



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, January 19, 2017, at 6:00 p.m., at the Travis County Water Control and Improvement District offices, at 3812 Eck Lane.

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

Items on the Agenda

- I. CALL TO ORDER
- II. ESTABLISH A QUORUM
- III. MANAGER AND COMMITTEE REPORTS
 - A. MANAGER'S REPORT: STATUS OF DISTRICT OPERATIONS, FINANCES, DISTRICT CONSTRUCTION PROJECTS, DEVELOPER CONSTRUCTION PROJECTS, DISTRICT ADMINISTRATION AND MANAGEMENT, DISTRICT PLANNING
 - B. COMMITTEE REPORTS
 1. COMMUNICATIONS / PARKS AND CONSERVATION COMMITTEE REPORT
 2. LEGAL COMMITTEE REPORT
 3. PLANNING COMMITTEE REPORT
 4. BUDGET AND FINANCE COMMITTEE REPORT
 5. POLICY COMMITTEE REPORT
 6. IMPACT FEE ADVISORY COMMITTEE
 7. STORMWATER COMMITTEE
- IV. CONSENT AGENDA
 - A. APPROVE PAY ESTIMATES/CHANGE ORDERS FOR VARIOUS CONSTRUCTION PROJECTS IN THE DISTRICT
 1. Eck Lane WTP Backwash Improvements, Pay Estimate #11, Prota Construction Inc. and Prota Inc., JV
 2. Flintrock Wastewater Treatment Plant Expansion, Pay Estimate #9 and Change Order #1, PLW Central Texas
 3. Apache Shores Water Line Improvements – 2016, Pay Estimate #3, Prota Construction, Inc.
 4. Steiner Ranch Lift Station No. 6 Improvements, Pay Estimate #3, Austin Engineering Co., Inc.
 - B. APPROVE PAYMENT OF CURRENT INVOICES
 - C. APPROVE MINUTES – Regular Meeting held December 15, 2016 and Special Meeting held January 14, 2017
- V. PUBLIC COMMENT, 6:30 P.M.
- VI. OLD BUSINESS
 - A. DISCUSS/CONSIDER/TAKE ACTION REGARDING SEARCH FOR NEW GENERAL MANAGER
 - B. DISCUSS/CONSIDER/TAKE ACTION ON ACQUISITION OF 21.49 ACRE FEET OF WATER RIGHTS FROM
 1. 239 RIO VISTA, 13.50 ACRE FEET; AND
 2. THL RANCH LTD., 7.99 ACRE FEET

VII. NEW BUSINESS

- A. DISCUSS/CONSIDER/TAKE ACTION ON ITEMS RELATED TO THE TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA \$4,125,000 UNLIMITED TAX BONDS, SERIES 2017, BOND NO. 2, TO INCLUDE:
 - 1. APPROVE REIMBURSEMENT AUDIT FOR THE SERIES 2017 BONDS;
 - 2. APPROVE UTILITY CONVEYANCE AGREEMENT DOCUMENTS;
 - 3. AUTHORIZE DISBURSEMENTS OF THE SERIES 2017 BONDS FOR BOND ISSUE NO. 2; AND
 - 4. AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

- B. DISCUSS/CONSIDER/TAKE ACTION REGARDING AUTHORIZATION FOR DISTRICT COUSULTANTS TO ASSIST IN DETERMINING THE FEASIBILITY AND SIZE OF A NEW BOND SERIES FOR THE SERENE HILLS DEFINED AREA – JONES-HEROY & ASSOCIATES, INC.

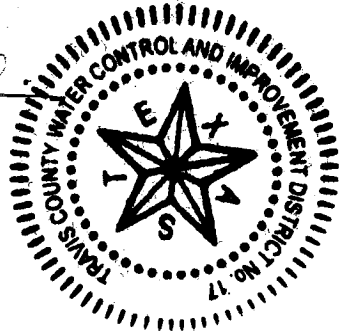
- C. DISCUSS/CONSIDER/TAKE ACTION REGARDING A REQUEST FROM THE DEVELOPER OF THE SERENE HILLS DEFINED AREA TO BE REIMBURSED FOR LAND PURCHASE PRICE INCLUDING CARRYING COSTS BEYOND THE TWO-YEAR LIMIT STATED IN THE UTILITY DEVELOPMENT AND CONVEYANCE AGREEMENT – SERENE HILLS LTD.

VIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072, REGARDING THE APPROVAL OF CONTRACTS TO ACQUIRE WATER RIGHTS FOR IRRIGATION

IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072, REGARDING REQUEST FROM THE DEVELOPER OF THE SERENE HILLS DEFINED AREA TO BE REIMBURSED FOR LAND PURCHASE PRICE INCLUDING CARRYING COSTS BEYOND THE TWO-YEAR LIMIT STATED IN THE UTILITY DEVELOPMENT AND CONVEYANCE AGREEMENT

X. ADJOURNMENT


Linda R. Sandlin
Administrative Assistant





TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17

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

Regular Meeting of the Board of Directors of Travis County Water Control and Improvement District No. 17 was held at the District office located at 3812 Eck Lane on Thursday, December 15, 2016 at 6:00 p.m. This meeting was scheduled and conducted in compliance with the Texas Open Meetings Act.

DRAFT

I. CALL TO ORDER

President Roberts called the meeting to order at 6:04 p.m.

II. ESTABLISH A QUORUM

President Roberts established a quorum of all Directors present; Roberts, Carruthers, Decker, Steed and Ward. General Manager Deborah Gernes, General Counsels Ashleigh Acevedo and Stefanie Albright, District Engineers Pat Lackey and Will Pena, District Financial Advisor Garry Kimball and District Bond Counsel Hasan Mack 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 her written report

- The Online Bill pay programing is being tested and should be live in January.
- Organization Charts were distributed along with a 2017 Director meeting schedule and holiday schedule.

