Gernes continued that should the staff find any additional issue(s), a recommendation for revision to the local amendments could be made to the Board for action at that time. Manager Gernes stated that this change from the 2009 to 2015 UPC would be effective with new permits issued and all permits issued under the current 2009 UPC would be allowed to be completed under that code although they are very similar and few differences will be noted.

Motion: Director Steed to adopt the Uniform Plumbing Code, 2015 edition, published by the International Association of Plumbing and Mechanical Officials with all appendices, except Appendices F and H, with the WCID 17 local amendments and deletions incorporated in Section 3 of this Order.

Second: Director Decker

Ayes: 4

Noes: 0

VIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO CONSIDER REGARDING WHOLESALE WATER SERVICE TO THE APPROXIMATE TEN ACRE COMMERCIAL TRACT AT THE NORTHEAST CORNER OF HIGHWAY 71 WEST AND BEE CREEK ROAD IN THE SERENE HILLS DEFINED AREA, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072
Executive Session not held

IX. ADJOURNMENT

Motion: Director Ward to adjourn

Second: Director Steed

Ayes: 4

Noes: 0

President Roberts adjourned the meeting at 7:18 p.m.

Approved this _____ day of _____ 2016, with a motion

by Director _____ and a Second by Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary

RESOLUTION AUTHORIZING THE ISSUANCE OF TRAVIS COUNTY
WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 WATER AND
SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2016;
APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF
CERTAIN AGREEMENTS INCLUDING A BOND PURCHASE AGREEMENT AND A
PAYING AGENT/REGISTRAR AGREEMENT; ESTABLISHING PROCEDURES FOR
SELLING AND DELIVERING ONE OR MORE SERIES OF THE BONDS; AND
AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

Adopted May 19, 2016

TABLE OF CONTENTS

	Page
Preamble	1
SECTION 1. AMOUNT AND PURPOSE OF THE BONDS	2
SECTION 2. DEFINITIONS	3
SECTION 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS PRIOR REDEMPTION AND MATURITIES OF BONDS	7
SECTION 4. INTEREST	9
SECTION 5. CHARACTERISTICS OF THE BONDS	9
SECTION 6. FORM OF BOND	13
SECTION 7. PLEDGE AND CONSOLIDATION OR DISSOLUTION OF DISTRICT	25
SECTION 8. RATES	26
SECTION 9. REVENUE FUND	27
SECTION 10. INTEREST AND SINKING FUND	27
SECTION 11. INTEREST EARNINGS ON BOND PROCEEDS	27
SECTION 12. RESERVE FUND, CONSTRUCTION FUND AND ADDITIONAL SECURITY	27
SECTION 13. DEFICIENCIES IN FUNDS	28
SECTION 14. EXCESS REVENUES	28
SECTION 15. INVESTMENT AND SECURITY FOR FUNDS	28
SECTION 16. ADDITIONAL BONDS	29
SECTION 17. MAINTENANCE AND OPERATION; INSURANCE	30
SECTION 18. ACCOUNTS AND FISCAL YEAR	30
SECTION 19. AUDIT	30
SECTION 20. DEFEASANCE OF BONDS	31
SECTION 21. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS	32
SECTION 22. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS	32
SECTION 23. APPROVAL OF OFFICIAL STATEMENT	35
SECTION 24. DEFAULT AND REMEDIES	35
SECTION 25. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT	36
SECTION 26. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS	37
SECTION 27. RESOLUTION A CONTRACT; AMENDMENTS	38
SECTION 28. PARTIES INTEREST HEREIN	39
SECTION 29. OPEN MEETING	39
SECTION 30. COMPLIANCE WITH RULES 15c2-12	39
SECTION 31. DISTRICT'S SUCCESSORS AND ASSIGNS	42

SECTION 32.	NO RECOURSE AGAINST DISTRICT OFFICERS OR DIRECTORS	43
SECTION 33.	PAYING AGENT/REGISTRAR.....	43
SECTION 34.	BENEFITS OF PROVISIONS	43
SECTION 35.	UNAVAILABILITY OF AUTHORIZED PUBLICATION.....	43
SECTION 36.	SEVERABILITY CLAUSE.....	43
SECTION 37.	FURTHER PROCEEDINGS.....	44
SECTION 38.	PAYMENT OF ATTORNEY GENERAL FEE.....	44
SECTION 49.	NO PERSONAL LIABILITY.....	44
SECTION 40.	OTHER ACTIONS.....	44
SECTION 41.	BOND INSURANCE	44

EXHIBITS

EXHIBIT A Description of Annual Financial Information

Pricing Officer in the Pricing Certificate, each as defined herein, to be refunded are herein referred to as the "Refunded Bonds"); and

WHEREAS, all the Refunded Bonds mature or are subject to redemption prior to maturity within 20 years; and

WHEREAS, the refunding bonds hereafter authorized are being issued and delivered pursuant to Chapters 1207 and 1371, Texas Government Code, as amended ("Chapter 1207" and "Chapter 1371," respectively); and

WHEREAS, Chapter 1207, Texas Government Code, as amended authorizes the District to issue refunding bonds and to deposit the proceeds from the sale thereof together with any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Bonds or eligible trust company or commercial bank, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and

WHEREAS, Chapter 1207 further authorizes the District to enter into an escrow agreement with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the District and such escrow agent may agree, provided that such deposits may be invested and reinvested in Defeasance Securities, as defined herein; and

WHEREAS, the Escrow Agreement hereinafter authorized, constitutes an agreement of the kind authorized and permitted by said Chapter 1207; and

WHEREAS, the Board of Directors of the District deems it advisable and in the best interest of the District to refund the Refunded Bonds in order to achieve a net present value debt service savings of not less than 3.00% of the principal amount of the Refunded Bonds net of any District contribution with such savings, among other information and terms to be included in a pricing certificate to be executed by the President of the Board of Directors of the District or in his absence the General Manager of the District, acting as the designated pricing officer of the District, all in accordance with the provisions of Chapter 1207, including Section 1207.007 thereof; and

WHEREAS, the District is an "issuer" of an "eligible project" pursuant to Sections 1371.001(2)(A) and 1371.001(4)(P) of the Texas Government Code.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17:

Section 1. AMOUNT AND PURPOSE OF EACH SERIES OF THE BONDS. The Board of Directors of the District hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that said recitals are true and

correct. One or more Series of the Bonds of the District are hereby authorized to be issued and delivered in the aggregate principal amount **NOT TO EXCEED \$8,000,000 FOR THE PURPOSE OF REFUNDING THE REFUNDED BONDS AND (ii) PAY THE COSTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS**

Section 2. DEFINITIONS. In addition to other capitalized words and terms defined in this Resolution (except those defined and used in the FORM OF BOND in Section 6), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

"Accreted Value" means, with respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with the Pricing Certificate and the Accretion Table attached as an exhibit to the Pricing Certificate relating to the Bonds that shows the Accreted Value per \$5,000 maturity amount on the calculation date of maturity to its maturity.

"Accretion Table" means the exhibit attached to the Pricing Certificate that sets forth the rounded original principal amounts at the Issuance Date for the Premium Compound Interest Bonds and the Accreted Values and maturity amounts thereof as of each Compounding Date until final maturity.

"Additional Bonds" means those obligations the District reserves the right to issue pursuant to Section 16 of this Resolution.

"Authorized Denominations" means with respect to each Series of the Bonds (i) as Current Interest Bonds, \$5,000 or any integral multiple thereof or (ii) as Capital Appreciation Bonds, \$5,000 in Maturity Amount or any integral multiple thereof.

"Board" means the Board of Directors of the District.

"Bond Insurer" means the insurer, if any, of any series of the Bonds.

"Bonds" means and include collectively the Bonds initially issued and delivered pursuant to this Resolution and all substitute Bonds therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Bond Counsel" means a firm of attorneys of nationally recognized standing in the field of law relating to municipal bond law and the exemption from federal income taxation of interest on state or local bonds, selected by the District.

