



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, July 20, 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. Flintrock Wastewater Treatment Plant Expansion, Pay Estimate #15, PLW Central Texas
 2. Apache Shores Water Line Improvements – 2016, Pay Estimate #7, Final, Protta Construction, Inc.
 3. Tacara at Steiner Ranch, 24" Waterline, INV#04, Casey Development, Ltd.
 4. Tacara at Steiner Ranch 24" Waterline, Reimbursement Request Inv. #1005, Baxter Contracting, LLC / Casey Development, Ltd.
 - B. APPROVE PAYMENT OF CURRENT INVOICES
 - C. APPROVE MINUTES – Regular Meeting held June 20, 2017
- V. PUBLIC COMMENT, 6:30 P.M.
- VI. PUBLIC HEARING, 6:45 P.M. – REGARDING AMENDMENT OF THE DISTRICT WASTEWATER IMPACT FEE FOR THE SOUTH DISTRICT (FLINTROCK) WASTEWATER SYSTEM
- VII. PUBLIC HEARING, 6:45 P.M. – REGARDING CONSIDERATION OF POLICY AMENDMENT TO ADOPT A PROPOSED MCCORMICK MOUNTAIN SERVICE AREA AND ESTABLISHMENT OF A SUBSEQUENT USER FEE FOR THE WATERLINE IMPROVEMENTS TO SERVE THIS PROPOSED AREA
- VIII. NEW BUSINESS
 - A. DISCUSS/CONSIDER/TAKE ACTION ON ITEMS TO AUTHORIZE REIMBURSEMENT AUDIT ENGAGEMENT LETTER AS RELATED TO THE SERENE HILLS DEFINED AREA SERIES 2017-A BOND ISSUE NO. 3 – McCALL GIBSON SWEDLUND BARFOOT PLLC

- B. DISCUSS/CONSIDER/TAKE ACTION ON RECOMMENDATION FROM THE DISTRICT IMPACT FEE ADVISORY COMMITTEE TO AMEND THE DISTRICT WASTEWATER IMPACT FEE FOR THE SOUTH DISTRICT (FLINTROCK) WASTEWATER SYSTEM
 - C. DISCUSS/CONSIDER/TAKE ACTION REGARDING CONTRACT AWARD FOR WILD CHERRY EFFLUENT STORAGE TANK ERECTION AS RECOMMENDED BY TRIHYDRO
 - D. DISCUSS/CONSIDER/TAKE ACTION REGARDING CONSIDERATION OF POLICY AMENDMENT TO:
 - 1. ADOPT A PROPOSED MCCORMICK MOUNTAIN SERVICE AREA; AND
 - 2. ESTABLISHMENT OF A SUBSEQUENT USER FEE FOR WATERLINE IMPROVEMENTS TO SERVE THIS PROPOSED AREA
 - E. DISCUSS/CONSIDER/TAKE ACTION REGARDING CAUSE NO. J2-CV-17-003150; CYNTHIA HUGHES v. TRAVIS COUNTY WCID #17; PLEA TO THE JURISDICTION AND ANSWER:
 - 1. AUTHORIZATION OF ENGAGEMENT LETTER – LLOYD GOSSELINK; AND
 - 2. CASE STATUS REPORT FROM DISTRICT ATTORNEY
 - F. DISCUSS/CONSIDER/TAKE ACTION ON ANNEXATION PROCEDURES REGARDING PETITIONS FOR ADDITION OF LANDS AND THE ORDERS ADDING LANDS FOR PROPERTIES REQUESTING WATER SERVICE FROM TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
 - G. DISCUSS/CONSIDER/TAKE ACTION ON TERMINATION OF CURRENT AUDITOR ENGAGEMENT LETTER, AND REQUEST FOR PROPOSAL FOR FUTURE FINANCIAL AUDITOR
- IX. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, AND TO DISCUSS REAL AND PERSONAL PROPERTY IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072, REGARDING RECOMMENDATION FROM THE DISTRICT IMPACT FEE ADVISORY COMMITTEE TO AMEND THE DISTRICT WASTEWATER IMPACT FEE FOR THE SOUTH DISTRICT (FLINTROCK) WASTEWATER SYSTEM
- X. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, AND TO DISCUSS REAL AND PERSONAL PROPERTY IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.072, REGARDING A PROPOSED MCCORMICK MOUNTAIN SERVICE AREA AND ESTABLISHMENT OF A SUBSEQUENT USER FEE FOR WATERLINE IMPROVEMENTS TO SERVE THE PROPOSED AREA
- XI. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, REGARDING CASE STATUS REPORT OF CAUSE NO. J2-CV-17-003150; CYNTHIA HUGHES v. TRAVIS COUNTY WCID #17; PLEA TO THE JURISDICTION AND ANSWER
- XII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, REGARDING ANNEXATION PROCEDURES REGARDING PETITIONS FOR ADDITION OF LANDS AND THE ORDERS ADDING LANDS FOR PROPERTIES REQUESTING WATER SERVICE FROM TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
- XIII. THE BOARD WILL MEET IN EXECUTIVE SESSION TO RECEIVE ADVICE FROM ITS ATTORNEY, IN ACCORDANCE WITH TEXAS GOVERNMENT CODE SECTION 551.071, REGARDING TERMINATION OF CURRENT AUDIT ENGAGEMENT LETTER AND REQUEST FOR PROPOSAL FOR FUTURE FINANCIAL AUDITOR
- XIV. 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, June 15, 2017 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 6:03 p.m.

II. ESTABLISH A QUORUM

President Roberts established a quorum of all Directors present; Roberts, Carruthers, Decker, Steed and Ward. General Manager Jason Homan, General Counsel Ashleigh Acevedo, District Engineer Will Pena, Financial Advisor Garry Kimball and Bond Counsel Bart Jennings were also present.

III. MANAGER AND COMMITTEE REPORTS

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

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

- He, District Engineer Will Pena and Henry Marley met with Bruce Byron of Texas Department of Transportation (TXDOT) on Monday. GM Homan said Mr. Byron agreed that it was an unfortunate oversight that WCID 17 had not been included in any of the initial RM620 improvement planning stages. Mr. Byron assured us that this oversight would not be the case moving forward. GM Homan said the proposed bypass from RM620 to RM2222 was well into the planning process and that the WCID 17 wastewater pump-over to the City of Austin could interfere with TXDOT's design. GM Homan stated the pump-over was in an easement which should avoid major costs for WCID 17 associated with this initial project.
- GM Homan said TXDOT was looking at the portion of RM620 between Highway 71 West and Lakeway Boulevard as the second project of the overall improvement plan. He said Mr. Byron explained he would put the District in touch with the Advanced Committee for this project and believed it would be late summer to early fall before a consultant would be appointed. Mr. Byron said at the time of consultant appointment, WCID 17 would be contacted to begin establishing a relationship.
- A comprehensive list of easements along RM620, where WCID 17 waterlines exist, is being compiled to present to TXDOT.
- All eight property owners and realtors of builder Edgar Prats' have been notified of the non-compliance with the WCID 17 plumbing permit and inspection procedures; and that the eight properties had the angle stops locked. GM Homan said the builder came into the office to discuss allowance of three of the seven homes under construction, to be permitted by a licensed plumber to continue construction in order to let him create income so that he could pay for all service connections. GM Homan said he was given a verbal agreement from Prats that all past due accounts should be paid in full no later than July 20, 2017.
- Hughes Park Area Waterline Improvement preconstruction meeting is scheduled for June 20, 2017.
- GM Homan attended the June Lake Travis Chamber of Commerce luncheon where Jo Karr Tedder, from the Central Texas Water Coalition, spoke concerning area and state water issues. He said Ms. Tedder spoke of the Sunset review of the Lower Colorado River Authority being defeated in the Senate during the regular session (HB 2802) but that it had been added to the Special Session agenda. GM Homan said he was called upon to speak to the group on conservation efforts and irrigation inspection audits provided by WCID 17 to customers that request a first-time free audit.
- GM Homan stated he had begun working on an audit of the District's financials. He reviewed the initial identified concerns where the District needs to reassess processes and fees.
- New disconnect changes are being implemented this month after several employees shared a concern for safety. Therefore, staff will stop collecting payment at the door of a customer, which will require the delinquent customer(s) to pay via credit card over the phone or come into the office with cash or check to bring account current. *A brief discussion was held regarding the procedure, safety concerns and number of actual monthly disconnects.*
- Director Carruthers requested the Policy Committee meet to further review the District's needs to establish procedures for recovery of past due accounts and other items as necessary.

B. COMMITTEE REPORTS

1. COMMUNICATIONS / PARKS AND CONSERVATION COMMITTEE REPORT
2. LEGAL COMMITTEE REPORT
3. PLANNING COMMITTEE REPORT
4. BUDGET AND FINANCE COMMITTEE REPORT
5. POLICY COMMITTEE REPORT
6. IMPACT FEE ADVISORY COMMITTEE
7. STORMWATER COMMITTEE

No committees met in the past month

IV. CONSENT AGENDA

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

1. Flintrock Wastewater Treatment Plant Expansion, Pay Estimate #14, PLW Central Texas
2. Tacara at Steiner Ranch, 24" Waterline, Reimbursement Request INV#1003 and INV#1004, Casey Development, Ltd.

B. APPROVE PAYMENT OF CURRENT INVOICES

C. APPROVE MINUTES – Regular Meeting held May 18, 2017

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

Motion: Director Ward to approve 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 6:33 p.m.

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

Motion: Director Ward to close the Public Comment

Second: Director Carruthers

Ayes: 5

Noes: 0

Unanimous

President Roberts closed Public Comment at 7:04 p.m.

VI. NEW BUSINESS

A. DISCUSS/CONSIDER/TAKE ACTION ON ITEMS RELATED TO THE TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA \$7,000,000 UNLIMITED TAX BONDS, SERIES 2017-A, BOND NO. 3, TO INCLUDE:

1. RESOLUTION APPROVING PRELIMINARY OFFICIAL STATEMENT, AUTHORIZING DISTRIBUTION OF PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING PUBLICATION FOR A NOTICE OF SALE FOR TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 SERENE HILLS DEFINED AREA UNLIMITED TAX BONDS, SERIES 2017-A;
2. AUTHORIZE PAYMENT OF THE ATTORNEY GENERAL BOND REVIEW FEE;
3. AUTHORIZE REIMBURSEMENT AUDIT OF THE SERIES 2017-A BONDS; AND
4. AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

Financial Advisor Garry Kimball stated the Texas Commission on Environmental Quality (TCEQ) had submitted the Technical Memorandum approving the Travis County Water Control and Improvement District No. 17 Serene Hills Defined Area \$7,000,000 Unlimited Tax Bonds, Third Issue, 4.69% Net Effective Interest Rate, Series 2017-A. Kimball went on to say the bond market was holding well below the 4.69 percent interest rate and he would like to have the certified tax appraised values in hand before publicizing a Notice of Sale of this Series 2017-A Bonds. He said this should be done in time for an August bond sale and requested approval of the Preliminary Official Statement, publication of an August bond sale, authorization of payment of the Attorney General fee and authorize reimbursement audit for the Series 2017-A Bonds.

