

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

June 5, 2018

The Board of Directors (the "Board") of Travis County Municipal Utility District No. 10 (the "District") met in regular session, open to the public, on the 5th day of June, 2018, at 1325 Osprey Ridge Loop, Lago Vista, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

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| Harvey Reiter | President |
| Vance Taylor | Secretary |
| Ray Archer | Assistant Vice President |
| Robert Ernst | Assistant Secretary |

and all of the above were present except Director Woolsey, thus constituting a quorum.

Also present at the meeting were Hal Lanham of AWR Services, Inc. ("AWR"); Cathy Mitchell of Jones & Carter, Inc. ("Jones & Carter"); Ashlee Martin of McCall, Gibson, Swedlund Barfoot, PLLC; Dan Eckermann, a resident of the District; Dave DeGreeff, a resident of the District and President of the Waterford Property Owners Association; and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR") by telephone.

APPROVE MINUTES

The Board considered approving the minutes of the May 1, 2018, meeting. After review and discussion, Director Archer moved to approve the minutes of the meeting. Director Taylor seconded the motion, which passed by unanimous vote.

2018 DIRECTORS ELECTION

The Board discussed the 2018 election matters.

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Harvey Reiter to the Board of Directors of the District for a four-year term. After review and discussion, Director Ernst moved to approve the Certificate of Election and the distribution of same to Director Reiter, and direct that the Certificate of Election be filed appropriately and retained in the District's official records. Director Reiter seconded the motion, which passed by unanimous vote.

DIRECTORS' SWORN STATEMENT AND OATH OF OFFICE

Ms. Covan reviewed the Sworn Statement and Oath of Office for Director Reiter. After review and discussion, Director Ernst moved to approve the Sworn Statement and Oath of Office and direct that the documents be filed in the official records of the District, and that the Oath of Office be filed with the Secretary of State, as required by law. Director Reiter seconded the motion, which passed by unanimous vote.

APPOINT NEW DIRECTOR

The Board considered appointing Dan Eckermann to the Board of Directors. After discussion, Director Reiter moved to appoint Dan Eckermann to the Board of Directors. Director Ernst seconded the motion, which passed by unanimous vote.

REORGANIZE BOARD AND ELECT OFFICERS

The Board considered reorganizing the Board of Directors. Following discussion, Director Reiter moved that Director Archer be appointed Vice President, Director Ernst be appointed Assistant Vice President, and Director Eckermann be appointed Assistant Secretary, and that the other Directors retain their current positions. Director Ernst seconded the motion, which passed by unanimous vote.

REGISTRATION FORM

The Board considered authorizing the execution of the District Registration Form, updated to reflect the appointment of Director Eckermann and the new terms of office. Following review and discussion, Director Reiter moved to authorize the execution of the District Registration Form and direct that the Registration Form be filed appropriately with the Texas Commission on Environmental Quality and retained in the District's official records. Director Ernst seconded the motion, which passed unanimously.

OPEN MEETINGS ACT TRAINING REQUIREMENTS

Ms. Covan said the Texas Legislature requires each elected or appointed public official to complete a course of training regarding the responsibilities of the governmental body and its members under the Texas Open Meetings Act within ninety days of receiving the appointment.

CONFLICT OF INTEREST DISCLOSURE; LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Covan reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest.

Ms. Covan stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. The Board

reviewed the List of Local Government Officers. After review and discussion, Director Reiter moved to approve the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Ernst seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING

Ms. Covan said the marina requested the addition of a locking mechanism on their garbage dumpster. She said that AWR contacted Waste Connections and was told that the additional cost is \$11.00 per month. Discussion ensued regarding Amending the Rate Order to increase the sewer rate charged to the marina by \$11.00 per month. Ms. Covan said amending the Rate Order will be on the agenda next month.

AUDIT FOR THE FISCAL YEAR END FEBRUARY 28, 2018

Ms. Martin reviewed the audit for the fiscal year end February 28, 2018, and the management letter. After review and discussion, Director Taylor moved to approve the audit. Director Archer seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, a copy of which is attached. After review and discussion, Director Taylor moved to approve the bookkeeper's report and the checks listed on the report. Director Ernst seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

The Board reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached.

After review and discussion, Director Archer moved to approve the tax assessor/collector's report. Director Ernst seconded the motion, which passed by unanimous vote.

AMENDED RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered amending the Resolution Concerning Exemptions from Taxation to remove the denial of an exemption for travel trailers. Discussion ensued. After discussion, Director Reiter moved to adopt the Amended Resolution Concerning Exemptions from Taxation. Director Ernst seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Mr. Lanham reviewed the operator's report, a copy of which is attached. He discussed the progress of the installation of TeamViewer. Mr. Lanham said that AWR

is working with electrical contractors to install a Power Quality Monitor on the incoming power line to the water treatment plant.