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 – Met November 30, 2016 – Will discuss with agenda item VI. A.
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. Eck Lane WTP Backwash Improvements, Pay Estimate #10 and Change Order #4, Prota Construction Inc. and Prota Inc., JV
2. Flintrock Wastewater Treatment Plant Expansion, Pay Estimate #8, PLW Central Texas
3. Apache Shores Water Line Improvements – 2016, Pay Estimate #2, Prota Construction, Inc.
4. Steiner Ranch Lift Station No. 6 Improvements, Pay Estimate #2 and Change Order #1, Austin Engineering Co., Inc.

B. APPROVE PAYMENT OF CURRENT INVOICES

C. APPROVE MINUTES – November 17, 2016

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

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

Second: Director Steed

Ayes: 5

Noes: 0

Unanimous

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

President Roberts opened Public Comment at 6:28 p.m. and requested if any public present wished to address the Board. Mr. Charles S. Nichols, Jr. a developer who worked in the District for many years said he would like to commend the staff of Water District 17 for being very accessible and helpful. He specifically cited the General Manager and engineer, but said all the staff were commendable. Mr. Nichols stated that District 17 is a quality organization and that the Board should be commended. President Roberts thanked Mr. Nichols for taking the time to come and comment.

President Roberts left Public Comment open for anyone that may wish to address the Board of Directors

Motion: Director Decker to close Public Comment

Second: Director Carruthers

Ayes: 5

Noes: 0

Unanimous

President Roberts closed Public Comment at 7:32 p.m.

VI. **OLD BUSINESS**

A. **DISCUSS/CONSIDER/TAKE ACTION REGARDING SEARCH FOR NEW GENERAL MANAGER**

Manager Gernes stated that the Policy Committee had met to review a number of candidate resumes that had been received and discussed how the candidates were screened. A Special Meeting of the Board was called for January 14, 2017 for the purpose of reviewing the top fifteen (15) applicants and selecting candidates for phone interviews.

B. **DISCUSS/CONSIDER/TAKE ACTION ON ACQUISITION OF 21.49 ACRE FEET OF WATER RIGHTS FROM**

1. 239 RIO VISTA, 13.50 ACRE FEET; AND
2. THL RANCH LTD., 7.99 ACRE FEET

Tabled

C. **DISCUSS/CONSIDER/TAKE ACTION REGARDING UTILITY SERVICE TO AREAS OF WEST TRAVIS COUNTY**

Representative Paul Workman will be introducing legislation this session on the formation of a groundwater district in the area.

VII. **NEW BUSINESS**

A. **DISCUSS/CONSIDER/TAKE ACTION ON ITEMS RELATED TO THE TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA \$4,125,000 UNLIMITED TAX BONDS, SERIES 2017, BOND NO. 2, TO INCLUDE:**

1. RECEIVE BIDS ON \$4,125,000 TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2017;
2. APPROVE ORDER AUTHORIZING THE ISSUANCE OF \$4,125,000 TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2017; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; AWARDED THE SALE OF THE BONDS;
3. POTENTIAL ACTION REGARDING CLOSING PROCEDURES FOR THE SERIES 2017 BONDS; AND
4. AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

District Financial Advisor, Garry Kimball, informed the Directors that there had been three bidders responding to the notice of sale of bonds but that one submitted after the deadline. Mr. Kimball distributed a list of the bids and a Ten-Year History of the Bond Buyer's 20 Bond G.O. Index (General Obligation Index) indicating that the current index is still considered historically low. Mr. Kimball recommended award and sale of the Series 2017 Bonds to the low bidder, GMS Group, L.L.C. at a rate of 4.208622 percent.

Motion: Director Steed to approve the sale of the bonds as recommended to GMS Group, L.L.C.

Second: Directors Decker

Ayes: 5

Noes: 0

Unanimous

B. **DISCUSS/CONSIDER/TAKE ACTION REGARDING DISTRICT STORMWATER MANAGEMENT PROGRAM**

The General Manager provided the Board with an update on the status of the Stormwater Management Program (MS4). She reported that all neighborhoods now have labelled drainage inlets. A drainage problem on Hudson Bend Road was discussed. No action necessary.

VIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTIONS 551.071 AND 551.072, REGARDING THE APPROVAL OF CONTRACTS TO ACQUIRE WATER RIGHTS FOR IRRIGATION
Executive Session not held

IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, REGARDING UTILITY SERVICE TO AREAS OF WEST TRAVIS COUNTY
Executive Session not held

X. ADJOURNMENT

Motion: Director Carruthers to adjourn

Second: Directors Steed

Ayes: 5

Noes: 0

Unanimous

President Roberts adjourned the meeting at 7:34 p.m.

Approved this _____ day of _____ 2017, with a motion

by Director _____ and a Second by Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary

LAW OFFICES

M^cCALL, PARKHURST & HORTON L.L.P.

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

MEMORANDUM

DATE: January 10, 2017

TO: Distribution*

FROM: McCall, Parkhurst & Horton L.L.P.

RE: \$4,125,000 Travis County Water Control and Improvement District No. 17 Serene Hills Defined Area Unlimited Tax Bonds, Series 2017 - Closing Instructions

The purpose of this memorandum is to set forth certain events and transfers which will occur on or before January 9, 2017 (the "Preclosing") and January 10, 2017 (the "Closing" or "Closing Date") with respect to the above captioned bonds (the "Bonds"). The Closing will take place at 10:00 a.m. at the offices of McCall, Parkhurst & Horton L.L.P., 600 Congress Avenue, Suite 1800, Austin, Texas 78701. The Closing will be handled by phone and no one is expected to be in attendance.