Motion: Director Decker to approve the Preliminary Official Statement, authorize publication of Notice of Sale, authorize payment of the Attorney General fee and authorize the reimbursement audit for the Series 2017-A Bonds.

Second: Director Ward

Ayes: 5

Noes: 0

Unanimous

B. DISCUSS/CONSIDER/TAKE ACTION REGARDING WATERLINE IMPROVEMENTS IN THE MCCORMICK MOUNTAIN SERVICE AREA, TO INCLUDE:

1. CONTRACT AWARD FOR THE WATERLINE IMPROVEMENTS AS RECOMMENDED BY TRIHYDRO; AND

District Engineer Will Pena stated the McCormick Mountain Waterline Improvement Project received eleven (11) bids with all bidders submitting a Bid Bond through a company holding a certificate of authority from the Secretary of the Treasury of the United States and authorized to act under the laws of the State of Texas as surety. Pena said WPM Construction Services, Inc. submitted the lowest base bid of \$983,367.50. Pena stated WPM was also the lowest bidder on the Wild Cherry Effluent Line Improvement Project that would be under construction at the same time. He said Randall Reese was present tonight and that Reese had proved up qualification to have three crews working within WCID 17 at the same time. Pena said he therefore recommended award of the McCormick Mountain project to WPM Construction.

GM Homan stated his concern regarding the three recent bid submissions by WPM Construction Services, Inc. each having minor clerical mistakes. Mr. Randall admitted to the errors made during the bidding process. Mr. Randall then explained to the Board that WPM has been working in Austin for 15 years as a General Contractor, reviewed the number of WPM crews, as well as naming crew members that have worked on projects within the District.

Motion: Director Ward to award the contract for the McCormick Mountain Waterline Improvements as recommended by Trihydro, in an amount of \$983,367.50, to WPM Construction Services, Inc.

Second: Director Decker

Ayes: 5

Noes: 0

Unanimous

2. ORDER SETTING A PUBLIC HEARING REGARDING THE ESTABLISHMENT OF A SUBSEQUENT USER FEE FOR WATERLINE IMPROVEMENTS IN THE PROPOSED MCCORMICK MOUNTAIN SERVICE AREA

Mr. Pena continued discussion regarding the McCormick Mountain Waterline Improvements and financing of said waterlines. He stated initial funds would come from the Texas Water Development Board and the balance to oversize from an eight-inch line to a twelve-inch line would be paid from the Operations and Maintenance fund. GM Homan said this waterline replacement project had been included as part of the District's long range Capital Improvements Plan for several years, but that the developer had always implied that this waterline would be part of the development costs. Mr. Pena said he would have a Subsequent User Fee (SUF) Study available for review at the Regular July Board Meeting. He said this service area consists of a total of 160 lots and based on the current subdivision plats, the SUF area is anticipating an additional 42 residential lots or connections that could be served by these proposed waterline improvements.

The Directors discussed the timeline of the three jobs and benefits to consider a Subsequent User Fee for bond payments versus use of the Operation and Maintenance funds.

Motion: Director Carruthers to hold a Public Hearing regarding the establishment of a Subsequent User Fee for the waterline improvements in the proposed McCormick Mountain Service Area on July 20, 2017 at 6:45 p.m.

Second: Director Ward

Ayes: 5

Noes: 0

Unanimous

C. DISCUSS/CONSIDER/TAKE ACTION REGARDING CONTRACT AWARD FOR WILD CHERRY EFFLUENT LINE IMPROVEMENTS AS RECOMMENDED BY TRIHYDRO

District Engineer Will Pena stated this was the last section of effluent line from the Flintrock Wastewater Treatment Plant to the future effluent storage tank on the Lakeway Regional Medical Center (newly purchased and named Baylor Scott & White Medical Center – Lakeway) irrigation site. He said this component will allow for the 200,000 gallon tank erection for reclaimed water storage to begin later this year. Pena stated the Wild Cherry Effluent Line Improvement Project received eight (8) bids and WPM Construction Services, Inc. submitted the lowest base bid of \$188,768.00. Pena recommended contract award to WPM Construction. Board President Roberts asked if this effluent project was feasible to continue instead of pursuing the Serene Hills Defined Area effluent project. Mr. Pena said both systems would be needed as the wastewater treatment plant reaches full capacity.

Motion: Director Steed to award the contract, in accordance with the Trihydro recommendation, for the Wild Cherry Effluent Line Improvements to WPM Construction Services, Inc. in an amount of \$188,768.00

Second: Director Decker

Ayes: 5

Noes: 0

Unanimous

VII. ADJOURNMENT

Motion: Director Carruthers to adjourn

Second: Director Ward

Ayes: 5

Noes: 0

Unanimous

President Roberts adjourned the meeting at 7:05 p.m.

Approved this _____ day of _____ 2017, with a motion

by Director _____ and a Second by Director _____.

Ayes _____ Noes _____ Abstained _____

Presiding Officer

Secretary

McCALL GIBSON SWEDLUND BARFOOT PLLC

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July 20, 2017

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

We will perform the procedures enumerated below, which are agreed to by the Board of Directors of Travis County Water Control and Improvement District No. 17 (the "District"), on the invoices and schedules submitted by the Developer for payment from the District's Serene Hills Defined Area-Series 2017-A bond proceeds. These procedures will be performed solely to assist you in evaluating the reasonableness of those costs as required by the Texas Commission on Environmental Quality (the "Commission") and the report is not to be used for any other purpose.

This agreed-upon procedures engagement will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Board of Directors of the District. Consequently, we will make no representation regarding the sufficiency of the procedures either for the purpose of which this report has been requested or for any other purpose. The procedures we will perform are as summarized below:

- A. We will review the Technical Memorandum, Order Approving the Use of Bond Proceeds as approved by the Commission and rules of the Commission relative to the reimbursement request. Our review will be for the purpose of identifying those items authorized for District participation and those items the District is specifically prohibited from purchasing. In some cases our efforts will require review of portions of the bond application relative to this bond issue.
- B. We will review for completeness certain Developer schedules, supporting invoices and contract estimates in substantiation of the costs to be reimbursed. Our review will include all documentation supporting items, amounts, and proof of payment for which reimbursement is requested.
- C. We will read the development and financing agreements for particular items that might affect the reimbursement. The agreements reviewed will be referenced in our report.

- D. We will foot the extensions of any engineering invoices pertaining to the reimbursement on a test basis and compare the contract amounts used in determining the fee for the design and construction phase portions of the invoice to the related construction contracts and to the engineering contract when appropriate.
- E. For construction pay estimates, we will foot and test extensions on payments made on behalf of the District on a test basis.
- F. For all payments, we will compare the payment dates to copies of cancelled checks. If cancelled checks are not available, alternate procedures will be designed to support dates and amounts of payments.
- G. We will review the formulas for computation of developer interest to be reimbursed to the Developer based upon the net effective interest rate of the District's Serene Hills Defined Area-Series 2017-A bond issue and limit interest, if appropriate, in accordance with the orders and rules of the Commission.
- H. We will inquire of the District's Bookkeeper regarding current period General Fund expenditures for costs to be reimbursed to the General Fund from the Capital Projects Fund in accordance with the approval of the Commission. If necessary we will review prior year audit work papers for items capitalized in the past, which can now be reimbursed from bond proceeds.
- I. If possible, we will obtain verbal confirmation from construction contractors concerning whether or not the contract estimates to date have been paid in full and whether or not the contractor has any claims to be made against either the District or Developer on the project.
- J. A draft of our report will be provided to the District's Attorney, Engineer, Financial Advisor, Bookkeeper, and Developer prior to reimbursing the Developer.
- K. We will prepare for submittal to the Commission our report detailing the costs payable to the Developer and a schedule reflecting the results of the payment and future costs to complete as compared with the amount approved by the Commission.

The objective of this agreed-upon procedures engagement will be to assist you in evaluating the reasonableness of the aforementioned costs. Because the above procedures will not be sufficient to constitute an audit made in accordance with generally accepted auditing standards, we will not express an opinion on the aforementioned reimbursable costs, however, we will report to you any matters that come to our attention that cause us to believe that the aforementioned costs are

incorrect. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. In addition, this engagement is not primarily or specifically designed and cannot be relied upon to disclose defalcations and other similar irregularities, although their discovery may result.

This report of agreed-upon procedures will be for the exclusive use of the Board of Directors of the District in compliance with certain rules of the Commission. The report is intended for use by the Board of Directors and is not intended to be associated with the presentation of any other financial data of the District. We are aware that the report is subject to distribution under provisions of the Texas Open Records Act. Chris Swedlund is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report.

The charge for this work will be at the firm's regular hourly rates. A portion of the cost of these procedures will be determined by the condition of the records submitted by the respective developer or developers to be reimbursed. A final billing will be made when the final report is issued. We estimate the cost of performing these procedures on your behalf to range between \$6,000 and \$8,000.

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

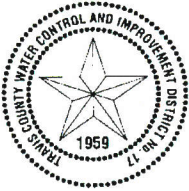
We appreciate the confidence you have placed in this firm by retaining us as your independent accountants in this matter. If you agree with the above understanding of the engagement, please sign the duplicate copy of this letter and return it at your earliest convenience. Thank you.

Sincerely yours,

McCall Gibson Swedlund Barfoot PLLC

ACKNOWLEDGEMENT:

Signature	Title	Date
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TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT 17

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

DRAFT

Impact Fee Advisory Committee April 12, 2017

I. CALL TO ORDER – ROLL TAKEN – QUORUM ESTABLISHED

Chair Debbie Gernes called the meeting to order at 3:05 p.m. Committee members present were Brian Birdwell, Patti Clark, Mickey Decker, Louie Hausman, Tim Schevers, David Steed, Jerry Winnett and Debbie Gernes. Also present were District engineers Pat Lackey and Will Peña. Committee members absent were Dan Brouillette, Doug Hunter, and Don Walden.

II. ADOPT THE MINUTES OF THE PREVIOUS MEETING

III. INTRODUCTORY REMARKS – D. GERNES

Ms. Gernes welcomed and thanked the members of the committee for giving their time to attend the meeting and lend professional advice regarding the WCID 17 Capital Improvement Plans, Land Use Assumptions and Impact Fees. She then introduced Jason F. Homan to the group as the new General Manager of WCID 17 beginning April 24, 2017.