"Bond Resolution" or "Resolution" means this Resolution of the Board authorizing the issuance of the Bonds.

"Capital Appreciation Bonds" means the Bonds, on which no interest is paid prior to maturity, maturing in the years and in the aggregate principal amount as set forth in each Pricing Certificate.

"Compounded Amount" means, with respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with the terms of each Pricing Certificate.

"Compounding Date" means the amounts and dates, if any, as set forth in the Accretion Table attached to each Pricing Certificate, if necessary.

"Current Interest Bonds" means the Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts as designated by the Pricing Officer in each Pricing Certificate.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Bonds.

"DTC" means The Depository Trust Company, New York, New York and its successors and assigns.

"DTC Participant" means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Federal Securities" means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Interest Payment Date" means a date on which interest on the Current Interest Bonds is due and payable as set forth in the Pricing Certificate.

"Issuance Date" means such other date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor as determined by the Pricing Officer in the Pricing Certificate.

"MSRB" means the Municipal Securities Rulemaking Board and its successor and assigns.

"Net Revenues" means all gross revenues of the System after deducting the expenses of maintenance and operation thereof. Depreciation and payments into and out of the funds for the Outstanding Obligations, the Bonds and any Additional Bonds shall never be considered expenses of operation and maintenance.

"Outstanding" means when used with respect to Bonds, as of the date of determination, all Bonds theretofore delivered under this Resolution, except:

- (1) Bonds theretofore cancelled and delivered to the District or delivered to the Paying Agent/Registrar for cancellation;
- (2) Bonds deemed to be Defeased Bonds;
- (3) Bonds upon transfer of or in exchange for and in lieu of which other Bonds have been authenticated and delivered pursuant to this Resolution; and
- (4) Bonds under which the obligations of this District have been released, discharged, or extinguished in accordance with the terms thereof.

"Outstanding Bonds" means the Series 2005 Bonds, the Series 2007 Bonds, the Series 2010 Bonds and the Series 2012 Bonds.

"Paying Agent/Registrar" means such bank or trust company appointed by the District's Pricing Officer in each Pricing Certificate and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of Paying Agent/Registrar in accordance with this Resolution.

"Pricing Certificate" means each Pricing Certificate of the District's Pricing Officer to be executed and delivered pursuant to Section 3 hereof in connection with the issuance of a Series of the Bonds.

"Pricing Officer" means the President of the Board of the District or in his absence the District's General Manager, acting as the designated pricing officer of the District to execute the Pricing Certificate.

"Registered Owner" or "Owner" has the meaning given in Section 3(a) of this Resolution.

"Registration Book" means the books and records kept and maintained by the Paying Agent/Registrar relating to the registration, transfer, exchange and payment of the Bonds and the interest thereon.

"Required Reserve Amount" means the amount equal to average annual debt service requirements on the Bonds, the Outstanding Obligations and any Additional Bonds.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Series" means a separate series of Bonds as specified by or pursuant to the terms of this Resolution.

"Series 2005 Bonds" has the meaning given in the recitals to this Resolution.

"Series 2007 Bonds" has the meaning given in the recitals to this Resolution.

"Series 2010 Bonds" has the meaning given in the recitals to this Resolution.

"Series 2012 Bonds" has the meaning given in the recitals to this Resolution.

"Series 2005 Resolution" means the resolution authorizing the Series 2005 Bonds.

"Series 2007 Resolution" means the resolution authorizing the Series 2007 Bonds.

"Series 2010 Resolution" means the resolution authorizing the Series 2010 Bonds.

"Series 2012 Resolution" means the resolution authorizing the Series 2012 Bonds.

"System" means the water system, sanitary sewer system and drainage and storm sewer system providing services to land within the District including, but not limited to, all works, improvements, facilities, plants, equipment, appliances, interests in property, and contract rights needed therefor, now owned or to be hereafter purchased, constructed or otherwise acquired by deed, contracts, or otherwise, and administrative facilities needed in connection therewith, together with any additional or extensions thereto or improvements and replacements thereof; provided that the System shall not include facilities acquired or constructed to perform contracts between the District and other persons, including private corporations, municipalities and political subdivisions which are financed by proceeds of the District's revenue bonds issued particularly to finance facilities needed to perform such contracts.

"TCEQ" means the Texas Commission on Environmental Quality and its successor and assigns.

Section 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, PRIOR REDEMPTION AND MATURITIES OF BONDS. (a) General Terms. Each Bond issued pursuant to this Resolution shall be designated: "**TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 WATER AND SEWER SYSTEM REVENUE REFUNDING BOND**" and initially there shall be issued, sold and delivered hereunder fully registered Bonds, without interest coupons, with the Bonds being dated and having such Series designation as determined by the Pricing Officer in each Pricing Certificate. There initially shall be issued, sold and delivered fully registered bonds, without interest coupons, which may be in the form of Current Interest Bonds, numbered consecutively from R-1 upward or in the form of Capital Appreciation Bonds, numbered consecutively from PC-1 upward (except the initial Bonds delivered to the Attorney General of the State of Texas which shall be numbered T-1 and TPC-1, respectively) payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the Registered Owners"), in Authorized Denominations, with each Series maturing not later than November 1, 2032, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as set forth in each Pricing Certificate to be executed and delivered by the Pricing Officer pursuant to this Section. Each Pricing Certificate is hereby incorporated in and made a part of this Resolution. The title of each Series of the Bonds shall be designated by the year in which it is awarded pursuant to this Section 3. The authority for the Pricing Officer to execute and deliver each Pricing Certificate for a Series of Bonds shall expire at 5:00 p.m. Central Time on May 19, 2017. Bonds priced on or before May 19, 2017 may be delivered to the initial purchaser after such date.

As authorized by Chapter 1371 and Section 1207.007, Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the District in selling and delivering the Bonds, determining which of the Refundable Bonds shall be refunded and constitute "Refunded Bonds" under this Resolution and carrying out the other procedures specified in this Resolution, including determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of Current Interest Bonds and Capital Appreciation Bonds, the rate of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the District, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Bonds, all of which shall be specified in the Pricing Certificate; provided that (i) the price to be paid for the Bonds of each Series shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon from its date to its delivery, (ii) the interest rate on the Bonds shall not exceed the maximum rate authorized by law, and (iii) the refunding must produce a net present value debt service savings of at least 3.00% of the principal amount of the Refunded Bonds, net of any District contribution. In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not to exceed the amount authorized in this Section, which shall be sufficient to provide for the purposes for which the Bonds are authorized and to pay the costs of issuing the Bonds. The

Bonds shall be sold by negotiated sale to the Underwriter pursuant to a bond purchase agreement at such price, with and subject to such terms, as determined by the Pricing Certificate. The Pricing Officer shall designate the senior managing underwriter for the Bonds and such additional investment banking firms as he or she deems appropriate to assure that the Bonds are sold on the most advantageous terms. The Pricing Officer may not execute a Pricing Certificate unless the minimum required savings as described in this subsection is achieved. Each Pricing Certificate shall become a part of this Resolution as if set forth herein.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the District hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms and conditions of each Series of the Bonds as set forth in this Resolution is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated in the Pricing Certificate will be, in the best interests and shall have the same force and effect as if such determination were made by the District and the Pricing Officer is hereby authorized to make and include in a Pricing Certificate an appropriate finding to that effect.

To achieve advantageous borrowing costs for each Series of the Bonds, the Bonds shall be sold in a public sale on either a negotiated or competitive basis as determined by the Pricing Officer in each Pricing Certificate. In determining whether to sell each Series of the Bonds by negotiated or competitive sale, the Pricing Officer shall take into account the market conditions expected at the time of the sale and any other matters which, in the judgment of the Pricing Officer, might affect the net borrowing costs on each Series of the Bonds.