I. TRANSFER OF BONDS.

Prior to the Preclosing, bonds numbered R-1 through R-14 will be printed by McCall, Parkhurst & Horton L.L.P. and delivered by January 9, 2017 to The Bank of New York Mellon Trust Company, National Association ("BNYM") for authentication, registration and safekeeping.

Additionally, prior to the Closing, one bond, T-1, (the "Initial Bond"), in the name of Cede & Co. will be prepared by McCall, Parkhurst & Horton L.L.P. and delivered to the Attorney General for approval. Upon approval by the Attorney General, the Initial Bond will be registered by the Comptroller of Public Accounts of the State of Texas and delivered by McCall, Parkhurst & Horton L.L.P. to BNYM by no later than January 10, 2017.

II. TRANSFERS TO BNYM.

Pursuant to the Official Bid Form submitted by The GMS Group, LLC and accepted by the Board of Directors on December 15, 2016, The GMS Group, LLC will wire transfer, on the Closing Date, the amount of \$4,001,250.00 (representing the par amount of the Bonds of \$4,125,000.00, less a bid discount of \$123,750.00) to The Bank of New York Mellon Trust Company, ABA No. 021000018, Acct. No. 4284888400, Acct. Name: Travis County WCID #17 Bond Proceeds, RE:

Travis County Water Control and Improvement District No. 17 Serene Hills Defined Area Unlimited Tax Bonds, Series 2017, Contact: Brian Jensen (214) 468-6406.

III. TRANSFERS FROM BNYM.

After the District's Board of Directors reviews and approves of the report of reimbursable costs at the January 19, 2017 meeting and subject to receipt of the bond proceeds from the purchaser, BNYM is authorized to make the following wire transfers:

1. \$3,544,315.18 to JPMorgan Chase c/o TexSTAR Participant Services Dallas, TX, ABA No. 021000021, BNF = TexSTAR Clearing/AC-9102733343, OBI: 000-00802-10304 for deposit into the Serene Hills Defined Area Capital Projects Fund to pay the project costs and costs in connection with the issuance of the Bonds. Includes \$4,125.00 to reimburse the District for fees paid to the Texas Attorney General.

2. \$347,837.82 to JPMorgan Chase c/o TexSTAR Participant Services Dallas, TX, ABA No. 021000021, BNF = TexSTAR Clearing/AC-9102733343, OBI: 000-00802-07453 for deposit into the Serene Hills Defined Area Debt Service Fund representing \$347,211.32 in capitalized interest to pay debt service on the Bonds and \$626.50 for excess issuance costs.

3. \$55,312.50 to Specialized Public Finance Inc., The Independent Bankers Bank, ABA No. 111010170, Beneficiary: Pioneer Bank, SSB, Acct. No. 1019660, FCC: Specialized Public Finance Inc., Acct. No. 2002079, which represents financial advisor fee in the amount of \$51,562.50, document preparation costs (Official Statement) of \$3,500.00 and miscellaneous costs of \$250.00.

4. \$686.00 to S&P Capital IQ LLC c/o Bank of America/Chicago, Illinois, Account #8188068164, ABA #0260-0959-3, Swift No. B0FAUS3N, Ref.# 35197532, representing cusip fees.

5. \$1,125.00 to Ipreo LLC c/o JPMorganChase, New York, NY, ABA# 021000021, Acct.# 066603161, SWIFT CODE: CHASUS33, ref.#10031076, representing the electronic distribution of POS/OS.

6. \$551.42 to Island Financial Printing Resource, Inc. c/o Receiving Bank: Dubuque Bank and Trust Company - Dubuque, Iowa, ABA# 0739 0053 5, Beneficiary Bank Name: Morrill & Janes Bank - Merriam, Kansas, ABA# 101101950, Account # 620440, Invoice #9395, Contact: Vicki Kennamer, (800) 863-5611, representing the printing fees of OS.

7. \$43,672.08 to McCall, Parkhurst & Horton L.L.P., Plains Capital Bank, 325 N. St. Paul Street, Suite 800, Dallas, Texas 75201, 214/525-4651, ABA No. 1113-2299-4, Acct. No. 4000001208 (For Credit to: McCall, Parkhurst & Horton L.L.P. Operating Account), Reference No.: 2501.060- Travis County WCID No. 17 Serene Hills Defined Area Unlimited Tax Bonds, Series 2017, which represents bond counsel fee of \$41,250.00, IRS Form 8038-G Tax Return Preparation of \$500.00, Texas Bond Review Board Form Preparation fee of \$500.00, Bond

Preparation Fee of \$250.00 and publication costs of \$1,172.08, but excluding other out-of-pocket expenses to be billed later.

8. \$8,000.00 to McCall Gibson Swedlund Barfoot P.L.L.C., JPMorgan Chase: Routing/ABA No. 111000614, Acct. No. 137812654065, for reimbursement audit.

9. \$750.00 to be retained by BNYM which represents the first year's paying agent fee.

IV. RELEASE AND CANCELLATION OF BONDS.

Immediately upon receipt of the proceeds referred to in Section III above and upon the approval of McCall, Parkhurst & Horton L.L.P., BNYM will cancel the Initial Bond. The Bonds will be released to The GMS Group, LLC by BNYM through use of DTC's FAST Delivery System by contacting DTC at (212) 898-3752.

V. PAYMENT OF INVOICES.

Invoices for services rendered in connection with the Bonds should be sent to Leslie Terrell at the District with a copy to the District's auditor.