Manager Gernes informed the committee that River City Engineering had been acquired by Trihydro Corporation out of Wyoming but noted that all staff working on District projects would remain the same and that the change in management would be relatively transparent to the District.

IV. STEINER RANCH WASTEWATER SYSTEM

- A. REVIEW THE DISTRICT'S CAPITAL IMPROVEMENTS PLAN (CIP), LAND USE ASSUMPTIONS (LUA), AND IMPACT FEES CURRENTLY = \$4,100 / LIVING UNIT EQUIVALENT, PLUS \$1,400 / LIVING UNIT EQUIVALENT (LUE) FOR CITY OF AUSTIN CAPITAL RECOVERY FEE**
- B. DISCUSS AND EVALUATE THE IMPLEMENTATION AND PROGRESS OF THE CAPITAL IMPROVEMENT PLAN**
- C. DISCUSS ANY PERCEIVED INEQUITIES IN IMPLEMENTING THE CIP OR IMPOSING THE IMPACT FEE**
- D. DISCUSS/MAKE RECOMMENDATION FOR ANY NEED TO UPDATE OR REVISE ITS CIPS, LUAS, AND IMPACT FEES**

Ms. Gernes explained that the Steiner Ranch Wastewater Impact Fee was assessed to new customers/development outside of the defined area requesting service because the wastewater treatment plant had some excess capacity available. Ms. Gernes explained the last five-year study was done in 2012 and this study has been reviewed by the district engineers. Will Pena explained that no changes to the fee were necessary at this time to the Impact Fee of \$4,100 because the CIP and LUA remain unchanged. Committee agreed no fee changes would be recommended to the Board of Directors.

V. SOUTH DISTRICT WASTEWATER SYSTEM (FLINTROCK WASTEWATER TREATMENT PLANT [FWWTP])

- A. REVIEW THE DISTRICT'S CAPITAL IMPROVEMENTS PLAN (CIP), LAND USE ASSUMPTIONS (LUA), AND IMPACT FEES**

- CURRENTLY = \$12,600 / LIVING UNIT EQUIVALENT (LUE)**
- B. DISCUSS AND EVALUATE THE IMPLEMENTATION AND PROGRESS OF THE CAPITAL IMPROVEMENT PLAN**
 - C. DISCUSS ANY PERCEIVED INEQUITIES IN IMPLEMENTING THE CIP OR IMPOSING THE IMPACT FEE**
 - D. DISCUSS/MAKE RECOMMENDATION FOR ANY NEED TO UPDATE OR REVISE ITS CIPS, LUAS, AND IMPACT FEES**

Ms. Gernes reminded the committee that at the last meeting, the South District Wastewater System (the Flintrock Wastewater Treatment Plant [FWWTP]) fees were not recommended to be changed until the plant was expanded from its existing capacity of 500,000 gallons to 1,000,000 gallons per day, and the actual cost numbers were known. The engineer estimates at that time supporting a fee of \$12,725. Will Pena stated the impact fee study for the FWWTWP had not been updated since 2015. He explained the recommendation of the 2015 Study was to increase the impact fee to a maximum of \$12,725. He said now, based on the 2015 Study, the actual plant construction costs, and the Construction Cost Index (CCI), the impact fee could be revised from \$12,600 up to a maximum of \$13,464. Mr. Pena reviewed the cost of construction underway at the FWWTWP and pointed out that costs were actually higher than the costs estimated in the 2015 Study. The calculated fee was \$583 per LUE higher at \$13,183. Items remaining to be bid for the Flintrock system are estimated at \$10,900,000.

Brian Birdwell asked what items were remaining to be bid and constructed in the estimated cost. Will Pena explained the next step necessary was under design for additional effluent disposal necessary to support the expanded plant capacity.

Motion: Member Brian Birdwell to make recommendation to the Board of Directors to increase the South District Wastewater System Fee to \$13,200 per living unit equivalent effective as soon as necessary notifications can be made.

Second: Member Mickey Decker

Ayes: 8

Noes: 0

Mr. Birdwell requested an updated comparison be made of neighboring utility rates.

Recommendation will be presented to the Board of Directors May 18, 2017.

VI. COMMANDERS POINT WASTEWATER SYSTEM

- A. REVIEW THE DISTRICT'S CAPITAL IMPROVEMENTS PLAN (CIP), LAND USE ASSUMPTIONS (LUA), AND IMPACT FEES**
CURRENTLY = \$9,200 / LIVING UNIT EQUIVALENT (LUE)
- B. DISCUSS AND EVALUATE THE IMPLEMENTATION OF THE CAPITAL IMPROVEMENT PLAN**
- C. DISCUSS ANY PERCEIVED INEQUITIES IN IMPLEMENTING A CAPITAL IMPROVEMENT PLAN OR IMPOSING AN IMPACT FEE**
- D. DISCUSS/MAKE RECOMMENDATION(S) FOR ANY NEED TO REVISE ITS CIPS, LUAS, AND IMPACT FEES**

Will Pena recommended that no change was necessary at this time to the \$9,200 LUE fee, calculated last in 2011. He explained that there was no change to the CIP or LUA to justify any change. The Committee agreed that no fee changes would be recommended for the Commanders Point Wastewater System.

- VII. DISTRICT WIDE WATER FEE**
- A. REVIEW THE DISTRICT'S CAPITAL IMPROVEMENTS PLAN (CIP), LAND USE ASSUMPTIONS (LUA), AND IMPACT FEES CURRENTLY WATER = \$7,900/LIVING UNIT EQUIVALENT (LUE)**
 - B. DISCUSS AND EVALUATE THE IMPLEMENTATION AND PROGRESS OF THE CAPITAL IMPROVEMENT PLAN**
 - C. DISCUSS ANY PERCEIVED INEQUITIES IN IMPLEMENTING THE CIP OR IMPOSING THE IMPACT FEE**
 - D. DISCUSS/MAKE RECOMMENDATION FOR ANY NEED TO UPDATE OR REVISE ITS CIPS, LUAS, AND IMPACT FEES**

Will Pena reviewed the Water Capital Recovery Fee (CRF) set at \$7,900 per living unit equivalent (LUE) in March 2016, based on the Capital Recovery Fee Study – Update 2013. Pena explained that the actual construction cost for the Mansfield Water Treatment Plant and associated off-site utilities came in lower than estimated, resulting in a calculated impact fee of \$7,821. He then went through the remaining water capital improvement projects with a total estimated cost of \$15,466,000 to be completed over the next six (6) years. Using the current CCI, he said the impact fee could range from \$7,900 up to a maximum value of \$8,836. Mr. Pena recommended making no change at this time. Ms. Gernes stated that a formal five-year study would be done in 2018 for the District Wide Water Impact Fee. The Committee agreed that no fee change would be recommended.

VIII. ADJOURNMENT

Motion: Member Mickey Decker to adjourn

Second: Member Brian Birdwell

Ayes: 8

Noes: 0

Deborah Gernes adjourned the meeting at 3:25 p.m.

PASSED, APPROVED AND ADOPTED THIS ____ day of _____, 20__.

Deborah S. Gernes, Chairperson

Brian Birdwell, Member

Patti Clark, Member

Mickey Decker, Member

Louie Hausman, Member

Tim Schevers, Member

David L. Steed, Member

Jerry Winnett, Member



April 11, 2017

Ms. Deborah Gernes
TRAVIS COUNTY WC&ID NO. 17
3812 Eck Lane
Austin, Texas 78734

RE: Flintrock Wastewater System Impact Fee

Dear Ms. Gernes:

The Flintrock Wastewater System Impact Fee is currently \$12,600 per Living Unit Equivalent (LUE), adopted following the maximum calculated Impact Fee in the 2010 Update to the *Travis County Water Control & Improvement District No. 17 Flintrock Wastewater System Study* (Study). A 2015 Update to the Study was completed in November, 2015 and calculated a maximum Impact Fee of \$12,725. The Impact Fee was not revised following the 2015 Update to the Study.

Since the 2015 Study construction has begun and is underway on the Flintrock WWTP Expansion. The current Contract is higher than that estimated in the Study (\$9,604,495 vs \$7,649,000), which results in a higher cost of \$583 per LUE over the current \$12,600 per LUE Impact Fee. Remaining improvements have not been bid or constructed, with a total remaining estimated cost of \$10,900,000.

Section 7.2 of the Study, Adjustment of Impact Fee for Inflation, describes a method for periodically adjusting the Impact Fee to account for changes over time, based on the Construction Cost Index (CCI) as published by *Engineering News Record* (ENR). The 2015 Update to the Study established a Base CCI of 10,092, as published by ENR in November 2015. Below is a summary of the maximum calculated Impact Fee, the National CCI, and the corresponding adjusted Impact Fee. Based on the Current CCI the Impact Fee could be revised from \$12,600 up to a maximum value of \$13,464.

Date	CCI	% Change from Base	Calculated Impact Fee
Nov. 2015 (Base)	10,092	N/A	\$ 12,725
April 2017	10,678	5.81%	\$ 13,464

\$13,200



Ms. Deborah Gernes
April 11, 2017
Page 2

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

Sincerely,
Trihydro Corporation

A handwritten signature in blue ink, appearing to read 'William F. Peña'. The signature is fluid and cursive, with a large initial 'W'.

William F. Peña, P.E.
Sr. Project Manager

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

This item will be presented Thursday evening. Bid opening was held 7/13/17, 2:00 p.m. and is still under review for recommendation.

SUBSEQUENT USER FEE REPORT

TRAVIS COUNTY W.C.&I.D. NO. 17 McCORMICK MOUNTAIN WATER LINE



Prepared for:
Travis County W.C.&I.D. No. 17
3812 Eck Lane
Austin, TX 78734
T: (512) 266-1111
F: (512) 266-2790



W.F.P. 7-5-2017

Prepared by:
Trihydro Corporation
3801 S. First Street
Austin, TX, 78704
T: (512) 442-3008
F: (512) 442-6522



Texas Engineering Firm F-131

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INTRODUCTION.....	1
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SUBSEQUENT USER FEE AREA.....	1
SUBSEQUENT USER FEE CALCULATION.....	2

APPENDICES

Appendix A: McCormick Mountain Water System Service Area

Appendix B: Subsequent User Fee Area

Appendix C: McCormick Mountain Water Line Improvements Bid Tabulation – June 8, 2017

Appendix D: Cost to Increase Water Line from 8” to 12”

INTRODUCTION

Travis County Water Control & Improvement District No. 17 (the District) provides water and wastewater service to customers in the Lake Travis area. The District is proposing to construct 8" and 12" waterlines along McCormick Mountain Drive, Weletka Drive, and Watumba Road to improve fire flow capacity to the area and to replace aging waterlines. The location of these proposed waterlines are shown on the Appendices A and B.