If the Pricing Officer determines that a Series of the Bonds should be sold at a competitive sale, the Pricing Officer shall cause to be prepared a notice of sale and official statement in such manner as the Pricing Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for such Series of the Bonds, to receive such bids, and to award the sale of such Series of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Pricing Officer determines that a Series of the Bonds should be sold by a negotiated sale, the Pricing Officer shall designate the senior managing underwriter for the Bonds and such additional investment banking firms as the Pricing Officer deems appropriate to assure that the Bonds are sold on the most advantageous terms to the District (collectively, the "Underwriters"). The Pricing Officer, acting for and on behalf of the District, is authorized to enter into and carry out a Bond Purchase Agreement or other agreement for the Bonds to be sold by negotiated sale, with the Underwriters at such price, with and subject to such terms as determined by the Pricing Officer pursuant to this Section 3. Each Bond Purchase Agreement or other agreement shall be substantially in the form and substance previously approved by the Board in connection with the latest series of outstanding bonds with such changes as are acceptable to the Pricing Officer and any provisions determined to be necessary by the Pricing Officer and Bond Counsel in the event that such Series of Bonds is being sold in a forward delivery transaction.

Section 4. INTEREST. The Bonds shall bear interest calculated on the basis and from the dates specified to their respective dates of maturity or redemption at the rates per annum set forth in the FORM OF BOND set forth in this Resolution and as further provided in each Pricing Certificate.

The Capital Appreciation Bonds shall bear interest from the Issuance Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded on the Compounding Dates as set forth in the Pricing Certificate, and payable, together with the principal amount thereof, in the manner provided in the Form of Bonds at the rates set forth in the Pricing Certificate. Attached to the Pricing Certificate, if Capital Appreciation Bonds are to be issued, shall be the Accretion Table. The Accreted Value with respect to any date other than a Compounding Date is the amount set forth on the Accretion Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Accretion Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

Section 5. CHARACTERISTICS OF THE BONDS. Registration, Transfer, Conversion and Exchange; Authentication. (a) The District shall keep or cause to be kept at the designated office for payment of The Bank of New York Mellon Trust Company, National Association, in Dallas, Texas (the "Paying Agent/Registrar") Registration Books, and the District hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions, and exchanges under such reasonable regulations as the District and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions, and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The District shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange, and delivery of a substitute Bond or Bonds shall be paid as provided in the FORM OF BOND set forth in this Resolution. Registration of assignments, transfers, conversions, and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in Section 5(c), an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional Resolutions, orders, or resolutions need be passed or adopted by the governing body of the District or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, as amended and particularly Subchapter D thereof, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Bonds and Interest. The District hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Resolution and each Pricing Certificate. The Paying Agent/Registrar shall keep proper records of all payments made by the District and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Resolution. However, in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment ("Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be transferred and assigned, (iii) may be converted and exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) shall be payable as to the principal of and interest on, and (vii) shall be administered, and the Paying Agent/Registrar and the District shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in each Pricing Certificate and in the FORM OF BOND set forth in this Resolution and each Pricing Certificate. The Bonds initially issued and delivered pursuant to this Resolution and the Pricing Certificate are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange

for any Bond or Bonds issued under this Resolution and each Pricing Certificate the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The District covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the District will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The District reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 30 days written notice to the Paying Agent/Registrar, to be effective (a) when a substitute Paying Agent/Registrar has been appointed by the District and such appointment is accepted and (b) notice has been given to the Registered Owners of the appointment thereof, but such effective date shall not disrupt, delay, or otherwise adversely affect payment of the Bonds. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the District covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the District. Upon any change in the Paying Agent/Registrar, the District promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry-Only System. The Bonds issued in exchange for the Bonds initially issued as provided in Section 5(h) shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co. as nominee of DTC and except as provided in subsection (f) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC participant or any other person, other than a Registered Owner, as shown on

the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Registration Books of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, but to the extent permitted by law, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bonds, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in the Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the District determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owner transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

(h) Initial Bond. The Bonds herein authorized shall be initially issued as a fully registered bond, being one in the denomination of the applicable principal amount and the initial Bond shall be registered in the names of the Purchaser or the designees thereof as set forth in each Pricing Certificate. The initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchaser. Immediately after the delivery of the initial Bond, the Paying Agent/Registrar shall cancel the initial Bond delivered hereunder and exchange therefor Bonds in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in Section 5(f), all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Cancellation of Bonds. All Bonds paid in accordance with this Resolution, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated, registered, and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall furnish the District with appropriate certificates of destruction of such Bonds.

Section 6. FORM OF BOND. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Resolution and each Pricing Certificate, shall be, respectively, substantially as follows, with such appropriate variations, omissions, insertions, or insurance legends as are permitted or required by this Resolution.

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF TEXAS
TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS
SERIES _____***

FORM OF FIRST THREE PARAGRAPHS OF CURRENT INTEREST BOND*

NO. R-	PRINCIPAL AMOUNT \$ _____
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* To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

**INTEREST
RATE**

**DATE OF
BONDS**

**MATURITY
DATE**

CUSIP NO.

_____*

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 ("District"), being a political subdivision of the State of Texas, hereby promises to pay to the registered owner set forth above, or registered assignee (hereinafter called "Registered Owner") the principal amount set forth above, and to pay interest hereon from the Issuance Date, on _____* and semiannually on each _____* and _____* thereafter ("Interest Payment Date") to the maturity date specified above, at the interest rate per annum specified above calculated on the basis of a 360-day year comprised of twelve 30-day months; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the Interest Payment Date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity at the designated office for payment of _____,* which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each Interest Payment Date by check or draft, dated as of such Interest Payment Date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the District required by the resolution authorizing the issuance of the Bonds ("Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such Interest Payment Date, to the Registered Owner hereof, at its address as it appeared on the _____* calendar day of the month next preceding each such Interest Payment Date ("Record Date") on the registration books (the "Registration Books") kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested

*To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds

by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment ("Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner as it appears on the Registration Books at the close of business on the 15th day next preceding the date of mailing of such notice. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, payments made to the securities depository, or its nominee, shall be made in accordance with arrangements between the District and the securities depository.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the District and the securities depository.

ANY ACCRUED INTEREST due at maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment at the designated office for payment of the Paying Agent/Registrar in Dallas, Texas. The District covenants with the Registered Owner of this Bond that on or before each principal payment date and Interest Payment Date for this Bond it will make available to the Paying Agent/Registrar, from the "Bond Fund" created by the Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

**[FORM OF FIRST TWO PARAGRAPHS OF
CAPITAL APPRECIATION BOND]*_T**

NO. ____ - ____

**PAYMENT
AT
MATURITY
\$_____**

INTEREST RATE	MATURITY DATE	ISSUANCE DATE	CUSIP NO.
_____	_____	_____	_____

*

REGISTERED OWNER:

PAYMENT AT MATURITY:

ON THE MATURITY DATE specified above, **TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17**, in Travis County, Texas (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the registered owner set forth above, or registered assigns (hereinafter called the "registered owner") the Payment at Maturity in the amount set forth above, representing the principal amount hereof and accrued and compounded interest hereon. Interest shall accrete on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____* and _____* of each year commencing _____* . For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table.

THE PAYMENT AT MATURITY of this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Payment at Maturity of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity for payment to The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent/Registrar") at its offices in Dallas, Texas (the "Designated Payment/Transfer Office"), and shall be drawn by the Paying Agent/Registrar on, and solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided, payable to the registered owner hereof, as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The District covenants with the registered owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Resolution, the amounts required to provide for the payment, in immediately available funds of the Payment at Maturity, when due.