ACKNOWLEDGED AND AGREED TO:

Travis County Water Control & Improvement District No. 17

By: Jeff Roberts
Title: President

DISTRIBUTION*

Specialized Public Finance, Inc. ("SPFI")
248 Addie Roy Road, Suite B-103
Austin, Texas 78746
Attn: Garry Kimball
Monica Melvin
(512) 275-7300
garry@spubfin.com
jeff@spubfin.com
Kristin@spubfin.com
monica@spubfin.com

The Bank of New York Mellon Trust
Company, N. A. ("BNYM")
2001 Bryan Street, 11th Floor
Dallas, Texas 75201
Attn: Brian Jensen
(214) 468-6406
brian.jensen@bnymellon.com

Travis County WCID # 17 ("WCID 17")
3812 Eck Lane
Austin, Texas 78734
(512) 266-1111 X 13
Attn: Deborah Gernes
Leslie Terrell
Linda Sandlin
dgermes@wcid17.org
lterrell@wcid17.org
lsandlin@wcid17.org

Lloyd Gosselink Blevins Rochelle &
Townsend, P.C.
816 Congress Ave., Suite 1900
Austin, Texas 78704
(512)322-5800
Attn: Lauren Kalisek
David Klein
lkalisek@lglawfirm.com
dklein@lglawfirm.com

The GMS Group, LLC
5075 Westheimer
Suite 1175
Houston, Texas 77056
Attn: Bryan Dupree
Paul Steets
Rhonda Dupree
(713) 622-7620
bdupree@gmsgroup.com
psteets@gmsgroup.com
rdupree@gmsgroup.com

McCall Gibson Swedlund Barfoot PLLC
111 Congress Avenue
Suite 400
Austin, Texas 78701
Attn: Marsha Jan
(512) 610-2209
MJan@mgsbpllc.com
amartin@mgsbpllc.com

McCall, Parkhurst & Horton L.L.P. ("MPH")
600 Congress Avenue, Suite 1800
Austin, Texas 78701
(512) 478-3805
Attn: Carol Polumbo
Kristen Randolph
cpolumbo@mphlegal.com
hmack@mphlegal.com
krandolph@mphlegal.com

Hunter Interests/ES-DH Serene LLC
28 Cousteau Lane
Austin, Texas 78746
(512)284-8968
Attn: Douglas Hunter
douglasohunter@gmail.com

River City Engineering
380 South First Street
Austin, Texas 78704
(512) 442-3008
Attn: Pat Lackey
Will Pena
palackey@rcetx.com
wpena@rcetx.com

Jones-Heroy Consulting, Inc.
1900 East Howard Lane, Bldg A, Ste 6
Pflugerville, Texas 78660
(512) 989-2200
Attn: Ken Heroy
kenh@jones-heroy.com



JONES - HEROY & ASSOCIATES, INC.

January 19, 2017

Serene Hills, Ltd.
c/o Mr. Douglas Hunter
28 Cousteau Ln.,
Austin, Texas 78746

Re: Proposal to Prepare Bond Application No. 3;
Travis County Water Control & Improvement District No. 17 (District) –
Serene Hills Defined Area (SHDA);
JHA No. 0152-014

Dear Mr. Hunter:

Jones – Heroy & Associates, Inc. (JHA) appreciates the opportunity to submit this proposal for professional services to Serene Hills, Ltd. (Client). This scope of services includes the preparation and submittal of a bond application report in support of an application to the Texas Commission on Environmental Quality (TCEQ) by the District for sale of bonds. The bond amount is expected to be approximately \$6,500,000. We propose the following scope of services and corresponding fees.

SCOPE OF SERVICES:

1. Compile information and documentation needed for the report from the District's files and received from the District's engineer, attorneys, financial advisor and developer seeking reimbursement.
2. Prepare a bond application report following the rules of the TCEQ applicable to the bond review process described in Rule 30 TAC Chapter 293, Subchapter E.
3. Submit a draft copy of the report to Client, the District and its consultants for review and comment.
4. Upon approval by the Board of Directors of the District the application package will be submitted to the TCEQ for their review.
5. Respond to engineering-related questions and comments that result from the TCEQ's review of the application.

Additional items not included in this proposal but which will be required from others are:

1. Certified copy of the district board's resolution authorizing submission of application for bond issuance;
2. Filing fee of \$500;
3. Financial information required by TCEQ rules including historical tax data, cash and investment balances as of the date of the application, debt service schedule for the proposed and outstanding bonds, build-out projections, projected cash flow analysis based on growth and no-growth scenarios and a current tax assessors affidavit of current taxable value in the District;
4. Exhibits for the engineering report, including a current District boundary map showing annexations and exclusion of land and land use map showing existing and proposed development and facilities;

COMPENSATION AND PAYMENT

We propose to provide the services described above for a lump sum fee of \$60,000. In addition, certain out-of-pocket expenses, including reproduction, deliveries, automobile mileage, and travel expenses (if required) will be billed at JHA's direct cost. These expenses are not expected to exceed \$2,000. We will invoice you monthly based upon percent completion.

If additional work is requested such as a Purchase of Facilities Application, Release from Escrow, Change in Scope or Use of Surplus Funds, we will perform the additional services based on the attached hourly rate schedule (Exhibit A).

LIMITATION OF LIABILITY

JHA's liability to the Client for any cause or combination of causes is in the aggregate limited to an amount no greater than JHA's insurance limits.

CLOSING

We appreciate the opportunity to present this proposal and look forward to working with you on this project. Provided this Scope of Services and compensation arrangement are acceptable to you, please sign in the space provided and return one original to our office. Our proposal is valid for 120 days. If you have any questions or comments, please contact me.

ATTACHMENT A

JONES - HEROY & ASSOCIATES, INC.