The purpose of this report is to define the Subsequent User Fee to be paid by the property owners in the McCormick Mountain Subsequent User Fee Area. The Subsequent Use Fee will be used to reimburse the District for a portion of the project costs of the proposed water system.

SERVICE AREA

The McCormick Mountain Water System Service Area (Service Area) is shown in Appendix A. This Service Area consists of the properties that will, or could in the future, be served by these proposed water lines. The Service Area differs from the Subsequent User Fee Area. The Subsequent User Fee Area is defined below and will consist of the properties that will be subject to the Subsequent User Fee. The Service Area is defined for the purpose of calculating the pro rata cost share of the construction costs.

The total Service Area is approximately 250-acres, where 130-acres are areas served by the District and the remaining approximately 120-acres are not currently served by the District. The Service Area is composed of several subdivisions that include the Travis Landing Subdivision, the Beby's Ranch Subdivision, the Lakewind Estates, and other adjacent tracts. The Service Area is anticipated to contain a total of 160 lots.

SUBSEQUENT USER FEE AREA

The McCormick Mountain Subsequent User Fee Area (Subsequent User Fee Area) is shown on Appendix B. This area consists of the properties that will be subject to the Subsequent User Fee, and includes McCormick Mountain Subdivision Phases I and III. The Subsequent User Fee Area is anticipated to consist of 42 residential lots or connections, based on the current subdivision plats.

SUBSEQUENT USER FEE CALCULATION

Bids for constructing the McCormick Mountain Water Line Improvements project were received on June 8, 2017, and the project was awarded to WPM Construction Services, Inc. (WPM) on June 15, 2017 in the amount of \$983,367.50. The Bid Tabulation is included as Appendix C. The calculation of the recommended Subsequent User Fee is shown below, \$6,760 per connection.

WPM Contract:	\$ 983,367.50
Contingency (10%):	\$ 98,336.75
Total:	\$1,081,704.25
<hr/>	
No. of Connections in Service Area:	160
Recommended Subsequent User Fee:	\$ 6,760 per connection

ANTICIPATED RECOVERY OF FUNDS

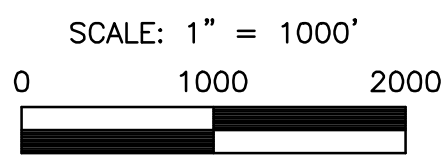
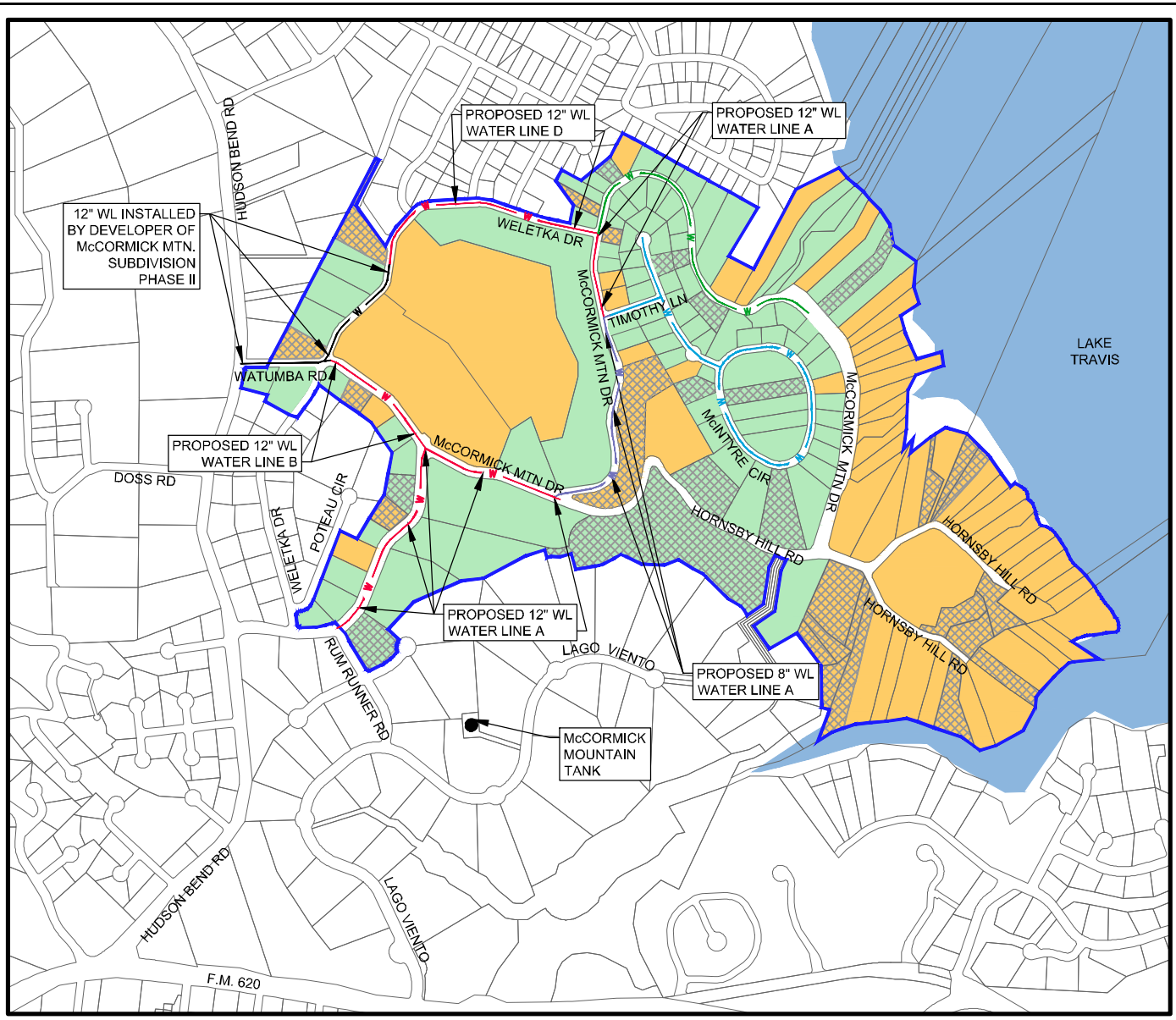
The Subsequent User Fee Area contains an anticipated 42 lots. The anticipated recovery of funds, using the recommended \$6,760 per connection, is \$283,920 (or 26.2% of the total cost).

A large portion of the proposed water line was increased in size, from 8" to 12", in order to provide adequate fire flow to the McCormick Mountain Subdivision. The cost for this size increase, based on WPM's Bid, is \$55,335.00. The calculation of this cost is included as Appendix D. Therefore, the recommended Subsequent User Fee would recover approximately five (5) times the cost of the size increase.

APPENDIX A


McCORMICK MOUNTAIN

WATER SYSTEM SERVICE AREA



LEGEND	
	McCORMICK MOUNTAIN SERVICE AREA BOUNDARY
	PROPOSED 12" WATERLINE
	12" WATERLINE INSTALLED BY DEVELOPER OF McCORMICK MTN. SUB.
	PROPOSED 8" WATERLINE
	EXISTING 8" WATERLINE
	EXISTING 6" WATERLINE
	SERVICE AREAS WITHIN DISTRICT 17
	SERVICE AREAS OUTSIDE DISTRICT 17
	EMPTY LOT/UNDEVELOPED PROPERTY





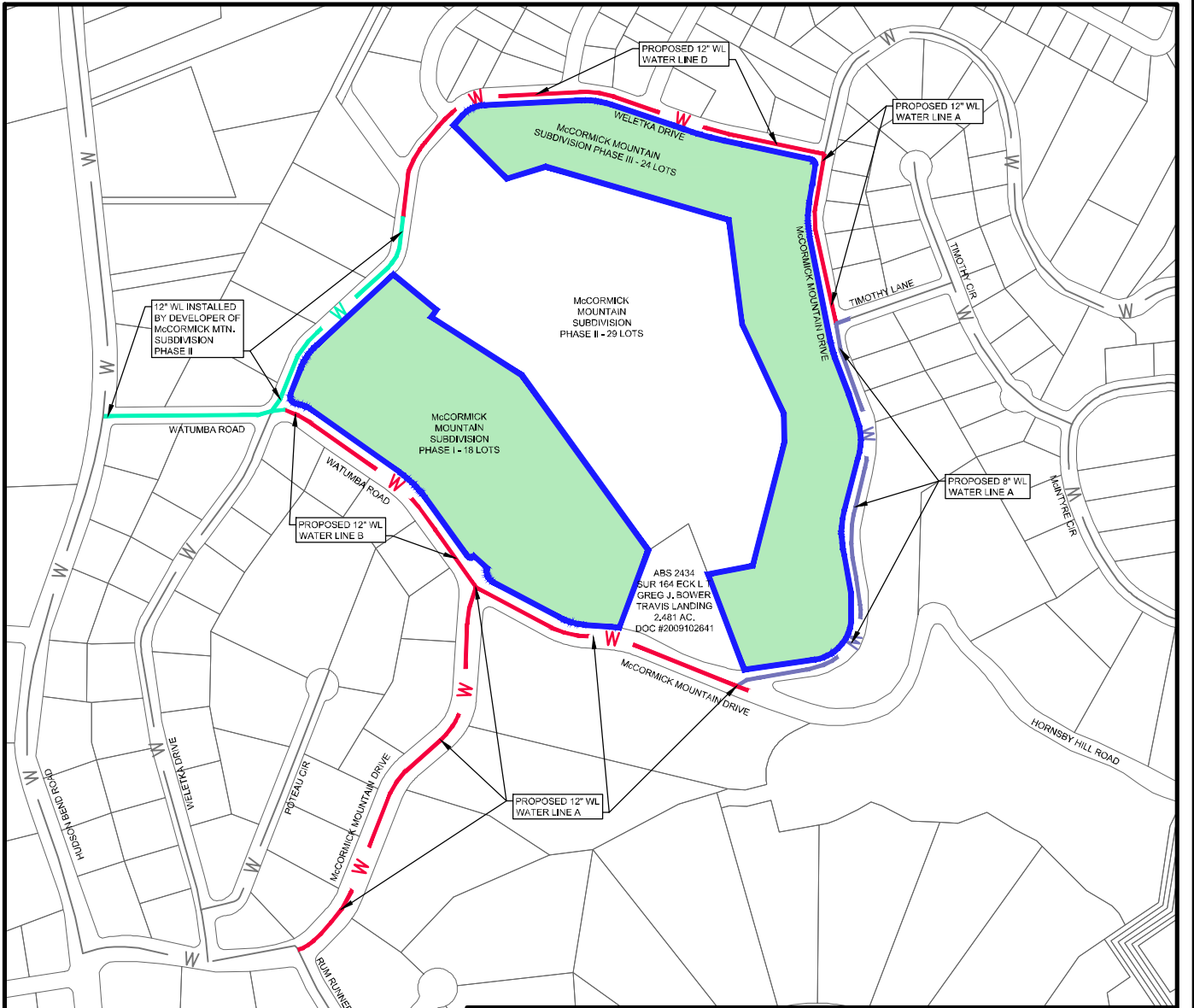
Trihydro
CORPORATION

<p><u>Headquarters</u> 1252 Commerce Drive Laramie, Wyoming 82070 (P) 307/745.7474 (F) 307/745.7729 www.trihydro.com</p>	<p><u>Austin Branch Office</u> Texas Engineering Firm F-131 Texas Survey Firm 10194320 3801 South First Street Austin, Texas 78704 (P) 512/442.3008 (F) 512/442.6522</p>
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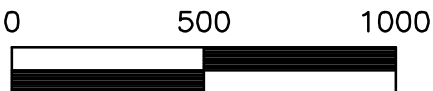
APPENDIX A			
WATER SYSTEM SERVICE AREA			
TRAVIS COUNTY W.C.&I.D. NO. 17			
McCORMICK MOUNTAIN			
Drawn By: DV	Checked By: WP	Scale: AS NOTED	Date: JUNE 2017