[FORM OF REMAINDER OF EACH BOND]*

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of _____* ("Bonds"), authorized in accordance with the Constitution and laws of the State of Texas, including

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particularly, Section 1371.103, Texas Government Code, as amended, to be issued pursuant to the Resolution in the aggregate principal amount **NOT TO EXCEED \$_____ FOR THE PURPOSE OF REFUNDING THE REFUNDED BONDS AND PAYING THE COSTS ASSOCIATED WITH THE ISSUANCE OF THE BONDS**, [and the Bonds are comprised of (i) Bonds in the aggregate principal amount of \$_____* that pay interest only at maturity (the "Capital Appreciation Bonds") and (ii) Bonds in the aggregate principal amount of \$_____* that pay interest semiannually until maturity (the "Current Interest Bonds").]**

ON _____* OR ON ANY DATE THEREAFTER, the Current Interest Bonds maturing on and after _____*, may be redeemed prior to their scheduled maturities, at the option of the District, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Current Interest Bonds, or portions thereof, to be redeemed shall be selected and designated by the District, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar shall determine by lot or other customary method the Current Interest Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Current Interest Bond may be redeemed only in integral multiples of \$5,000 of principal amount). [The Capital Appreciation Bonds are not subject to redemption prior to maturity.]**

[**THE BONDS** maturing on _____ (the "Term Bonds") are subject to mandatory sinking fund redemption by lot or other customary method prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date.

Bonds Maturing _____, 20__	
Redemption Date	Principal Amount
_____, 20__	\$ _____
_____, 20__	_____
_____, 20__	_____ ^H

^HFinal Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District by the principal amount of any Term Bonds of the stated maturity which, at least

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** To be included only if Current Interest Bonds and Capital Appreciation Bonds are both issued and completed as determined by the Pricing Officer in the Pricing Certificate.

50 days prior to a mandatory redemption date, (1) shall have been acquired by the District, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Debt Service Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.]*

NO LESS THAN 30 days prior to the date fixed for any such redemption, the District shall cause the Paying Agent/Registrar to send notice by United States mail, first-class postage prepaid to the Registered Owner of each Bond to be redeemed at its address as it appeared on the Registration Books of the Paying Agent/Registrar at the close of business on the 45th day prior to the redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bonds. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bonds shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Resolution.

WITH RESPECT TO any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the

* To be included only if Term Bonds are issued as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

**To be included only if Current Interest Bonds and Capital Appreciation Bonds are both issued and completed as determined by the Pricing Officer in the Pricing Certificate.

redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, with respect to Current Interest Bonds, in the denomination of any integral multiple of \$5,000, and with respect to Capital Appreciation Bonds, in the denomination of \$5,000 payment at maturity amounts or any integral multiple thereof. As provided in the Resolution, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Designated Payment/Transfer Office of the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such conversion and exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for converting and exchanging any Bond or portion thereof. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The foregoing notwithstanding, in the case of the conversion and exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the District. The Paying Agent/Registrar shall not be required to make any such transfer or exchange with respect to Current Interest Bonds during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the District, resigns, or otherwise ceases to act as such, the District has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

THE BONDS are payable from a first lien on and pledge of the revenues derived from the ownership and operation of the System after payment of maintenance and operations expenses (the "Net Revenues") which lien is on parity to the lien securing the Outstanding Bonds and any Additional Bonds. The Resolution provides that the District reserves the right to consolidate with one or more conservation and reclamation districts to consolidate its waterworks and sewer systems with the systems of such districts. The Resolution further provides that the pledge of such Net Revenues to the payment of the Bonds shall terminate at such time, if ever, as (i) money and/or Defeasance Securities in an amount sufficient to defease the Bonds is deposited with or made available to the Paying Agent/Registrar in accordance with the Resolution or (ii) any city or cities annex the District in its entirety, dissolve the District, and assume the obligations of the District pursuant to existing Texas law.

THE BONDS are issued pursuant to the Resolution, whereunder the District covenants to charge rates sufficient to pay interest on the Bonds, Outstanding Bonds and any Additional Bonds (both as defined in the Resolution) as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds, Outstanding Bonds and any Additional Bonds (both as defined in the Resolution) when due and to maintain the funds required in the Resolution and the resolutions/orders in connection with the Outstanding Bonds and any Additional Bonds, all as more specifically provided in the Resolution. Reference is hereby made to the Resolution for provisions with respect to the operation and maintenance of the District's System, the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owners of the Bonds. By acceptance of this Bond the Registered Owner hereof consents to all of the provisions of the Resolution, a certified copy of which is on file in the office of the District.

THE OBLIGATION to pay the principal of and the interest on this Bond is solely and exclusively the obligation of the District until such time, if ever, as the District is abolished and this Bond is assumed as described above. No other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, is obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Bond from any source whatsoever. No part of the physical properties of the District is encumbered by any lien for the benefit of the Registered Owner of this Bond.

IN ADDITION to the right to issue bonds of inferior lien, the District has reserved the right to issue Additional Bonds which may be secured by a lien on and pledge of the Net Revenues on parity with the lien on and pledge securing the payment of the Bonds and Outstanding Bonds. Such Additional Bonds may be payable solely from such Net Revenues or from a combination of other revenues, taxes and such Net Revenues. The District has further reserved the right to issue certain other obligations including refunding bonds and defined area

bonds. Reference is made to the Resolution for a complete description of the right to issue Additional Bonds.

TO THE EXTENT permitted by and in the manner provided in the Resolution, the terms and provisions of the Resolution and the rights of the Registered Owners of the Bonds may be modified with, in certain circumstances, the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby; provided, however, that, without the consent of the Registered Owners of all of the Bonds affected, no such modification shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of the Bonds required for consent to any such modification.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution unless this Bond either (a) is registered by the Comptroller of Public Accounts of the State of Texas as evidenced by execution of the registration certificate endorsed hereon or (b) is authenticated as evidenced by execution of the authentication certificate endorsed hereon by the Paying Agent/Registrar.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the District have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Bonds by a first lien on and pledge of the Net Revenues which lien and pledge is on parity to the lien securing the Bonds, the Outstanding Bonds and any Additional Bonds; and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas.

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the manual or facsimile signature of the President or Vice President of the Board of the District and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Board of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT
NO. 17**

Secretary [Assistant Secretary],
Board of Directors

President [Vice President],
Board of Directors

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

Paying Agent/Registrar

By: _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

Please insert Social Security or Taxpayer
Identification Number of Transferee

(Please print or typewrite name and address,
including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

**FORM OF REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS:**

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this ____ day of _____, 20__.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

INSERTIONS FOR THE INITIAL BONDS*

* To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is

(i) The initial Current Interest Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Current Interest Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

AON THE MATURITY DATE BELOW, TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17, Travis County, Texas, being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on _____* in each of the years, in the principal amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(_____)</u>	<u>Interest</u> <u>Rate</u>
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(Information from the Pricing Certificate to be inserted)

The District promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____* at the respective Interest Rate per annum specified above. Interest is payable on _____* and semiannually on each _____* and _____* thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The initial Current Interest Bond shall be numbered AT-1.@

(ii) The initial Capital Appreciation Bond shall be in the form set forth in this Section, except that:

inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17, in Travis County, Texas (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the Payment at Maturity on _____* in each of the years and in installments of the respective Maturity Amounts set forth in the following schedule:

<u>Maturity Date</u> <u>(November 1)</u>	<u>Yield</u> <u>to Maturity</u>	<u>Stated</u> <u>Interest Rate</u>	<u>Initial</u> <u>Principal Amount</u>	<u>Payment</u> <u>at Maturity</u>
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(Information for the Capital Appreciation Bonds from the Pricing Certificate to be inserted)

The amount shown above as the Payment at Maturity represents the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the date of delivery at the interest rate per annum specified above, compounded semiannually on _____* and _____* of each year commencing _____*. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table."