TYPICAL COMPENSATION FOR PROFESSIONAL SERVICES ON TIME AND MATERIALS AND ESTIMATED FEE BASIS

Professional services performed on a time and material basis and estimated fee basis will be based on each employee's hourly rate, which is based on level of experience and expertise. The current rates of various staff categories are as follows and are updated from time to time:

Staff Category	Hourly Rate
President / Project Engineer	\$ 175.00 per hour
Associate / Project Engineer / Senior Project Manager	\$160.00 per hour
Project Manager/ Project Engineer	\$140.00 per hour
Graduate Engineer	\$ 120.00 per hour
Technician	\$ 100.00 per hour
Administrative	\$ 85.00 per hour

Reimbursable expenses such as copies, delivery charges, and mileage will be billed at JHA's direct cost.

Serene Hills, Ltd., c/o Douglas Hunter
January 19, 2017
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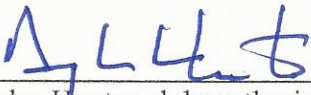
Very truly yours,
JONES – HEROY & ASSOCIATES, INC.



Ken Heroy, P.E.
President

ACCEPTED ON BEHALF OF SERENE HILLS, LTD.

Serene Hills, Ltd.

By: 
Douglas Hunter, duly authorized representative

Date: 1-12-2017

S: SJC- Projects 0152 Serene Hills -014 BI #3 TC WCID 17 SHDA Proposal BI 3.docx

VII.C.

Developer agrees to (i) prepare, execute, and file all instruments reasonably necessary to convey the Defined Area Facilities or portions thereof to the District, including but not limited to the form Utility Conveyance Agreement, attached hereto as Exhibit D; and (ii) execute an affidavit, to the best of Developer's knowledge, that no debt remains unpaid to any contractor, laborer, or material supplier which has or could result in a valid lien encumbering, or claim against, the applicable Defined Area Facilities. Developer shall also convey (a) any easements held by Developer within which the water or wastewater system of the District is located, unless such easements have been dedicated to the public or the facilities are located in a public right-of-way or lands owned by the District, and (b) all easements necessary to own, operate, and maintain the Defined Area Facilities. Developer shall additionally convey fee simple title to any and all facility sites, together with necessary rights of way thereto where such site or sites are not accessible by a dedicated public street, and all licenses, franchises, and permits for the Defined Area Facilities held by Developer. Developer represents that the Defined Area Facilities will be constructed in easements or sites owned by Developer or within easements dedicated to the public. All documents or instruments of conveyance, release, transfer, or assignment required hereunder shall be in a form and content reasonably acceptable to the District General Counsel.

6.4 Accounting.

Developer agrees that it will maintain books of records and accounts in which full, true, and proper entries will be or have been made of all dealings, transactions, business, and matters which in any way affect or pertain to the Defined Area Facilities or portions thereof, and such books and accounts will be available for inspection and copying by the District at reasonable hours and under reasonable circumstances.

6.5 Amount of Reimbursement.

As consideration for Developer's conveyance of the Defined Area Facilities or portions thereof to the District, Developer shall be reimbursed from Defined Area Bond proceeds for the Defined Area Creation Costs, Project Costs, and other costs and expenses associated therewith in accordance with this Agreement, provided, however, that the amount of reimbursement to be paid by the District to Developer shall be approved by the TCEQ and the District's Board of Directors. Unless otherwise provided herein, the amount of reimbursement shall equal, to the extent allowed by the TCEQ and the District's Board of Directors, the amount actually expended by Developer pursuant to this Agreement plus two (2) years of interest, to be calculated from the various dates of expenditure by Developer to the time of payment by the District at a rate per annum not to exceed the lesser of (a) the net effective rate on the Defined Area Bonds of the District sold for the purpose of making such payment, (b) the lowest net effective rate on the Defined Area Bonds of the District sold for the purpose of making such payment, or (c) the lowest net effective interest rate on any funds borrowed by Developer for the purpose of making such payment prior to the time of payment by the District. Payment shall take place within thirty (30) days from the date after receipt of the proceeds of sale of the Defined Area Bonds and the occurrence of all the conditions to the District's purchase of

the Defined Area Facilities specified in Section 6.6 below. The District shall not be required to request a conditional waiver from the TCEQ's developer cost participation requirements set out in Section 293.47 of the TCEQ's rules or reimbursement for greater than two (2) years of developer interest as set out in Section 293.50 of the TCEQ's rules.

6.6 Conditions to Conveyance.

The District's obligation to issue Defined Area Bonds and to purchase the Defined Area Facilities from Developer is subject to the following terms and conditions:

- (a) A favorable election result, as described in Section 3.6 of this Agreement;
- (b) Developer's preparation of an application to the TCEQ, approved by the District, for approval of the Defined Area Facilities and issuance and sale of Defined Area Bonds by the District;
- (c) An order issued by the TCEQ approving the issuance and sale of Defined Area Bonds;
- (d) Receipt of a bona fide bid for the Defined Area Bonds;
- (e) Approval of the Defined Area Bonds by the Attorney General of the State of Texas and their registration by the Comptroller of Public Accounts;
- (f) Conveyance to the District of title to the Defined Area Facilities and assignment to the District of all rights and privileges under all construction contracts for the Defined Area Facilities in accordance with this Agreement;
- (g) The assessed value of all taxable property within the Property, as shown by the latest appraisal roll issued for the District by the Travis Central Appraisal District, together with the projected increase in the assessed value that is allowed by the rules of the TCEQ, is such that the debt service on the District's outstanding Defined Area Bonds, and the Defined Area Bonds then being issued, can be paid with the tax rate of sixty five cents (\$0.65) per one hundred dollars (\$100.00) of assessed valuation. If the projected increase proves to be inaccurate or if there is a reduction in the assessed value such that the total resultant tax rate exceeds the sixty five cents (\$0.65) per one hundred dollars (\$100.00), whichever is applicable, any subsequent issue will be adjusted so as to ensure that the tax rate will be less than or equal to these tax rate limitations;
- (h) The District shall not be obligated to issue Defined Area Bonds in increments of less than one million dollars (\$1,000,000.00), save and except the last issue of Defined Area Bonds to reimburse Developer;

- (i) Developer is current on all taxes, fees, and obligations to the District;
- (j) Recommendation of the District Financial Advisor that sale of the Defined Area Bonds is feasible and prudent; and
- (k) Receipt of all information from Developer as requested by the District as determined necessary by the District to fulfill its disclosure obligations pursuant to federal and state securities law.