APPENDIX B

SUBSEQUENT USER FEE AREA



SCALE: 1" = 500'



LEGEND	
	McCORMICK MOUNTAIN SUBSEQUENT USER FEE BOUNDARY
	PROPOSED 12" WATERLINE
	12" WATERLINE INSTALLED BY DEVELOPER OF McCORMICK MTN. SUB.
	PROPOSED 8" WATERLINE
	EXISTING WATERLINE
	McCORMICK MOUNTAIN SUF SERVICE AREA



Headquarters
 1252 Commerce Drive
 Laramie, Wyoming 82070
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Austin Branch Office
 Texas Engineering Firm F-131
 Texas Survey Firm 10194320
 3801 South First Street
 Austin, Texas 78704
 (P) 512/442.3008 (F) 512/442.6522

APPENDIX B

SUBSEQUENT USER FEE AREA

TRAVIS COUNTY W.C.&I.D. NO. 17
McCORMICK MOUNTAIN

Drawn By: DV Checked By: WP Scale: AS NOTED Date: JUNE 2017

APPENDIX C

McCORMICK MOUNTAIN WATERLINE IMPROVEMENTS

BID TABULATION – JUNE 8, 2017

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
McCORMICK MOUNTAIN WATERLINE IMPROVEMENTS PROJECT
BID TABULATION
JUNE 8, 2017 - 2:00 P.M.

Item #	Item	Quantity	Unit	WPM Construction Services		Prota Construction, Inc. & Prota Inc., JV		Austin Engineering Co., Inc.	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Bonding, Mobilization and Insurance	1	LS	\$49,150.00	\$49,150.00	\$55,530.00	\$55,530.00	\$40,000.00	\$40,000.00
2	Stormwater Pollution Prevention Plan (SW3P)	1	LS	\$3,150.00	\$3,150.00	\$500.00	\$500.00	\$4,000.00	\$4,000.00
3	Construction Materials Testing	1	LS	\$6,900.00	\$6,900.00	\$500.00	\$500.00	\$5,000.00	\$5,000.00
4	Traffic Control	1	LS	\$1,150.00	\$1,150.00	\$14,000.00	\$14,000.00	\$20,000.00	\$20,000.00
5	Mulch Sock	5,575	LF	\$6.50	\$36,237.50	\$3.00	\$16,725.00	\$8.00	\$44,600.00
6	Tree Protection	2,135	LF	\$3.50	\$7,472.50	\$3.00	\$6,405.00	\$4.00	\$8,540.00
7	Stabilized Construction Entrance	1	LS	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,600.00	\$1,600.00
8	Trench & Excavation Safety	6,530	LF	\$1.00	\$6,530.00	\$0.50	\$3,265.00	\$1.00	\$6,530.00
9	12-Inch C-900 DR-14 PVC Waterline	4,600	LF	\$73.00	\$335,800.00	\$90.00	\$414,000.00	\$85.00	\$391,000.00
10	12-Inch Ductile Iron Pipe (Class 350 Min.)	400	LF	\$93.00	\$37,200.00	\$175.00	\$70,000.00	\$150.00	\$60,000.00
11	8-Inch C-900 DR-14 PVC Waterline	1,430	LF	\$64.00	\$91,520.00	\$75.00	\$107,250.00	\$70.00	\$100,100.00
12	8-Inch Ductile Iron Pipe (Class 350 Min.)	80	LF	\$76.00	\$6,080.00	\$155.00	\$12,400.00	\$140.00	\$11,200.00
13	6-Inch C-900 DR-14 PVC Waterline	20	LF	\$81.00	\$1,620.00	\$180.00	\$3,600.00	\$80.00	\$1,600.00
14	12-Inch Gate Valve w/ Valve Box	5	EA	\$2,100.00	\$10,500.00	\$2,500.00	\$12,500.00	\$2,900.00	\$14,500.00
15	8-Inch Gate Valve w/ Valve Box	5	EA	\$1,200.00	\$6,000.00	\$2,000.00	\$10,000.00	\$1,800.00	\$9,000.00
16	6-Inch Gate Valve w/ Valve Box	1	EA	\$950.00	\$950.00	\$1,500.00	\$1,500.00	\$1,570.00	\$1,570.00
17	12" Heavy Duty Tapping Sleeve & Gate Valve	1	EA	\$6,800.00	\$6,800.00	\$8,000.00	\$8,000.00	\$9,200.00	\$9,200.00
18	Concrete Retards	10	EA	\$300.00	\$3,000.00	\$100.00	\$1,000.00	\$1,200.00	\$12,000.00
19	Connection to Existing 12-Inch Waterline	2	EA	\$2,000.00	\$4,000.00	\$2,500.00	\$5,000.00	\$2,200.00	\$4,400.00
20	Connection to Existing 8-Inch Waterline	1	EA	\$2,000.00	\$2,000.00	\$2,250.00	\$2,250.00	\$1,800.00	\$1,800.00
21	Connection to Existing 6-Inch Waterline	1	EA	\$2,000.00	\$2,000.00	\$1,750.00	\$1,750.00	\$1,500.00	\$1,500.00
22	Fire Hydrant Assembly	13	EA	\$4,700.00	\$61,100.00	\$5,250.00	\$68,250.00	\$4,600.00	\$59,800.00
23	2" Air/Vacuum Combination Release Valve	3	EA	\$2,350.00	\$7,050.00	\$3,000.00	\$9,000.00	\$3,500.00	\$10,500.00
24	Single Water Service	23	EA	\$1,570.00	\$36,110.00	\$1,500.00	\$34,500.00	\$1,650.00	\$37,950.00
25	Double Water Service	7	EA	\$1,430.00	\$10,010.00	\$1,750.00	\$12,250.00	\$1,750.00	\$12,250.00
26	Pavement Repair	19,300	SY	\$12.00	\$231,600.00	\$12.75	\$246,075.00	\$15.00	\$289,500.00
27	Striping	7,625	LF	\$1.90	\$14,487.50	\$2.00	\$15,250.00	\$3.00	\$22,875.00
28	Revegetation	1	LS	\$3,450.00	\$3,450.00	\$2,000.00	\$2,000.00	\$20,000.00	\$20,000.00
TOTAL BASE BID (ITEMS 1 - 28)					\$983,367.50		\$1,135,000.00		\$1,201,015.00

Values in red-italics represent corrections from the values listed in the Bid Proposal submitted.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
McCORMICK MOUNTAIN WATERLINE IMPROVEMENTS PROJECT
BID TABULATION
JUNE 8, 2017 - 2:00 P.M.

Item #	Item	Quantity	Unit	Smith Contracting Co., Inc.		DeNucci Constructors, LLC.		Central Road & Utility, Ltd.	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Bonding, Mobilization and Insurance	1	LS	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$26,250.00	\$26,250.00
2	Stormwater Pollution Prevention Plan (SW3P)	1	LS	\$4,000.00	\$4,000.00	\$4,300.00	\$4,300.00	\$5,775.00	\$5,775.00
3	Construction Materials Testing	1	LS	\$9,500.00	\$9,500.00	\$12,000.00	\$12,000.00	\$7,875.00	\$7,875.00
4	Traffic Control	1	LS	\$5,000.00	\$5,000.00	\$22,000.00	\$22,000.00	\$16,012.50	\$16,012.50
5	Mulch Sock	5,575	LF	\$8.00	\$44,600.00	\$16.00	\$89,200.00	\$7.90	\$44,042.50
6	Tree Protection	2,135	LF	\$2.75	\$5,871.25	\$6.00	\$12,810.00	\$3.70	\$7,899.50
7	Stabilized Construction Entrance	1	LS	\$1,000.00	\$1,000.00	\$1,200.00	\$1,200.00	\$1,837.50	\$1,837.50
8	Trench & Excavation Safety	6,530	LF	\$1.00	\$6,530.00	\$2.00	\$13,060.00	\$1.10	\$7,183.00
9	12-Inch C-900 DR-14 PVC Waterline	4,600	LF	\$115.00	\$529,000.00	\$75.00	\$345,000.00	\$121.10	\$557,060.00
10	12-Inch Ductile Iron Pipe (Class 350 Min.)	400	LF	\$128.00	\$51,200.00	\$105.00	\$42,000.00	\$143.20	\$57,280.00
11	8-Inch C-900 DR-14 PVC Waterline	1,430	LF	\$85.00	\$121,550.00	\$55.00	\$78,650.00	\$100.80	\$144,144.00
12	8-Inch Ductile Iron Pipe (Class 350 Min.)	80	LF	\$110.00	\$8,800.00	\$85.00	\$6,800.00	\$134.60	\$10,768.00
13	6-Inch C-900 DR-14 PVC Waterline	20	LF	\$90.00	\$1,800.00	\$60.00	\$1,200.00	\$110.40	\$2,208.00
14	12-Inch Gate Valve w/ Valve Box	5	EA	\$2,200.00	\$11,000.00	\$2,300.00	\$11,500.00	\$2,467.50	\$12,337.50
15	8-Inch Gate Valve w/ Valve Box	5	EA	\$1,400.00	\$7,000.00	\$1,800.00	\$9,000.00	\$1,509.40	\$7,547.00
16	6-Inch Gate Valve w/ Valve Box	1	EA	\$1,000.00	\$1,000.00	\$1,600.00	\$1,600.00	\$1,220.60	\$1,220.60
17	12" Heavy Duty Tapping Sleeve & Gate Valve	1	EA	\$8,300.00	\$8,300.00	\$3,200.00	\$3,200.00	\$7,927.50	\$7,927.50
18	Concrete Retards	10	EA	\$330.00	\$3,300.00	\$600.00	\$6,000.00	\$315.00	\$3,150.00
19	Connection to Existing 12-Inch Waterline	2	EA	\$2,000.00	\$4,000.00	\$1,200.00	\$2,400.00	\$1,365.00	\$2,730.00
20	Connection to Existing 8-Inch Waterline	1	EA	\$2,000.00	\$2,000.00	\$1,200.00	\$1,200.00	\$1,155.00	<i>\$1,155.00</i>
21	Connection to Existing 6-Inch Waterline	1	EA	\$2,000.00	\$2,000.00	\$1,000.00	\$1,000.00	\$997.50	\$997.50
22	Fire Hydrant Assembly	13	EA	\$4,500.00	\$58,500.00	\$4,800.00	\$62,400.00	\$4,462.50	\$58,012.50
23	2" Air/Vacuum Combination Release Valve	3	EA	\$2,500.00	\$7,500.00	\$2,200.00	\$6,600.00	\$3,412.50	\$10,237.50
24	Single Water Service	23	EA	\$1,900.00	\$43,700.00	\$1,300.00	\$29,900.00	\$1,706.30	\$39,244.90
25	Double Water Service	7	EA	\$2,200.00	\$15,400.00	\$1,600.00	\$11,200.00	\$2,149.90	\$15,049.30
26	Pavement Repair	19,300	SY	\$11.25	\$217,125.00	\$19.50	\$376,350.00	\$12.10	\$233,530.00
27	Striping	7,625	LF	\$1.40	\$10,675.00	\$8.00	\$61,000.00	\$1.60	\$12,200.00
28	Revegetation	1	LS	\$10,000.00	\$10,000.00	\$22,000.00	\$22,000.00	\$9,240.00	\$9,240.00
TOTAL BASE BID (ITEMS 1 - 28)					\$1,250,351.25		\$1,293,570.00		<i>\$1,302,914.30</i>