C. The initial Capital Appreciation Bond shall be numbered "TPC-1."

Section 7. PLEDGE AND CONSOLIDATION OR DISSOLUTION OF DISTRICT. The Bonds, the Outstanding Bonds and any Additional Bonds, and all interest thereon, are and shall be payable from and secured by an irrevocable first lien on and pledge of the Net Revenues of the System, which lien and pledge is on a parity to that of the Outstanding Bonds. The Net Revenues are further pledged irrevocably to the establishment and maintenance of the funds as hereinafter provided.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the Net Revenues granted by the District under this Section, and is therefore valid,

* To be completed as determined by the Pricing Officer in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the Net Revenues granted by the District under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Owners of the Bonds the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

To the extent provided by law, the pledge of Net Revenues set forth in this Section 7 will terminate if a city takes over all properties and assets, assumes all debts, liabilities, and obligations, and performs all functions and services of the District, and the District is abolished pursuant to law.

The laws of the State of Texas permit the District to be consolidated with one or more conservation and reclamation districts. In the event the District is consolidated with another district or districts, the District reserves the right to:

(i) Consolidate the System with a similar system of one or more districts with which the District is consolidating and operate and maintain the systems as one consolidated system (herein for purposes of this section the "Consolidated System").

(ii) Apply the net revenues from the operation of the Consolidated System to the payment of principal, interest, redemption price and bank charges on the revenue bonds or the combination tax and revenue bonds (herein for purposes of this section the "Revenue Bonds") of the District and of the district or districts with which the District is consolidating (herein collectively the "Consolidating Districts") without preference to any series of bonds (except subordinate lien revenue bonds which shall continue to be subordinate to the first lien Revenue Bonds of the Consolidating Districts).

(iii) Pledge the net revenues of the Consolidated System to the payment of principal, interest, redemption price and bank charges on Revenue Bonds which may be issued by the Consolidating Districts on parity with the outstanding first lien Revenue Bonds of the Consolidating Districts.

Section 8. RATES. The District has covenanted and agreed with the Registered Owners of the Outstanding Bonds and hereby covenants and agrees with the Registered Owners of the Bonds and any Additional Bonds, as follows:

(a) That it will at all times collect for services rendered by the System such amounts as will be at least sufficient to pay all expenses of operation and maintenance, and to provide Net Revenues which will be adequate to pay promptly all of the principal of and interest on the Outstanding Bonds, the Bonds and any Additional Bonds, and to make all deposits now or hereafter required to be made into the funds created and established by the Outstanding Bonds, this Resolution or any other/resolution authorizing Additional Bonds.

(b) If the System should become legally liable for any other indebtedness, the District shall fix, maintain, charge and collect additional rates and services rendered by the System, sufficient to establish and maintain funds for the payment thereof.

Section 9. REVENUE FUND. There is hereby established or confirmed on the books of the District a Revenue Fund. All gross revenues of every nature received from the operation and ownership of the System shall be deposited from day to day as collected into the Revenue Fund, and the reasonable, necessary, and proper expenses of operation and maintenance of the System shall be paid from the Revenue Fund. The revenues of the System not actually required to pay the expenses shall be deposited from the Revenue Fund into the funds to the extent provided hereunder. However, until the Bonds, the Outstanding Bonds and any Additional Bonds are retired, any surplus Net Revenues of the System not required to be deposited in the funds and accounts established by this Resolution or the resolutions authorizing the Outstanding Bonds and any Additional Bonds shall be deposited in the Revenue Fund established herein and used as provided in Section 14 of this Resolution.

Section 10. INTEREST AND SINKING FUND. There is hereby established or confirmed on the books of the District an Interest and Sinking Fund ("Interest and Sinking Fund") and there shall be deposited into the Interest and Sinking Fund the following:

(a) such amounts of the Net Revenues, beginning on the 20th day of each month (commencing on such date as set forth in each Pricing Certificate), in equal monthly installments, which, together with other monies on deposit therein, as will be sufficient to pay the interest scheduled to come due on the Bonds, the Outstanding Bonds and any Additional Bonds on the next interest payment date; and

(b) such amounts of Net Revenues, in equal monthly installments, which, together with other monies on deposit therein, made on the 20th day of each month (commencing on such date as set forth in each Pricing Certificate), as will be sufficient to pay the next maturing principal of the Bonds, the Outstanding Bonds and any Additional Bonds.

The Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds and all Additional Bonds, as such principal matures and such interest comes due.

Section 11. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other Bond proceeds for the purpose for which the Bonds are issued as set forth in Section 1 hereof. It is further provided, however, that any interest earnings on Bond proceeds which are required to be rebated to the United States of America pursuant to Section 22 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. RESERVE FUND AND ESCROW FUND. (a) Reserve Fund. There is hereby established or confirmed on the books of the District a Reserve Fund (the "Reserve Fund"). The District covenants to maintain the Required Reserve Amount in the Reserve Fund. The Required Reserve Amount shall be accumulated within sixty months following the Issuance Date by deposits in approximately equal monthly installments on or before the 20th day of such month. The District covenants and agrees that in the event Additional Bonds are issued as hereinafter provided, the resolution authorizing such Additional Bonds shall provide for the payment into the Reserve Fund of such additional sums as shall be necessary to permit an accumulation in the Reserve Fund, within sixty months from the date of the Additional Bonds, as an additional reserve, of an amount of money at least equal to Required Reserve Amount as a result of the issuance of such Additional Bonds then outstanding. The Reserve Fund shall be used to pay principal of or interest on the Bonds, Outstanding Bonds and such Additional Bonds falling due at any time for the payment of which there is not money available in the Interest and Sinking Fund. No payments need be made into the Reserve Fund after there shall have been accumulated and shall exist in such fund the amount of money herein stipulated; but, if at any time it becomes necessary to use temporarily any part of such Reserve Fund for the payment of principal or interest of the Bonds, Outstanding Bonds or any Additional Bonds, or it is otherwise depleted, monthly payments into the Reserve Fund in the amount of 1/60th of the deficiency shall be implemented and continued until such time as such fund contains the amount of money then required to be on deposit therein. So long as the Reserve Fund contains the Required Reserve Amount any investment earnings shall be transferred to the Interest and Sinking Fund.

(b) Escrow Fund. There is hereby established on the books of the District an Escrow Fund (the "Escrow Fund") to be held pursuant to the Escrow Agreement.

Section 13. DEFICIENCIES IN FUNDS. If in any month the District shall fail to deposit into any fund created by this Resolution the full amounts required, amounts equivalent to such deficiencies shall be set apart and paid into said funds from the first available and unallocated Net Revenues of the System for the following month or months and such payments shall be in addition to the amounts otherwise required to be paid into said funds during such month or months. To the extent necessary, the District shall increase the rates and charges for services of the System to make up for any such deficiencies.

Section 14. EXCESS REVENUES. Any Net Revenues in excess of those necessary to establish and maintain the funds as required in this Resolution, or as hereafter may be required in connection with the issuance of Additional Bonds, may be used for any lawful purpose.

Section 15. INVESTMENT AND SECURITY FOR FUNDS. All funds created by this Resolution shall be invested as authorized by law including the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. In addition, all funds created by this Resolution shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds including the Public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended, and such funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

Section 16. ADDITIONAL BONDS. The District expressly reserves and shall hereafter have the right to issue in one or more installments such other bonds as provided below. Such Bonds may be payable from and equally secured by a pledge of and lien on the Net Revenues, to the same extent as pledged and in all things on parity with the lien of these Bonds.

The District expressly reserves and shall hereafter have the right to issue in one or more installments the following:

(1) Additional Bonds. The District expressly reserves the right to issue Additional Bonds payable solely from the Net Revenues of the System, for the purpose of completing, repairing, improving, extending, enlarging, or replacing the System, or refunding bonds or other obligations issued in connection with the System, and such bonds may be payable from and equally secured by a lien on and pledge of said Net Revenues on a parity with the pledge thereof for these Bonds. Provided, however, that before the District can issue Additional Bonds payable solely from the Net Revenues of the System, an independent certified public accountant shall certify that the Net Revenues of the System for the last completed fiscal year or a 12 consecutive calendar month period ending no more than 90 days preceding the adoption of the resolution authorizing the Additional Bonds shall have been not less than 1.25 times the average annual debt service requirements of the Outstanding Bonds, the Bonds and any outstanding Additional Bonds. Additionally, in connection with the issuance of Additional Bonds, the President of the Board and the District General Manager shall sign a written certificate to the effect that the District is not in default as to any covenant, condition or obligation in connection with the Outstanding Bonds, the Bonds and Additional Bonds and the Bond Resolutions authorizing the same and the Interest and Sinking Fund and the Reserve Fund each contain the amount then required to be therein.