When requested by Developer, the Board shall use its best efforts to obtain all applicable governmental approvals in an expeditious manner for issuance of Defined Area Bonds and the District's acquisition of the Defined Area Facilities. The District's Defined Area Bonds shall be offered on terms and conditions generally accepted in the water district bond market. The District shall not be obligated to offer the Defined Area Bonds in contravention of any laws of the State of Texas or the rules and regulations of the TCEQ. The District shall not be obligated to sell or issue any amount of Defined Area Bonds in excess of the amount then recommended by the District Financial Advisor. The District agrees to use its best efforts to sell the Defined Area Bonds, but cannot guarantee the sale thereof.

6.7 Limitation on Bonds and Taxes.

The Defined Area Bonds shall be payable only from taxes levied, assessed and collected against taxable property within the Defined Area. The remainder of the property within the District is relieved from taxation or any other charges to pay for the Defined Area Bonds and all steps necessary will be taken to ensure that at no time within the future can other land or property within the District become liable for payment of the Defined Area Bonds.

6.8 Issuance of Bonds.

The District and Developer agree that Bonds will be sold in increments meeting the conditions of the foregoing Section 6.6 at the earliest possible time, until Developer has been reimbursed pursuant to the terms of this Agreement. Subject to the terms and conditions set forth herein, the District agrees that, when requested to do so by Developer, it will proceed at the earliest practicable time to request the approval of the Defined Area Facilities and the issuance of an increment of Bonds by the TCEQ, and upon receipt of such approval, will proceed with the issuance and sale of Bonds, provided that the Bonds can be sold subject to the terms and provisions of Section 6.6. The District will proceed in a like manner until sufficient Bonds have been sold to reimburse Developer for those costs to be reimbursed pursuant to this Agreement.

6.9 Continuing Disclosure.

17.8 Continuing Obligation.

Unless otherwise expressly provided, the representations, warranties, covenants, indemnities, and other agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive the closing of the transaction and the conveyance and transfer of the Defined Area Facilities and payment of the purchase price.

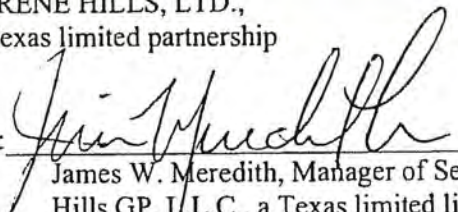
17.9 Multiple Originals.

This Agreement shall be executed in a number of counterparts, each of which shall be for all purposes deemed to be an original, and all such counterparts shall together constitute and be one and the same instrument.

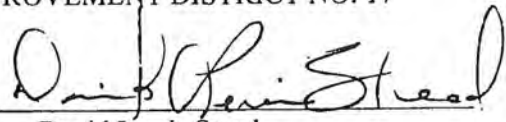
IN WITNESS WHEREOF, Developer has caused its corporate name to be hereunto subscribed by its officers, thereunto duly authorized, and the President of the District has executed, and the Secretary of the District has attested this instrument on behalf of said District pursuant to a resolution passed and approved by the Board of Directors of said District.

EXECUTED AND EFFECTIVE as of January 17, 2008 the ("Effective Date").

SERENE HILLS, LTD.,
a Texas limited partnership

By: 
James W. Meredith, Manager of Serene Hills GP, L.L.C., a Texas limited liability company, the general partner of Serene Hills, Ltd.

TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17

By: 
David Lewis Steed
President, Board of Directors

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

Manager Gernes introduced a request made by the developer when the Serene Hills Defined Area (SHDA) Unlimited Tax Bonds, Series 2016 (Bond 2) application was being reviewed. She explained that the Utility Development and Conveyance Agreement (UDCA) has a limit of two years on developer interest reimbursement and that the developer is requesting a waiver of this two year limitation.

Tony Corbett, attorney representing the developer of SHDA, addressed the Directors stating that the developer was not requesting a waiver or to modify the UDCA but that the developer was seeking to use the Texas Commission on Environmental Quality (TCEQ) rules that allows reimbursement of land purchase price, including carrying costs. Mr. Corbett asked that the District consult with Ken Heroy, the reimbursement auditors and TCEQ regarding this consideration. Director Carruthers asked for the actual cost of granting this request and Mr. Corbett stated that in Bond 2 the carrying cost was approximately \$43,000 for the water quality pond land in Section 2, but that this decision would set a precedent for future land costs.

Attorney Kalisek clarified that Ken Heroy was not the District's consultant and that historically speaking, this was the first application for the Serene Hills Defined Area where reimbursement for land carrying costs had been requested. She further explained that the District intended that the UDCA limit all interest to two years regardless of what TCEQ allows.

President Roberts thanked Mr. Corbett and the developer, Douglas Hunter, for coming to the meeting to discuss this matter and stated that no action would be taken tonight. Roberts said this issue would be discussed in Executive Session to obtain advice from the District's counsel and someone would be in touch with Mr. Hunter and Mr. Corbett at a later date if they were not present upon return to open meeting.

Tabled, no action.

Executive Session was held with no action upon return to open meeting.

B. DISCUSS/CONSIDER/TAKE ACTION ON RECOMMENDATION BY THE DISTRICT'S FINANCIAL ADVISOR REGARDING REFINANCING CERTAIN WATER DEVELOPMENT REVENUE REFUNDING BONDS, INCLUDING:

President Roberts left Public Comment open for anyone that may arrive and wish to address the Board of Directors.