Values in red-italics represent corrections from the values listed in the Bid Proposal submitted.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
McCORMICK MOUNTAIN WATERLINE IMPROVEMENTS PROJECT
BID TABULATION
JUNE 8, 2017 - 2:00 P.M.

Item #	Item	Quantity	Unit	Santa Clara Construction, Ltd.		Qro Mex Construction Co., Inc.		Nelson Lewis, Inc.	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Bonding, Mobilization and Insurance	1	LS	\$47,000.00	\$47,000.00	\$64,000.00	\$64,000.00	\$68,000.00	\$68,000.00
2	Stormwater Pollution Prevention Plan (SW3P)	1	LS	\$3,000.00	\$3,000.00	\$35,000.00	\$35,000.00	\$10,000.00	\$10,000.00
3	Construction Materials Testing	1	LS	\$15,000.00	\$15,000.00	\$20,000.00	\$20,000.00	\$5,000.00	\$5,000.00
4	Traffic Control	1	LS	\$4,100.00	\$4,100.00	\$35,000.00	\$35,000.00	\$15,000.00	\$15,000.00
5	Mulch Sock	5,575	LF	\$5.00	\$27,875.00	\$6.75	\$37,631.25	\$5.00	\$27,875.00
6	Tree Protection	2,135	LF	\$3.00	\$6,405.00	\$5.00	\$10,675.00	\$5.00	\$10,675.00
7	Stabilized Construction Entrance	1	LS	\$2,000.00	\$2,000.00	\$2,500.00	\$2,500.00	\$1,000.00	\$1,000.00
8	Trench & Excavation Safety	6,530	LF	\$0.10	\$653.00	\$2.00	\$13,060.00	\$2.00	\$13,060.00
9	12-Inch C-900 DR-14 PVC Waterline	4,600	LF	\$119.00	\$547,400.00	\$99.00	\$455,400.00	\$121.00	\$556,600.00
10	12-Inch Ductile Iron Pipe (Class 350 Min.)	400	LF	\$136.00	\$54,400.00	\$117.00	\$46,800.00	\$175.00	\$70,000.00
11	8-Inch C-900 DR-14 PVC Waterline	1,430	LF	\$110.00	\$157,300.00	\$77.00	\$110,110.00	\$107.00	\$153,010.00
12	8-Inch Ductile Iron Pipe (Class 350 Min.)	80	LF	\$127.00	\$10,160.00	\$85.00	\$6,800.00	\$160.00	\$12,800.00
13	6-Inch C-900 DR-14 PVC Waterline	20	LF	\$127.00	\$2,540.00	\$120.00	\$2,400.00	\$120.00	\$2,400.00
14	12-Inch Gate Valve w/ Valve Box	5	EA	\$2,900.00	\$14,500.00	\$2,250.00	\$11,250.00	\$2,500.00	\$12,500.00
15	8-Inch Gate Valve w/ Valve Box	5	EA	\$1,800.00	\$9,000.00	\$1,250.00	\$6,250.00	\$1,500.00	\$7,500.00
16	6-Inch Gate Valve w/ Valve Box	1	EA	\$1,300.00	\$1,300.00	\$1,100.00	\$1,100.00	\$1,200.00	\$1,200.00
17	12" Heavy Duty Tapping Sleeve & Gate Valve	1	EA	\$9,200.00	\$9,200.00	\$7,500.00	\$7,500.00	\$8,000.00	\$8,000.00
18	Concrete Retards	10	EA	\$1,000.00	\$10,000.00	\$750.00	\$7,500.00	\$500.00	\$5,000.00
19	Connection to Existing 12-Inch Waterline	2	EA	\$1,200.00	\$2,400.00	\$4,250.00	\$8,500.00	\$3,000.00	\$6,000.00
20	Connection to Existing 8-Inch Waterline	1	EA	\$800.00	\$800.00	\$3,950.00	\$3,950.00	\$2,500.00	\$2,500.00
21	Connection to Existing 6-Inch Waterline	1	EA	\$600.00	\$600.00	\$3,500.00	\$3,500.00	\$2,500.00	\$2,500.00
22	Fire Hydrant Assembly	13	EA	\$4,400.00	\$57,200.00	\$4,750.00	\$61,750.00	\$4,500.00	\$58,500.00
23	2" Air/Vacuum Combination Release Valve	3	EA	\$2,300.00	\$6,900.00	\$3,500.00	\$10,500.00	\$3,000.00	\$9,000.00
24	Single Water Service	23	EA	\$1,400.00	\$32,200.00	\$1,450.00	\$33,350.00	\$1,800.00	\$41,400.00
25	Double Water Service	7	EA	\$1,800.00	\$12,600.00	\$1,750.00	\$12,250.00	\$2,000.00	\$14,000.00
26	Pavement Repair	19,300	SY	\$11.50	\$221,950.00	\$15.00	\$289,500.00	\$12.00	\$231,600.00
27	Striping	7,625	LF	\$7.00	\$53,375.00	\$3.00	\$22,875.00	\$2.00	\$15,250.00
28	Revegetation	1	LS	\$14,000.00	\$14,000.00	\$30,000.00	\$30,000.00	\$10,000.00	\$10,000.00
TOTAL BASE BID (ITEMS 1 - 28)					\$1,323,858.00		\$1,349,151.25		\$1,370,370.00

Values in red-italics represent corrections from the values listed in the Bid Proposal submitted.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
McCORMICK MOUNTAIN WATERLINE IMPROVEMENTS PROJECT
BID TABULATION
JUNE 8, 2017 - 2:00 P.M.

Item #	Item	Quantity	Unit	Blackrock Construction		Patin Construction, LLC.		BID ITEM SUMMARY			
				Unit Price	Amount	Unit Price	Amount	Min Unit Price	Max Unit Price	Avg Unit Price	Coefficient of Variation
1	Bonding, Mobilization and Insurance	1	LS	\$100,000.00	\$100,000.00	\$80,000.00	\$80,000.00	\$26,250.00	\$100,000.00	\$59,084.55	0.33
2	Stormwater Pollution Prevention Plan (SW3P)	1	LS	\$10,000.00	\$10,000.00	\$2,500.00	\$2,500.00	\$500.00	\$35,000.00	\$7,475.00	1.33
3	Construction Materials Testing	1	LS	\$10,000.00	\$10,000.00	\$50,000.00	\$50,000.00	\$500.00	\$50,000.00	\$12,888.64	0.43
4	Traffic Control	1	LS	\$28,000.00	\$28,000.00	\$10,000.00	\$10,000.00	\$1,150.00	\$35,000.00	\$15,478.41	0.7
5	Mulch Sock	5,575	LF	\$6.75	\$37,631.25	\$12.00	\$66,900.00	\$3.00	\$16.00	\$7.72	0.45
6	Tree Protection	2,135	LF	\$3.50	\$7,472.50	\$2.50	\$5,337.50	\$2.50	\$6.00	\$3.81	0.28
7	Stabilized Construction Entrance	1	LS	\$3,600.00	\$3,600.00	\$2,500.00	\$2,500.00	\$1,000.00	\$3,600.00	\$1,839.77	0.43
8	Trench & Excavation Safety	6,530	LF	\$0.50	\$3,265.00	\$2.00	\$13,060.00	\$0.10	\$2.00	\$1.20	0.57
9	12-Inch C-900 DR-14 PVC Waterline	4,600	LF	\$131.00	\$602,600.00	\$120.00	\$552,000.00	\$73.00	\$131.00	\$104.46	0.2
10	12-Inch Ductile Iron Pipe (Class 350 Min.)	400	LF	\$150.00	\$60,000.00	\$150.00	\$60,000.00	\$93.00	\$175.00	\$138.38	0.2
11	8-Inch C-900 DR-14 PVC Waterline	1,430	LF	\$122.00	\$174,460.00	\$95.00	\$135,850.00	\$55.00	\$122.00	\$87.35	0.25
12	8-Inch Ductile Iron Pipe (Class 350 Min.)	80	LF	\$140.00	\$11,200.00	\$125.00	\$10,000.00	\$76.00	\$160.00	\$121.60	0.25
13	6-Inch C-900 DR-14 PVC Waterline	20	LF	\$137.00	\$2,740.00	\$85.00	\$1,700.00	\$60.00	\$180.00	\$108.22	0.32
14	12-Inch Gate Valve w/ Valve Box	5	EA	\$2,175.00	\$10,875.00	\$3,200.00	\$16,000.00	\$2,100.00	\$3,200.00	\$2,499.32	0.11
15	8-Inch Gate Valve w/ Valve Box	5	EA	\$1,300.00	\$6,500.00	\$1,680.00	\$8,400.00	\$1,200.00	\$2,000.00	\$1,567.22	0.18
16	6-Inch Gate Valve w/ Valve Box	1	EA	\$1,000.00	\$1,000.00	\$1,250.00	\$1,250.00	\$950.00	\$1,600.00	\$1,244.60	0.2
17	12" Heavy Duty Tapping Sleeve & Gate Valve	1	EA	\$6,600.00	\$6,600.00	\$10,000.00	\$10,000.00	\$3,200.00	\$10,000.00	\$7,702.50	0.22
18	Concrete Retards	10	EA	\$950.00	\$9,500.00	\$2,500.00	\$25,000.00	\$100.00	\$2,500.00	\$776.82	0.46
19	Connection to Existing 12-Inch Waterline	2	EA	\$5,825.00	\$11,650.00	\$10,000.00	\$20,000.00	\$1,200.00	\$10,000.00	\$3,230.91	0.46
20	Connection to Existing 8-Inch Waterline	1	EA	\$5,400.00	\$5,400.00	\$8,500.00	\$8,500.00	\$800.00	\$8,500.00	\$2,868.64	0.49
21	Connection to Existing 6-Inch Waterline	1	EA	\$6,000.00	\$6,000.00	\$8,000.00	\$8,000.00	\$600.00	\$8,000.00	\$2,713.41	0.58
22	Fire Hydrant Assembly	13	EA	\$5,300.00	\$68,900.00	\$7,500.00	\$97,500.00	\$4,400.00	\$7,500.00	\$4,978.41	0.06
23	2" Air/Vacuum Combination Release Valve	3	EA	\$3,700.00	\$11,100.00	\$5,000.00	\$15,000.00	\$2,200.00	\$5,000.00	\$3,132.95	0.18
24	Single Water Service	23	EA	\$1,900.00	\$43,700.00	\$3,500.00	\$80,500.00	\$1,300.00	\$3,500.00	\$1,788.75	0.12
25	Double Water Service	7	EA	\$2,200.00	\$15,400.00	\$4,500.00	\$31,500.00	\$1,430.00	\$4,500.00	\$2,102.72	0.13
26	Pavement Repair	19,300	SY	\$12.70	\$245,110.00	\$13.40	\$258,620.00	\$11.25	\$19.50	\$13.38	0.19
27	Striping	7,625	LF	\$1.85	\$14,106.25	\$1.55	\$11,818.75	\$1.40	\$8.00	\$3.03	0.78
28	Revegetation	1	LS	\$10,000.00	\$10,000.00	\$20,000.00	\$20,000.00	\$2,000.00	\$30,000.00	\$13,699.09	0.63
TOTAL BASE BID (ITEMS 1 - 28)				\$1,516,810.00		\$1,601,936.25					