(2) Inferior Lien Bonds. The District also reserves the right to issue inferior lien bonds and to pledge the Net Revenues of the System, to the payment thereof, such pledge to be subordinate in all respects to the lien of these Bonds and any previously issued combination unlimited tax and revenue or revenue bonds on a parity with the Bonds.

(3) Special Project Bonds. The District further reserves the right to issue special project bonds or notes for the purchase, construction, improvement, extension, replacement, enlargement, or repair of water, sewer, and/or drainage facilities necessary under a contract or contracts with persons, corporations, municipal corporations, political subdivisions, or other entities, such special project Bonds to be payable from and secured by the proceeds of such contract or contracts. The District further reserves the right to refund such bonds or notes.

(4) Refunding Bonds. The District further reserves the right to refund any bonds authorized by this Section 16 and the refunding bonds so issued shall enjoy complete equality of lien with the remaining bonds not refunded, if any such bonds remain, and the refunding bonds so issued shall enjoy the priority of lien enjoyed by the bonds being refunded.

(5) Defined Area Bonds. The District further reserves the right to issue bonds or other obligations to provide benefits to a defined area of the District, such Bonds to be paid from taxes imposed only on the defined area, as authorized by Chapter 51 of the Texas Water Code, including, but not limited to, Sections 51.512(b)(4) through 51.530 of the Water Code.

(6) District Obligations. The District further reserves the right to issue bonds, notes or other obligations payable from ad valorem taxes within the District to complete, repair, improve, extend, enlarge or replace the System and to further issue bonds, notes or other obligations for the benefit of any other systems owned by the District which bonds, notes or other obligations may be payable from taxes, revenues of such system or a combination of taxes and revenues.

Section 17. MAINTENANCE AND OPERATION; INSURANCE. While any of the Bonds, the Outstanding Bonds or Additional Bonds are outstanding, the District covenants and agrees to maintain the System in good reasonable condition, and to maintain insurance on the System, for the benefit of the holder or holders of the Bonds, the Outstanding Bonds and any Additional Bonds of a kind and in an amount which usually would be carried by private companies engaged in a similar type of business and which will insure the District against claims for which it can be liable under the Texas Tort Claims Act, or any amendment thereof, or any similar law.

Section 18. ACCOUNTS AND FISCAL YEAR. The District shall keep proper books of records and accounts, separate and apart from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the System, and shall have said books audited once each fiscal year by a certified public accountant. The District agrees to operate the System and keep its books of records and accounts pertaining thereto on the basis of its current fiscal accounts pertaining thereto on the basis of its current fiscal year; provided, however, that the Board may change such fiscal year if such change is deemed necessary by the Board.

Section 19. AUDIT. Within ninety days after the close of each fiscal year hereafter, the District will cause to be prepared by a certified public accountant, a report covering the next preceding fiscal year, showing the following information:

(a) A detailed statement of all gross revenues of the System and all expenses of operation and maintenance thereof for each fiscal year.

(b) Balance sheet as of the end of each fiscal year.

(c) Accountant's comment regarding the manner in which the District has complied with the requirements of this Resolution and recommendations, if any, for the changes or improvements in the operation and maintenance of the System.

(d) List of insurance policies in force at the end of said fiscal year, showing as to each policy, the risk covered, the amount of the policy, the name of the insurer, and the expiration date.

(e) The number of properties served by the System, if any, and the gross revenues from the System for said fiscal year.

(f) The number of unmetered customers of the System at the end of each fiscal year.

(g) The approximate number of gallons of water registered through the District's meters and the number of gallons sold during each fiscal year.

Section 20. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar or a commercial bank or trust company for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the revenues herein pledged as provided in this Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Resolution. Any money so deposited with the Paying Agent/Registrar or a commercial bank or trust company as provided in this Section may at the discretion of the Board of Directors also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or a commercial bank or trust company pursuant to this Section which is not required for the payment of such Bond and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board of Directors.

(c) Notwithstanding any provision of any other Section of this Resolution which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by this Resolution.

(d) Notwithstanding anything elsewhere in this Resolution, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or a commercial bank or trust company pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of the Resolution authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Section 21. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS. The President of the Board of the District or the District General Manager is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds the Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the District's Bond Counsel and the assigned CUSIP numbers may, at the option of the District, be printed on the Bonds issued and delivered under this Resolution, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds.

Section 22. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The District covenants to take any action necessary to

assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the District, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the District for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the Registered Owners. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The District understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds not expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the District General Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. This

Resolution is intended to satisfy the official intent requirements set forth in Section 1.150-2 of the Treasury Regulations.

(d) Disposition of Project. The District covenants that the property constituting the Project refunded by the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless the District obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of this subsection, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this subsection, the District shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 23. APPROVAL OF OFFICIAL STATEMENT. The Preliminary Official Statement is hereby approved by the Board. The Pricing Officer is hereby authorized to approve any changes to the Preliminary Official Statement, the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto and to deem such documents final in accordance with Rule 15c2-12. The District further approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriter in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable, such determination to be conclusively evidenced by his or her execution thereof.

Section 24. DEFAULT AND REMEDIES. (a) Events of Default. Each of the following occurrences or events for the purpose of this Resolution is hereby declared to be an Event of Default:

(1) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(2) default in the performance or observance of any other covenant, agreement or obligation of the District, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Resolution, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the District.

(b) Remedies for Default.

(1) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the District, or any official, officer or employee of the District in their official capacity, for the purpose of protecting and

enforcing the rights of the Registered Owners under this Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(2) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

(1) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Resolution, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Resolution.

(2) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(3) By accepting the delivery of a Bond authorized under this Resolution, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Resolution do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or directors of the District.

(4) None of the members of the Board, nor any other official or officer, agent, or employee of the District, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Resolution, or because of any Event of Default or alleged Event of Default under this Resolution.

Section 25. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT AND ESCROW AGREEMENT. The Paying Agent/Registrar Agreement ("Paying Agent Agreement") in substantially the form and substance previously approved by the Board in connection with outstanding bonds is hereby approved with such changes as approved by the Pricing Officer. The Pricing Officer is hereby authorized and directed to complete, amend, modify, and execute the Paying Agent Agreement, as necessary.

The discharge and defeasance of Refunded Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement ("Escrow Agreement"). The Pricing Officer shall select the Escrow Agent and the Escrow Agreement shall be in the form and containing the terms and

provisions as shall be approved by a Pricing Officer, including any insertions, additions, deletions, and modifications as may be necessary (a) to carry out the program designed for the District by the underwriters or purchasers, (b) to maximize the District's present value savings and/or to minimize the District's costs of refunding, to comply with all applicable laws and regulations relating to the refunding of the Refunded Bonds and (d) to carry out the other intents and purposes of this Resolution; and, the Pricing Officer is hereby authorized to execute and deliver such Escrow Agreement, on behalf of the Commission, in multiple counterparts.

To maximize the District's present value savings and to minimize the Districts' costs of refunding, the District hereby authorizes and directs that certain of the Refunded Bonds shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in each Pricing Certificate, and the Pricing Officer is hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrars, as appropriate, of such Refunded Bonds, in the manner required by the documents authorizing the issuance of such Refunded Bonds.