- Motion:** Director Decker to close Public Comment
- Second:** Director Steed and Director Carruthers
- Ayes:** 5
- Noes:** 0

President Roberts closed Public Comment at 7:08 p.m.

VII. OLD BUSINESS

A. DISCUSS/CONSIDER/TAKE ACTION REGARDING SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2016:

I. REQUEST BY DEVELOPER TO WAIVE LIMITATION ON TWO-YEAR DEVELOPER INTEREST ON LAND COSTS; AND

Attorney Kalisek stated that a modified Bond Application Report dated June 2016 had been received. She said this modified application removed the land costs completely so that there were no issues and the bond application could move forward. The Board may review the developer's request to consider reimbursement of more than two years interest on land costs at a later date.

2. AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BOND

The Board discussed reaffirmation of 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.

- Motion:** Director Ward to reaffirm the April 21, 2016 approval of 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 in the current revised format with the land costs removed.
- Second:** Director Decker
- Ayes:** 5
- Noes:** 0

VIII. NEW BUSINESS

A. DISCUSS/CONSIDER/TAKE ACTION REGARDING CONTRACT AWARD FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 STEINER RANCH LIFT STATION NO. 6 IMPROVEMENTS

District Engineer Will Pena explained that four bids from prequalified contractors were received for the Steiner Ranch Lift Station No. 6 Improvements project. He went on to explain that this was the first time in District history that the two lowest bidders had a tie bid of \$344,000. Mr. Pena said both Prota Construction, Inc. and Austin Engineering Company, Inc. were both qualified to perform the job but based on their more extensive successful history working with the District on similar projects he would recommend the project be awarded to Austin Engineering Company.

- Motion:** Director Ward to award the contract for the Steiner Ranch Lift Station No. 6 Improvements to Austin Engineering Company, Inc. in an amount of \$344,000
- Second:** Director Steed
- Ayes:** 5
- Noes:** 0

B. 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

Manager Gernes stated that the boundary maps of 2012 were now updated with new field notes platted, verified and ready to submit with the Amended Information Form. Mr. Pena and the Board discussed the differences in method of establishing boundaries between using the Deeds of Record and the method of using the Travis County Appraisal District GIS system. These differences would most likely still need to be re-verified after this material was submitted.


- Motion:** Director Ward to accept and submit the Amended Information Form Filed Pursuant to Section 49.455 of the Texas Water Code for Travis County Water Control and Improvement District No. 17 boundaries
- Second:** Director Steed and Director Decker
- Ayes:** 5
- Noes:** 0

6

CONFIDENTIAL/ATTORNEY-CLIENT COMMUNICATION

MEMORANDUM

TO: Board of Directors
Travis County Water Control and Improvement District No. 17

FROM: Lauren Kalisek, Ashleigh K. Acevedo 

DATE: June 14, 2016

RE: Serene Hills Defined Area Bond Issue #2: Developer reimbursement contract language comparison and easement in lieu of purchase in fee simple (1435-44)

Introduction

In preparing the Serene Hills Defined Area Bond Issue #2 application for the Travis County Water Control and Improvement District No. 17 (the "District"), questions have arisen regarding whether and to what extent the Utility Development and Conveyance Agreement (the "UDCA") allows the Developer to be reimbursed for interest on land costs. Particularly, the Developer seeks 9.5 years of interest for the land cost associated with stormwater ponds. However, the District's interpretation of the UDCA is that interest of land costs is limited to two years under the terms of the UDCA.

Questions Presented

1. How does the contract language for the Serene Hills Defined Area Bond Issue # 2 for Developer reimbursement compare to previous developer agreements regarding the reimbursement of land costs?
2. Is the District obligated to purchase the ponds or may the District acquire an easement from the Developer instead?

Short Answers

1. Previous UDCA's for the Steiner Ranch Defined Area and the Flintrock Ranch Estates Defined Area utilize differing and progressively more detailed limitations on the amount of costs the District reimburses the developer. The Serene Hills Defined Area UDCA most directly and most clearly includes land costs within the costs that are reimbursable given the specific inclusion of real property in its definition of "Project Costs." However, unlike previous UDCA's, it is the only one containing language specifically limiting

interest to two years.

2. Neither the UDCA nor applicable laws or regulations require the District to purchase fee simple title for real property developed by the Developer. Moreover, the District has the authority necessary to acquire an easement.

Discussion

1. Developer reimbursement language comparison

Steiner Ranch Defined Area

The UDCA for Steiner Ranch allows reimbursement for “all costs of the Project,” including water treatment plant extension and some of all of the costs of water and drainage facilities to the maximum extent provided by law. Additionally, the UDCA specifies the interest on such reimbursements in Article IV.1 as follows:

The amount of reimbursement to be paid by the District to the Developer shall be approved by the Texas Water Commission, and *the amount shall equal, to the extent allowed by the Texas Water Commission, the amount actually expended . . . plus interest* to be calculated from the various dates of expenditure by Developer to the time of payment by the District at a rate per annum not to exceed the lesser of (a) the net effective rate on the Defined Area bonds of the District sold for the purpose of making such payment, or (b) the lowest net effective interest rate on any funds borrowed by Developer for the purpose of making such payment prior to the time of payment by the District. (emphasis added)

The “Project” for purposes of this UDCA consists of “all facilities that are installed, or have been installed, pursuant to the Conceptual Service Plan, Specific Service Plans, wastewater facilities, costs of the project funded by the developer, attorney’s fees and other associated costs reasonably related to the construction, operation, and maintenance of the Project” per Article II.1. Unlike the other UDCA’s, the Steiner Ranch UDCA does not specifically include land costs within the description of costs that are reimbursable.