Values in red-italics represent corrections from the values listed in the Bid Proposal submitted.

APPENDIX D

**McCormick Mountain Waterline Improvements Project
Cost to Increase Waterline from 8" to 12"**

Item No.	Item	Quantity	Unit	12" Cost		8" Cost		Increase
				Unit Price	Amount	Unit Price	Amount	
9	12" PVC Waterline	4,600	LF	\$ 73.00	\$ 335,800.00	\$ 64.00	\$ 294,400.00	\$ 41,400.00
10	12" Ductile Iron Waterline	400	LF	\$ 93.00	\$ 37,200.00	\$ 76.00	\$ 30,400.00	\$ 6,800.00
14	12" Gate Valve	5	EA	\$ 2,100.00	\$ 10,500.00	\$ 1,200.00	\$ 6,000.00	\$ 4,500.00

Subtotal: \$ 52,700.00

Bonding, Mobilization & Insurance (5%): \$ 2,635.00

Total Cost to Increase Waterline from 8" to 12": \$ 55,335.00

Based on WPM Construction Services Bid

Ms. Kalisek's Direct Line: (512) 322-5847
lkalisek@lglawfirm.com

July 11, 2017

Mr. Jason Homan
Travis County WCID No. 17
3812 Eck Lane
Austin, Texas 78734

VIA EMAIL AND FIRST CLASS MAIL

Re: Supplement to Engagement Letter – Crass/Hughes Litigation
Billing File Number: 1435-46

Dear Mr. Homan:

We appreciate the confidence you have shown in us by recently requesting additional legal services from our firm. For various reasons it is necessary for our firm to specifically enumerate those matters on which we are working. The purpose of this letter is to set forth our understanding of the legal services to be performed by us and is a Supplement to the original Engagement Letter. This letter confirms that Lloyd Gosselink Rochelle & Townsend, P.C. (“Lloyd Gosselink”) will represent Travis County Water Control and Improvement District No. 17 (the “District”) with respect to defending and responding to a petition filed by Cynthia Ann Hughes in the Justice Court, Precinct 2, Travis County, Texas in Cause No. J2-CV-17-003150 (the “Matter”). Furthermore, this letter is our notice to you regarding our acceptance of this representation (the “Representation”).

Terms of Engagement

Our original Engagement Letter and the *Additional Terms of Engagement* attached thereto, dated October 14, 1996, set out the terms of our engagement in the Representation. This letter is expressly incorporated into that document. It is understood and agreed that our engagement is limited to the Representation, and our acceptance of this en does not imply any undertaking to provide legal services other than those set forth in the original Engagement Letter and all Supplements thereof.

Personnel Who Will Be Working on the Matter

I will be the attorney in charge of the Representation. Joe de la Fuente and Lauren Munselle will be working on the Matter. You may call, write, or e-mail me, Joe or Lauren whenever you have any questions about the Representation. Other firm personnel, including firm lawyers and paralegals, will participate in the Representation if, in our judgment, their participation is necessary or appropriate.

Mr. Jason Homan
Travis County WCID No. 17
July 11, 2017
Page 2

Conflicts of Interest

Before accepting this Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our firm from representing you in the Matter. Additionally, in order that we comply with the requirements of Chapter 176 of the Texas Local Government Code, we have performed an internal conflicts of interest inquiry. Based on the information obtained from this inquiry, we will file a completed conflict of interest questionnaire with the individual deemed as the records administrator for your entity. Based on the information available to us, we are not aware of any potential disqualification. We reviewed the issue of potential conflicts in accordance with the rules of professional responsibility adopted in Texas.

Conclusion

This letter is appended to, and made a part of, our original Engagement Letter and the *Additional Terms of Engagement* attached thereto, and together with all other Supplements constitute the entire terms of the engagement of Lloyd Gosselink Rochelle & Townsend, P.C. in the Representation. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by further written Supplement. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of either you or Lloyd Gosselink Rochelle & Townsend, P.C. If there are any questions about these terms of engagement, or if these terms are inaccurate in any way, please let me know immediately.

Sincerely,



Lauren Kalisek

AGREED AND ACCEPTED:

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17

Signature

Printed Name

Date

Additional Terms of Engagement

This supplement to our engagement letter sets out additional terms of our agreement to provide the representation described in our engagement. Because these additional terms of engagement are a part of our agreement to provide legal services, you should review them carefully and should promptly communicate to us any questions concerning this document. We suggest that you retain this statement of additional terms along with our engagement letter and any related documents.

The Scope of the Representation

As lawyers, we undertake to provide representation and advice on the legal matters for which we are engaged. It is important for our clients to have a clear understanding of the legal services that we have agreed to provide. Thus, if there are any questions about the scope of the Representation that we are to provide in the Matter, please raise those questions promptly, so that we may resolve them at the outset of the Representation.

Any expressions on our part concerning the outcome of the Representation, or any other legal matters, are based on our professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by our knowledge of the facts and are based on our views of the state of the law at the time they are expressed.

Upon accepting this engagement on your behalf, Lloyd Gosselink Rochelle & Townsend, P.C. agrees to do the following: (1) provide legal counsel in accordance with these terms of engagement and the related engagement letter, and in reliance upon information and guidance provided by you; and (2) keep you reasonably informed about the status and progress of the Representation.

To enable us to provide effective representation, you agree to do the following: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request, (2) keep us apprised on a timely basis of all developments relating to the Representation that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with us.

Our firm has been engaged to provide legal services in connection with the Representation in the Matter, as specifically defined in our engagement letter. After completion of the Representation in the Matter, changes may occur in the applicable laws or regulations that could affect your future rights and liabilities in regard to the Matter. Unless we are actually engaged after the completion of the Representation to provide additional advice on such issues, the firm has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Matter.

It is our policy and your agreement that the person or entity that we represent is the one identified in our engagement letter, and that our attorney-client relationship does not include any related persons, employees of the client, or related entities.

Who Will Provide the Legal Services

As our engagement letter confirms, Lloyd Gosselink Rochelle & Townsend, P.C. will represent you in the Matter. Lloyd Gosselink Rochelle & Townsend, P.C. is a Texas professional corporation.

Although our firm will be providing legal services, each client of the firm customarily has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required in the Representation, or parts of it, may be performed by other firm personnel, including lawyers and paralegals. Such delegation may be for the purpose of involving other firm personnel with experience in a given area or for the purpose of providing services on an efficient and timely basis.

Communication and Confidentiality

In keeping with technological advancements and the corresponding demands of clients, it is the practice of the firm to use electronic (email) correspondence from time to time to communicate and to transmit documents. As such, the possibility exists that electronic transmissions could be intercepted or otherwise received by third parties and lose their privileged nature if the method of communication is ruled to lack sufficient confidentiality. As with any correspondence regarding legal representation, regardless of the manner of transmission, we urge you to use caution in its dissemination in order to protect its confidentiality. By signing below, you agree that we may use email in the scope of the Representation.

We recognize our obligation to preserve the confidentiality of attorney-client communications as well as the client confidences, as required by the governing rules of professional responsibility. If the Matter involves transactions, litigation or administrative proceedings or like proceedings in which our firm appears as counsel of record for you in publicly available records, we reserve the right to inform others of the fact of our representation of you in the Matter and (if likewise reflected or record in publicly available records) the results obtained unless you specifically direct otherwise.

Periodically, the firm is asked to provide a Representative Client List to prospective clients and in various legal directories (e.g., Martindale-Hubbell and the Texas Legal Directory). Unless you advise us to the contrary, we may disclose to third parties the fact that our firm represents you. Lloyd Gosselink is not requesting authorization to disclose any privileged information obtained during its representation.

Disclaimer

Lloyd Gosselink Rochelle & Townsend, P.C. has made no promises or guarantees to you about the outcome of the Representation of the Matter, and nothing in our engagement letter or these terms of engagement shall be construed as such a promise or guarantee.

Termination

At any time, you may, with or without cause, terminate the Representation by notifying us in writing of your intention to do so. Any such termination of services will not affect the obligation to pay for legal services rendered and expenses and charges incurred before termination, as well as additional services and charges incurred in connection with an orderly transition of the Matter.