A Pricing Officer and the Escrow Agent are each hereby authorized (a) to subscribe for, agree to purchase, and purchase Defeasance Securities that are permitted investments for a defeasance escrow established to defease Refunded Bonds, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to authorize such contributions to the escrow fund as are provided in each Escrow Agreement.

Section 26. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the Registered Owner applying for a replacement bond shall furnish to the District and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the Registered Owner shall furnish to the District and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then

continuing in the payment of the principal of or interest on the Bond, the District may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the Registered Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the District whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, as amended and particularly Subchapter D thereof, this Section of this Resolution shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the District or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 5(a) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

Section 27. RESOLUTION A CONTRACT; AMENDMENTS. The District acknowledges that the covenants and obligations of the District herein contained are a material inducement to the purchase of the Bonds. This Resolution shall constitute a contract with the holders of the Bonds from time to time, binding on the District and its successors and assigns, and shall not be amended or repealed by the District so long as any Bond remains outstanding except as permitted in this Section 27. The District may, without the consent of or notice to any holders of Bonds, from time to time and at any time amend this Resolution in any manner not detrimental to the interests of the holders of the Bonds, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the written consent (expressed as provided herein) of the holders of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of the holders of all of the Bonds affected, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission. Whenever the District shall desire to make any amendment or addition to or rescission of this Resolution requiring the consent of holders of the Bonds, the District shall cause notice of the amendment, addition, or rescission to be published at least once a week for two consecutive weeks in a newspaper or financial journal of general circulation in the City of

Austin, Texas, the first of each such publications being at least thirty (30) days prior to the date of adoption of such amendment, addition, or rescission. If, because of temporary or permanent suspension of publication or general circulation of such newspapers or journals, it is impossible or impracticable to publish such notice in the manner provided herein, then such publication in lieu thereof as the District shall deem satisfactory shall constitute sufficient publication of such notice. Whenever, at any time within one (1) year after the date of the first publication of such notice, the District shall receive an instrument or instruments in writing executed by the holders of a majority in aggregate principal amount of the Bonds then outstanding affected by any such amendment, addition, or rescission requiring the consent of holders of Bonds, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No holder of Bonds may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 28. PARTIES INTEREST HEREIN. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District and the Registered Owners of the Bonds, any right, remedy, or claim under or by reason of this Resolution or any covenant, condition, or stipulation hereof, and all covenants, stipulations, promises, and agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District and the Registered Owners of the Bonds.

Section 29. OPEN MEETING. It is hereby officially found and determined that the meeting at which this Resolution is adopted, was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended and Chapter 49, Texas Water Code, as amended.

Section 30. COMPLIANCE WITH RULE 15c2-12. (a) Annual Reports. The District shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the District ending in or after 2016, financial information and operating data with respect to the District determined by the Pricing Officer at the time each Series of Bonds are sold. Each Pricing Certificate shall specify such financial information and operating data and shall include financial statements of the District if audited financial statements of the District are then available, and (2) if not provided as part of such financial information and operating data, audited financial statements of the District, when and if available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit "A" hereto, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and in substantially the form included in the official statement, and (ii) audited, if the District commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year

end, then the District shall file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

If the District changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) Event Notices. The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults, if material within the meaning of the federal securities laws;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;
- F. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;
- G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;
- H. Bond calls, if material within the meaning of the federal securities laws and tender offers;
- I. Defeasances;

- J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
- K. Rating changes;
- L. Bankruptcy, insolvency, receivership or similar event of the District;
- M. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws; and
- N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the District in any event will give notice of any deposit made in accordance with Section 20 of this Resolution that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM

ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under this Section shall comprise a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Should the Rule be amended to obligate the District to make filings with or provide notices to entities other than the MSRB, the District hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

The provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the District so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 31. DISTRICT'S SUCCESSORS AND ASSIGNS. Whenever in this Resolution the District is named and referred to, it shall be deemed to include its successors and assigns, and all covenants and agreements in this Resolution by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

Section 32. NO RECOURSE AGAINST DISTRICT OFFICERS OR DIRECTORS. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any officer or director of the District or any person executing the Bonds.

Section 33. PAYING AGENT/REGISTRAR. (a) Successor. The Paying Agent/Registrar shall act as agent for the payment of principal of and interest on the Bonds and shall maintain the Registration Book for the Bonds, all in accordance with the terms of this Resolution. If the Paying Agent/Registrar or its successor becomes unable for any reason to act as Paying Agent/Registrar hereunder, or if the Board of the District determines that a successor Paying Agent/Registrar should be appointed, a successor Paying Agent/Registrar shall be selected by the District. Any successor Paying Agent/Registrar shall be either a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

(b) Ownership of Bonds. The Paying Agent/Registrar, in its individual or any other capacity, may become the owner or pledgee of the Bonds with the same rights it would have if it were not Paying Agent/Registrar.

Section 34. BENEFITS OF PROVISIONS. Nothing in this Resolution or in the Bonds, expressed or implied, shall give or be construed to give any person, firm, or corporation, other than the District, the Paying Agent/Registrar, and the Registered Owners, any legal or equitable right or claim under or in respect of this Resolution, or under any covenant, condition, or provision herein contained, all the covenants, conditions, and provisions contained in this Resolution or in the Bonds being for the sole benefit of the District, the Paying Agent/Registrar, and the Registered Owners.

Section 35. UNAVAILABILITY OF AUTHORIZED PUBLICATION. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Resolution shall be given in such other manner and at such time or times as in the judgment of the District shall most effectively approximate such required publication, and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirements for publication thereof.

Section 36. SEVERABILITY CLAUSE. If any word, phrase, clause, sentence, paragraph, section, or other part of this Resolution, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Resolution and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Resolution to any other persons or circumstances shall not be affected thereby.

Section 37. FURTHER PROCEEDINGS. The President, Vice President, Secretary and Assistant Secretary of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Resolution.

Section 38. PAYMENT OF ATTORNEY GENERAL FEE. The District hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the District's staff is hereby instructed to take the necessary measures to make this payment. The District is also authorized to reimburse the appropriate District funds for such payment from proceeds of the Bonds.

Section 39. NO PERSONAL LIABILITY. No covenant or agreement contained in the Bonds, this Resolution or any corollary instrument shall be deemed to be the covenant or agreement of any member of the Board or any officer, agent, employee or representative of the Board in his individual capacity, and neither the directors, officers, agents, employees or representatives of the Board nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Bonds.

Section 40. OTHER ACTIONS. The President and Secretary of the Board, and all other officers and employees of the District shall be and are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the District all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Bonds, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement and the Official Statement. In addition, prior to the initial delivery of the Bonds, the President and Secretary of the Board and Bond Counsel are hereby authorized and directed to approve any changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy requirements of the bond insurer, or (iii) obtain the approval of the Resolution by the Texas Attorney General's office.

Section 41. BOND INSURANCE. (a) Purchase of Insurance. In connection with the sale of the Bonds, the District may obtain municipal bond insurance policies from one or

more bond insurers to guarantee the full and complete payment required to be made by or on behalf of the District on some or all of the Bonds as determined by the Pricing Officer. The Pricing Officer is hereby authorized to sign a commitment letter or bond insurance agreement with a bond insurer and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds out of the proceeds of sale of a Series of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as he or she may deem appropriate. Printing on Bonds covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to a bond insurer and the Pricing Officer, is hereby approved and authorized. Each Pricing Certificate may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of a bond insurer, and any such provisions shall be read and interpreted as an integral part of this Resolution.

(b) Rights of Bond insurer(s). As long as a bond insurer is not in default on the related bond insurance policy for the Bonds, the bond insurer shall be deemed to be the sole Owner of such Bonds insured by it for all purposes of this Resolution.

EXHIBIT "A"

CONTINUING DISCLOSURE

Accounting Principles

The accounting and reporting policies of the District relating to the funds and account groups will conform to generally accepted accounting principles (GAAP) as applied to governmental entities.

