

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

August 7, 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 7th day of August, 2018, at 1405 Osprey Ridge Loop, Lago Vista, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

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

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

Also present at the meeting were Kristen Dreiss and Ryan Casey of Jones & Carter, Inc. ("Jones & Carter"); Brett Lanham of AWR Services; Andrew Fawthrop, a resident of the District; Craig Rathmann of Rathmann & Associates, LP. and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR") by telephone.

APPROVE MINUTES

The Board considered approving the minutes of the July 3, 2018, meeting. After review and discussion, Director Taylor moved to approve the minutes of the meeting. Director Ernst seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING

There was no report on this matter.

FINANCIAL AND BOOKKEEPING MATTERS

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

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

Ms. Covan said the Annual Report would contain updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the District's bond resolutions. After review and discussion, Director Reiter moved to approve the Annual Report and authorize filing of same in accordance

with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12. Director Taylor seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. The Board concurred that no changes are required at this time.

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 Ernst moved to approve the tax assessor/collector's report. Director Reiter seconded the motion, which passed by unanimous vote.

INSURANCE

The Board reviewed the insurance proposal from Arthur J. Gallagher & Co., a copy of which is attached. After review and discussion, Director Reiter moved to approve the insurance proposal for renewal of the District's insurance. 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 water plant repairs and maintenance.

Mr. Lanham discussed issues with partial backwashing the filters at the water treatment plant. He said the filter was inspected by a contractor and it was determined the problem is caused by corrosion and deterioration of the filter underdrain and the contractor recommended replacing or cleaning the filter media. Mr. Lanham said the contractor's cost estimate to replace the underdrains and clean the filter media is \$59,100. Discussion ensued. After discussion, the Board authorized AWR to obtain two more bids and to coordinate review of the bids with Director Reiter and Jones & Carter to determine which bid will result in the best and most economical completion of the work. Discussion ensued regarding a dual filter system and storage capacity. Mr. Lanham said there is an old filter that can be removed and examined and, if appropriate, used as a backup system. The Board asked AWR to provide information to the Board members regarding the additional two bids for the underdrains and filter media work and which company was selected to perform the work.

Mr. Lanham said bids are being obtained to repair the fence and install boulders to prevent unauthorized access to the drip irrigation disposal fields by off road vehicles. Director Taylor suggested forgoing the fence repair and installing only the boulders that have proven effective. Mr. Lanham said he will bring several options to the next Board meeting.

Mr. Lanham said the combined storage level in Lakes Travis and Buchanan is 1.436 million acre-feet, or 72% of total capacity and the current storage level in Lake Travis is 0.735 million acre-fee or 65% of total capacity, a 5% decrease from July 3, 2018. He said that Stage I Voluntary Watering Restrictions are in place. The Board asked Ms. Covan to have the Stage I notice to customers posted on the District's website and asked AWR to ensure the Stage I notice appears on the customer water bills, including the Waterford Property Owner's Association, and that water conservation signs have been posted in the District.

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.

DISCUSS 2018 TAX RATE, SET PUBLIC HEARING DATE AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Rathmann reviewed the 2018 tax rate recommendation, prepared by Rathmann & Associates, L.P., a copy of which is attached, of \$0.76 per \$100 of assessed value. Discussion regarding the 2018 tax rate, reserves and future capital projects ensued. After discussion, the Board determined to defer action regarding the 2018 tax rate until the September Board meeting.

ENGINEERING MATTERS

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

CAPITAL IMPROVEMENTS

Ms. Dreiss reported on the barge electrical cable replacement. She said the contractor, Merrigan Electric, LLC, has completed the project. Ms. Dreiss presented and recommended for approval Pay Estimate No. 1 and Final in the amount of \$52,365.00. She recommended the Board accept the project.

WATER PLANT INSPECTION AND REPAIRS

Ms. Dreiss reported on the chemical building modifications. She said the project is complete. Ms. Dreiss presented and recommended for approval Pay Estimate No. 1 and Final in the amount of \$17,126.00, submitted by PrimeSpec Construction, LLC. She recommended the Board accept the project.

Ms. Dreiss said Merrigan Electric performed the underwater barge annual inspection on July 11, 2018. She said some minor repairs will be addressed and the presence of zebra mussels was noted. Discussion ensued regarding the zebra mussels. Ms. Dreiss said the report prepared by Merrigan Electric is attached to the engineer's report.

The Board reviewed the updated Capital Improvements Plan and the Facility Risk Analysis, copies of which are attached to the engineer's report.

After review and discussion, and based on the engineer's recommendation, Director Ernst moved: (1) approve Pay Estimate No. 1 and Final in the amount of \$52,365.00 for the barge electrical cable replacement; (2) accept the barge electrical cable replacement project; (3) approve Pay Estimate No. 1 and Final in the amount of \$17,126.00 for the chemical building modifications; (4) accept the chemical building modifications project; and (5) accept the engineer's report. Director Taylor seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

Ms. Dreiss reported on communications from potential developers. Director Taylor reported on home building in the District in Section 3 and Section 6.

WEBSITE

There was no discussion on this matter.

COMMENTS FROM THE PUBLIC

There were no comments from the public.

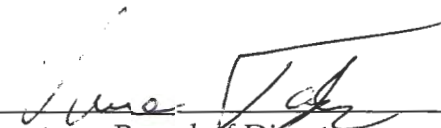
MEETING DATES

The Board agreed that the next meeting will be September 4, 2018, at Director Taylor's home.

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

(SEAL)




Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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