We are subject to the codes or rules of professional responsibility for the jurisdictions in which we practice. There are several types of conduct or circumstances that could result in our withdrawing from representing a client, including, for example, the following: non-payment of fees or charges; misrepresentation or failure to disclose material facts; fraudulent or criminal conduct; action contrary to our advice; and conflict of interest with another client. We try to identify in advance and discuss with our clients any situation that may lead to our withdrawal.

A failure by you to meet any obligations under these terms of engagement shall entitle Lloyd Gosselink Rochelle & Townsend, P.C. to terminate the Representation. In that event, you will take all steps necessary to release Lloyd Gosselink Rochelle & Townsend, P.C. of any further obligations in the Representation or the Matter, including without limitation the execution of any documents necessary to effectuate our withdrawal from the Representation or the Matter. The right of Lloyd Gosselink Rochelle & Townsend, P.C. to withdraw in such circumstances is in addition to any rights created by statute or recognized by the governing rules of professional conduct.

Our engagement letter specifically explains our fees for services in the Matter. We will bill on a regular basis, normally each month, for fees and expenses and charges. It is agreed that you will make full payment within thirty (30) days of receiving our statement. We may give notice if an account becomes delinquent, and it is further agreed that any delinquent account must be paid upon the giving of such notice. If the delinquency continues and

you do not arrange satisfactory payment terms, we may withdraw from the Representation. However, any termination by either party may be subject to, or controlled by, orders of a court.

Document Retention

Upon completion of our work on this matter, it is our firm's policy that your original documents (e.g., permits, licenses, deeds, wills, etc.) and other client property be returned within a reasonable period of time. As to any documents so returned, we may elect to keep a copy of the documents in our stored files. Our own files, including lawyer work product pertaining to the matter, will be retained by the firm. These firm files include firm administrative records, time and expense reports, billing and accounting records, and internal work product. Internal work product includes drafts, notes, internal communications (in both paper and electronic mediums), and legal and factual research prepared for the internal use of our firm's lawyers. All documents retained by the firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us after the completion of our work without additional notice.

Charges for Expenses and Services

Our invoices will include amounts for legal services rendered and for other expenses and services. Examples of other expenses and services include charges for photocopying, travel and conference expenses, messenger deliveries, computerized research, and other electronic transmissions or filings. In addition, we reserve the right to send to you for direct payment any invoices delivered to us by others, including experts and any vendors.

Rates for our legal services, expenses and charges are subject to change from time to time and will be noted on your bill. In some situations, we can arrange for such services and expenses to be provided by third parties billed through our billings or by direct billing to the client.

Standards of Professionalism and Attorney Complaint Information

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise our clients to the contents of the Texas Lawyer's Creed, a copy of which is attached. In addition, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available in our office in Austin and is likewise available upon request. A client that has any questions about the State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

Additional Terms of Engagement 1.7 .doc

THE TEXAS LAWYER'S CREED

A Mandate for Professionalism

Promulgated by The Supreme Court of Texas and the Court of Criminal Appeals November 7, 1989

I am a lawyer; I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

I. OUR LEGAL SYSTEM

A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism.

1. I am passionately proud of my profession. Therefore, "My word is my bond."
2. I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life.
3. I commit myself to an adequate and effective pro bono program.
4. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed.
5. I will always be conscious of my duty to the judicial system.

II. LAWYER TO CLIENT

A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest.

1. I will advise my client of the contents of this Creed when undertaking representation.
2. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible.
3. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice.
4. I will advise my client that civility and courtesy are expected and are not a sign of weakness.
5. I will advise my client of proper and expected behavior.
6. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct.
7. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party.
8. I will advise my client that we will not pursue tactics which are intended primarily for delay.
9. I will advise my client that we will not pursue any course of action which is without merit.
10. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel.
11. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. LAWYER TO LAWYER

A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct.

1. I will be courteous, civil, and prompt in oral and written communications.
2. I will not quarrel over matters of form or style, but I will concentrate on matters of substance.
3. I will identify for other counsel or parties all changes I have made in documents submitted for review.
4. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties.
5. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable, when hearings, depositions, meetings, conferences or closings are cancelled.
6. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected.
7. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond.
8. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses.
9. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me.
10. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel.
11. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed.
12. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court.
13. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence.
14. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement.
15. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party.

16. I will refrain from excessive and abusive discovery.
17. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear.
18. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable.
19. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. LAWYER AND JUDGE

Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession.

1. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol.
2. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law.
3. I will treat counsel, opposing parties, witnesses, the Court, and members of the Court staff with courtesy and civility and will not manifest by words or conduct bias or prejudice based on race, color, national origin, religion, disability, age, sex, or sexual orientation.
4. I will be punctual.
5. I will not engage in any conduct which offends the dignity and decorum of proceedings.
6. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage.
7. I will respect the rulings of the Court.
8. I will give the issues in controversy deliberate, impartial and studied analysis and consideration.
9. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.

Order of the Supreme Court of Texas and the Court of Criminal Appeals

The conduct of a lawyer should be characterized at all times by honesty, candor, and fairness. In fulfilling his or her primary duty to a client, a lawyer must be ever mindful of the profession's broader duty to the legal system.

The Supreme Court of Texas and the Court of Criminal Appeals are committed to eliminating a practice in our State by a minority of lawyers of abusive tactics which have surfaced in many parts of our country. We believe such tactics are a disservice to our citizens, harmful to clients, and demeaning to our profession.

The abusive tactics range from lack of civility to outright hostility and obstructionism. Such behavior does not serve justice but tends to delay and often deny justice. The lawyers who use abusive tactics, instead of being part of the solution, have become part of the problem.

The desire for respect and confidence by lawyers from the public should provide the members of our profession with the necessary incentive to attain the highest degree of ethical and professional conduct.

These rules are primarily aspirational. Compliance with the rules depends primarily upon understanding and voluntary compliance, secondarily upon reenforcement by peer pressure and public opinion, and finally when necessary by enforcement by the courts through their inherent powers and rules already in existence.

These standards are not a set of rules that lawyers can use and abuse to incite ancillary litigation or arguments over whether or not they have been observed.

We must always be mindful that the practice of law is a profession. As members of a learned art we pursue a common calling in the spirit of public service. We have a proud tradition. Throughout the history of our nation, the members of our citizenry have looked to the ranks of our profession for leadership and guidance. Let us now as a profession each rededicate ourselves to practice law so we can restore public confidence in our profession, faithfully serve our clients, and fulfill our responsibility to the legal system.

The Supreme Court of Texas and the Court of Criminal Appeals hereby promulgate and adopt "**The Texas Lawyer's Creed -- A Mandate for Professionalism**" described above.

In Chambers, this 7th day of November, 1989.

The Supreme Court of Texas

Thomas R. Phillips, Chief Justice
Franklin S. Spears, Justice
C. L. Ray, Justice
Raul A. Gonzalez, Justice
Oscar H. Mauzy, Justice
Eugene A. Cook, Justice
Jack Hightower, Justice
Nathan L. Hecht, Justice
Lloyd A. Doggett, Justice

The Court of Criminal Appeals

Michael J. McCormick, Presiding Judge
W. C. Davis, Judge
Sam Houston Clinton, Judge
Marvin O. Teague, Judge
Chuck Miller, Judge
Charles F. (Chuck) Campbell, Judge
Bill White, Judge
M. P. Duncan, III, Judge
David A. Berchelmann, Jr., Judge

CONFIDENTIAL/ATTORNEY-CLIENT COMMUNICATION

MEMORANDUM

TO: Jason Homan, General Manager

FROM: Lauren Kalisek; Lauren Munselle

DATE: July 29, 2017

RE: Cause No. J2-CV-17-003150; Cynthia Hughes v. Travis County WCID #17; Plea to the Jurisdiction and Answer

I. Introduction

On June 23, 2017, Travis County WCID #17 (the “District”) was served with a lawsuit alleging miscalculation of water use and seeking damages for disconnection of “water/garbage”, along with reconnection fees, and additional costs for service to continue at Plaintiff’s residence. The District has 14 days from the date on which it was served, or until July 7, 2017, to file an Answer to this lawsuit.

II. Answer and Plea to the Jurisdiction

While Plaintiff does not state a cognizable claim, our recommended Answer will generally deny all of Plaintiff’s allegations, and will be filed in the same document with a “Plea to the Jurisdiction.” A Plea to the Jurisdiction is a filing that challenges the ability of the court to decide Plaintiff’s case. Courts can only decide cases over which they have jurisdiction, and if a court does not have the jurisdiction to decide a case, then the court must dismiss it. One way for a court to lack jurisdiction over a case is if the party being sued is a governmental entity that is immune from lawsuits, like the District is here. So, the basis for our Plea to the Jurisdiction (“Plea”) will be the argument that the court cannot hear this case because the District is a governmental entity that is immune from lawsuits like one brought by the Plaintiff.

III. Hearing on Plea to the Jurisdiction

Within the month following the date on which we file the Plea and Answer, the office manager of the court will set a hearing date for me to appear before the judge and discuss our arguments set forth in the Plea. We do not get any input on when the hearing will be set. Once a hearing date is set, we will notify you of the date, and you’re welcome to attend if you’re available.

On the date of the hearing, we will appear before the judge in court and present any oral argument that he might want to hear regarding the Plea that we filed. This is usually a very informal discussion. The Plaintiff will also be notified of the hearing and has the opportunity to

appear in court and argue against the Plea. Plaintiffs do not always appear at these hearings, but it is possible that the Plaintiff will attend.

The judge may issue a ruling on the Plea at the hearing, or he may take a couple of days to consider our arguments before ruling. In any case, the District should have a ruling on the Plea within 3-4 days after the hearing takes place.

IV. Potential Outcomes

If the judge grants the Plea, then he agrees that Plaintiff cannot sue the District, and the lawsuit will be dismissed. Given the governmental immunity laws in Texas, we anticipate that it is likely that the case will be dismissed based on our Plea. However, there is always a level of uncertainty in any legal proceeding in predicting how a judge will rule.

If the judge does not grant the Plea, the District has the option to appeal his ruling within 20 days of the judge's order denying the Plea. Such appeal stays, or freezes, the case pending resolution of the appeal. If the appellate court overturns the judge's denial of the Plea, then the case will be dismissed. If the appellate court affirms the judge's denial of the Plea, then we can discuss the District's options in the matter.

While the District can pursue settlement at any point in the proceedings, we would not advise considering settlement until we receive the judge's initial ruling on the Plea that we plan to file, as the Plea provides the District an efficient and cost-effective way to dispose of this case.

1.9 Annexation

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

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

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

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