This UDCA was the first executed of the three analyzed herein. The language regarding developer reimbursements in this UDCA is the broadest in that it simply provides that the amount of reimbursement is what the TCEQ and its predecessor agencies allows under law without any further limitation.

Flintrock Ranch Estates Defined Area

The Flintrock Ranch Estates Defined Area UDCA provision on reimbursements changed from the Steiner Ranch UDCA. The amount of reimbursement and interest it allows in Section 6.5 is as follows:

The amount of reimbursement *shall equal to the extent allowed by the TNRCC and the District's Board of Directors, the amount actually expended by the Developer pursuant to this Agreement plus interest* to be calculated from the various states of expenditure by Developer to the time of payment by the District at a rate per annum not to exceed the lesser of (a) the net effective rate on the Defined Area Bonds of the District sold for the purpose of making such payment, or (b) the lowest net effective rate on the Defined Area Bonds of the District sold for the purpose of making such payment, or (c) the lowest net effective interest rate on any funds borrowed by the Developer for the purpose of making such payment prior to the time of payment by the District. (emphasis added)

Unlike the Steiner Ranch Defined Area UDCA, the Flintrock Ranch Estates Defined Area UDCA defines Project Costs as “all costs and expenses associated with the design and construction of the Defined Area Facilities.” The definition of Defined Area Facilities includes real property as in the Serene Hills UDCA. The definition states that Defined Area Facilities “means the water, wastewater, and drainage facilities and all contracts, warranties, and real property and other appurtenances related thereto,” among others.

Most importantly, the developer reimbursement language was narrowed in this UDCA. Not only is the amount limited to the amount allowed by the TCEQ and its predecessor agencies, but it is also limited to an amount approved by the Board. Additionally, the explicit inclusion of the value of real property in the Defined Areas Facilities definition provides a more detailed scope of reimbursable costs than in the Steiner Ranch Defined Area UDCA.

Serene Hills Defined Area

Section 6.5 of the Serene Hills Defined Area UDCA relating to reimbursement, as amended, authorizes a limited reimbursement of creation costs, project costs, and other costs and expenses associated therewith to the Developer:

Unless otherwise provided herein, *the amount of reimbursement shall equal, to the extent allowed by the TCEQ and the District's Board of Directors, the amount actually expended by Developer pursuant to this Agreement plus two (2) years of interest*. . . . The District shall not be required to request a conditional waiver from the TCEQ's rules or reimbursement for greater than two (2) years of developer interest as set out in Section 293.50 of the TCEQ's rules. (emphasis added)

Important for this provision, the UDCA defines “Project Cost” in Article I as “all costs and expenses associated with the design and construction of the Defined Area Facilities, including . . . the value of any real property interests conveyed by Developer to the District pursuant to this Agreement” (emphasis added). Additionally, “Defined Area Facilities” includes “water, waste, and drainage facilities and all contracts, warranties, and real property and other appurtenances related thereto” Thus, the limitation on reimbursements captures real property costs, which would include stormwater ponds.

Like the Flintrock Ranch Estates Defined Area UDCA, the Serene Hills Defined Area UDCA narrows the total amount of developer reimbursements to an amount allowed by both the TCEQ and the District's Board. The Serene Hills UDCA goes farther than even the Flintrock Ranch Estates Defined Area UDCA in defining the scope of its reimbursements for land costs as the value of real property is specifically included in its project costs. Moreover, unlike either of the other agreements, the Serene Hills UDCA caps reimbursement for interest at two years. In this way, the Serene Hills UDCA provides the narrowest amount of developer reimbursements. It should also be noted that the current and effective version of Section 6.5 was agreed to in the *Second Amendment to the Utility Development and Conveyance Agreement* executed by Doug Hunter in December, 2013.

This comparison reveals that the Serene Hills UDCA most directly addresses reimbursements and interest for land costs. In this way, the Serene Hills UDCA also most clearly limits the amount of interest that a developer may receive for costs associated with the acquisition and subsequent conveyance of real property.

2. Easement in lieu of purchase in fee simple

Although the UDCA obligates the Developer at Section 6.3 to “convey fee simple title to any and all facility sites . . .” the language of the UDCA does not obligate the District to acquire and pay for fee simple title. Section 6.3 also requires the Developer to convey “... all easements necessary to own, operate, and maintain the Defined Area Facilities.”

In addition, the definition of “Project Costs” subject to reimbursement discusses, “the value of any real property interests conveyed by Developer to the District” at Article I. Therefore, the UDCA contemplates the District may be acquiring *either* an easement interest or fee simple title.

Chapter 51 of the Texas Water Code, which is specifically applicable to water control and improvement districts, does not address this issue. Chapter 49 of the Texas Water Code provides general powers and duties of Article XVI, Section 59 water districts, including the power to acquire an interest in land.¹ Section 49.218 allows districts to acquire either fee simple title or an easement on land; it does not, however, mandate one acquisition method over the other. Similarly, 30 Texas Administrative Code § 293.51 details district land and easement acquisitions. The language herein is likewise permissive and does not require the District to purchase land for stormwater ponds.

Therefore, because the UDCA and applicable law are permissive with respect to the method of land acquisition for such property, no legal requirements exist that would mandate the District acquire fee simple title on which the stormwater ponds are located.

Conclusion

The District has the discretion to deny the Developer's request to exclude land costs from the two-year interest cap by either using the construction of the contract to establish the limit for

¹ TEX. WATER CODE § 49.218.

land costs or by seeking an easement rather than fee simple title to the land on which the stormwater ponds are located. Of the UDCA's the District has used for defined areas, the Serene Hills UDCA language provides the clearest intent to limit land cost interest to two years. Alternatively, nothing in the UDCA or other applicable laws obligates the District to purchase the land; an easement is also permissible.