BID TABULATION
TRAVIS COUNTY W.C.E.D. NO. 17
LANDSCAPE MAINTENANCE & SERVICES
(Mowing, Pond Maintenance & Outfall Cleaning)
May 12, 2106

COMPANY	D.A.D.'s Lawn Services	Abescape Landscaping			
AMOUNT	\$87,470.00	\$156,775.00			

2016 Landscape Bid Packet sent to:

Duane Hundl, Owner Hundlworks@gmail.com 3.31.16

D.A.D.'s Lawn Services
PO Box 95
Manchaca TX 78652-0095

512.590.0713

Josh Miciotto, Owner josh@laketravisyardguy.com 3.31.16

The Yard Guy
129 Double Eagle Drive
Lakeway TX 78738

512.733.4373



4.4.16

Alonso Martinez amartinez@abescape.com
(915) 307-2648 office
(915) 231-6298 fax
abescape.com

Martin Galazar

4.4.16

Martin Salazar | Business Development / Sales | Maldonado Nursery & Landscaping, Inc.

16348 Nacogdoches Road | San Antonio, Texas 78247 | 📞: 210.559.4935 | 📠: 210.599.1219 | 📠: 210.599.9736 |
✉: martins@mmlsa.com

Heather Hope

4.8.16

Construction News Reporter - West/Central Texas

Virtual Builder's Exchange

4047 Naco-Perrin Ste. 100

San Antonio, TX 78217

(210) 564-6900 ext-133 phone

heather@virtualbx.com

AMENDED INFORMATION FORM FILED PURSUANT TO
SECTION 49.455 OF THE TEXAS WATER CODE FOR
TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17

1. The name of the District is Travis County Water Control and Improvement District No. 17.

2. The complete and accurate legal description of the boundaries of the District is attached hereto as Exhibit "B".

3. The most recent rate of District-wide maintenance and operation taxes on property located in the District is \$0.0585 on each \$100 of assessed valuation.

4. The total amount of District-wide bonds which have been approved by the voters and which have not yet been issued by the District (excluding refunding bonds and any bonds or portion of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) is \$0.

5. The total amount of bonds which have been approved by the voters for the Steiner Ranch Defined Area and which have not yet been issued by the District (excluding refunding bonds and any bonds or portion of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) is \$0. The legal description of the boundaries of the Steiner Ranch Defined Area is filed in the Real Property Records, Travis County, Texas, Volume 12353, Page 0459. The most recent rate of District taxes on property located in the Steiner Ranch Defined Area is the \$0.0585 on each \$100 of assessed valuation for the District-wide tax described in paragraph 3 above, and \$0.3751 on each \$100 of assessed valuation for debt service on the Steiner Ranch Defined Area bonds, for a total of \$0.4336 on each \$100 of assessed valuation.

6. The total amount of bonds which have been approved by the voters for the Comanche Trail Defined Area and which have not yet been issued by the District (excluding refunding bonds and any bonds or portion of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) is \$0. The legal description of the boundaries of the Comanche Trail Defined Area is filed in the Real Property Records, Travis County, Texas, Volume 12353, Page 0459. The most recent rate of District taxes on property located in the Comanche Trail Defined Area is the \$0.0585 on each \$100 of assessed valuation for the District-wide tax described in paragraph 3 above, and \$0.00 on each \$100 of assessed

valuation for debt service on the Comanche Trail Defined Area bonds, for a total of \$0.0585 on each \$100 of assessed valuation.

7. The total amount of bonds which have been approved by the voters for the Flintrock Ranch Estates Defined Area and which have not yet been issued by the District (excluding refunding bonds and any bonds or portion of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) is \$4,145,000. The legal description of the boundaries of the Flintrock Ranch Estates Defined Area is filed in the Real Property Records, Travis County, Texas, Document No. 2009045311. The most recent rate of District taxes on property located in the Flintrock Ranch Estates Defined Area is the \$0.0585 on each \$100 of assessed valuation for the District-wide tax described in paragraph 3 above, and \$0.4505 on each \$100 of assessed valuation for debt service on the Flintrock Ranch Estates Defined Area bonds, for a total of \$0.5090 on each \$100 of assessed valuation.

8. The total amount of bonds which have been approved by the voters for the Serene Hills Defined Area and which have not yet been issued by the District (excluding refunding bonds and any bonds or portion of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) is \$50,550,000. The legal description of the boundaries of the Serene Hills Defined Area is filed in the Real Property Records, Travis County, Texas, Document No. 2008160645. The most recent rate of District taxes on property located in the Serene Hills Defined Area is the \$0.0585 on each \$100 of assessed valuation for the District-wide tax described in paragraph 3 above, and \$0.2071 on each \$100 of assessed valuation for debt service for the Serene Hills Defined Area, and \$0.4429 on \$100 of assessed valuation for operations and maintenance for the Serene Hills Defined Area for a total of \$0.7085 on each \$100 of assessed valuation.

9. The aggregate initial principal amount of all District-wide bonds of the District payable in whole or in part from taxes (excluding refunding bonds and any bonds or portion of bonds payable solely from revenue received or expected to be received pursuant to a contract with a governmental entity) which have been previously issued is \$4,725,000.

The aggregate initial principal amount of all Steiner Ranch Defined Area bonds of the District payable in whole or in part from taxes (excluding refunding bonds and any bonds or portion of bonds payable solely from revenue received or expected to be received pursuant to a contract with a governmental entity) which have been previously issued is \$118,500,000.

The aggregate initial principal amount of all Comanche Trail Defined Area bonds of the District payable in whole or in part from taxes (excluding refunding bonds and any bonds or portion of bonds payable solely from revenue received or expected to be received pursuant to a contract with a governmental entity) which have been previously issued is \$1,090,000.

The aggregate initial principal amount of all Flintrock Ranch Estates Defined Area bonds of the District payable in whole or in part from taxes (excluding refunding bonds and any bonds or portion of bonds payable solely from revenue received or expected to be received pursuant to a contract with a governmental entity) which have been previously issued is \$20,055,000.

The aggregate initial principal amount of all Serene Hills Defined Area bonds of the District payable in whole or in part from taxes (excluding refunding bonds and any bonds or portion of bonds payable solely from revenue received or expected to be received pursuant to a contract with a governmental entity) which have been previously issued is \$4,450,000.

10. The District does not currently impose a standby fee.

11. The date on which the election to confirm the creation of the District was held February 28, 1959.

12. The functions performed or to be performed by the District are the provision of retail water and wastewater service and drainage service to users within the District.

13. The particular form of Notice to Purchasers required by Sec. 49.452 of the Texas Water Code to be furnished by a seller to a purchaser of real property in the District, completed by the District with all information required to be furnished by the District is attached hereto as Exhibit "A".

SIGNED this 19th day of May, 2016.

Jeff Roberts, President
Board of Directors

Mickey Decker, Vice President
Board of Directors

Jerri Lynn Ward, Secretary
Board of Directors

Rob Carruthers, Alternate Secretary
Board of Directors

David Lewis Steed, Director
Board of Directors

ATTEST:

Jerri Lynn Ward, Secretary
Board of Directors

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on May 19, 2016, by Jeff Roberts, Mickey Decker, Jerri Lynn Ward, Rob Carruthers, and David Lewis Steed as Directors of Travis County Water Control and Improvement District No. 17

Notary Public, State of Texas

Leslie A. Terrell
Notary's typed or printed name

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

We hereby certify that the above and foregoing information is true and correct.

Jeff Roberts, President
Board of Directors

Mickey Decker, Vice President
Board of Directors

Jerri Lynn Ward, Secretary
Board of Directors

Rob Carruthers, Alternate Secretary
Board of Directors

David Lewis Steed, Director
Board of Directors

Sworn and subscribed to before me, the undersigned authority, on this 19th day of May, 2016.

Notary Public, State of Texas

Leslie A. Terrell
Notary's typed or printed name