Mr. Lanham said AWR assisted the District's engineer and contractor in preparation for the relocation of the LAS tank at the water treatment plant. He said the plant was operated manually during part of the relocation process.

Mr. Lanham reported on repairs to a manhole in Waterford on Lake Travis, Section 7 that was clogged and leaking. He said the repairs have been made and the event was reported to the Texas Commission on Environmental Quality ("TCEQ").

Mr. Lanham reported on the road repair near lift station no. 3. He said title work obtained by ABHR determined that the owner of the road is Waterford lake Vista, LLC, who purchased the property in April 2018 from Lewisville 9/4. The Board reviewed a letter to the property owner drafted by AWR. The Board directed AWR to send the letter to the agent for the buyer, the management company, and the organizer and requested that Ms. Covan provide contact information to Mr. Lanham.

Mr. Lanham said that the Property Owners Association wants to monitor the irrigation meter serving Waterford on Lake Travis, Sections 1 and 2. Discussion ensued regarding the public user water rate. Director Ernst reviewed the Amended Rate Order and said that the public user water rate is a fixed rate of \$1.00 per 1,000 gallons of water.

Director Reiter said the raw water barge is close to the cliff and expressed concern that the hoses could be damaged if they come in contact with the cliff.

Mr. Lanham reported that the current storage level in Lake Travis is 75% of total capacity.

After review and discussion, Director Taylor moved to accept the operator's report. Director Reiter seconded the motion, which passed by unanimous vote.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

Mr. Lanham stated that there were no delinquent accounts for termination.

ENGINEERING MATTERS

Ms. Mitchell reviewed the engineering report, a copy of which is attached.

CAPITAL IMPROVEMENTS

Ms. Mitchell reported on the barge electrical cable replacement. She said the contractor, Merrigan Electric, will begin work later this week

WATER PLANT INSPECTION AND REPAIRS

Ms. Mitchell reported on the chemical building modifications. She said the project is complete and final items are being addressed with the contractor.

Ms. Mitchell said the annual water plant inspection was conducted on May 18, 2018, and a report is being assembled.

After review and discussion, and based on the engineer's recommendation, Director Ernst moved to accept the engineer's report. Director Archer seconded the motion, which passed by unanimous vote.

CRITICAL LOAD SPREADSHEET

Ms. Covan reviewed the critical load spreadsheet, which had been provided to the operator and engineer for review. After review and discussion, Director Reiter moved to authorize ABHR to file the critical load spreadsheet and direct that the spreadsheet be retained in the District's official records. Director Archer seconded the motion, which passed by unanimous vote.

CONSUMER CONFIDENCE REPORT

The Board reviewed the 2017 Consumer Confidence Report ("CCR"), a copy of which is attached. After review and discussion, Director Taylor moved to approve the CCR, authorize the operator to provide homeowners' with a link to the District's website to view the CCR and file the certificate with the TCEQ by July 1, 2016. Director Reiter seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

Director Taylor reported on a new home start in Waterford on Lake Travis Section 6. Director Eckermann said three homes are in the architectural design stage. He said that he would like a tour of the District's facilities. Mr. Lanham said he will coordinate a tour for Director Eckermann.

Director Reiter discussed trimming foliage blocking the view of the lake and raw water barge at the exit to the community. He said the Property Owners Association ("POA") agreed to clear a small area in front of the driveway. Director Reiter suggested that the District clear approximately 60' at an estimate cost of \$1,000 and that the POA will pay for half the cost. Mr. DeGreeff said the POA wants to be involved and consulted on what will be cleared. After discussion, the Board agreed to proceed with the clearing and authorized AWR to contract for the work and bill the District and to coordinate the work with the POA.

Mr. DeGreeff discussed issues concerning the cost of maintaining and preserving the roads in the District. Director Reiter said Jones & Carter has expertise in the area of roads and can provide some assistance to the POA. Director Taylor discussed a problem with deteriorating cement curbs. Mr. DeGreeff discussed drainage between his house and the house at 1231 Osprey Ridge Loop and asked who is responsible for drainage between two homes. He said there is a wall placed between the homes by the developer and debris is preventing appropriate drainage. Ms. Covan said she will discuss the drainage issue with Ms. Mitchell.

WEBSITE

There was no discussion on this matter.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MEETING DATES

Discussion ensued regarding the location of future meetings. After discussion, the Board agreed that the July meeting will be held at Director Archer's home, the August meeting will be at Director Reiter's home, the September meeting will be at Director Taylor's home, and the October meeting will be at Director Eckermann's home.

There being no further business to come before the Board, the meeting was adjourned.


Secretary, Board of Directors

(SEAL)



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