

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

September 4, 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 4th day of September, 2018, at 18001 Kingfisher Ridge Drive, 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.

Also present at the meeting were Kristen Dreiss of Jones & Carter, Inc. ("Jones & Carter"); Brett Lanham of AWR Services; Dave DeGreeff, a resident of the District; and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR") by telephone.

APPROVE MINUTES

The Board considered approving the minutes of the August 7, 2018, meeting. Director Reiter noted a correction to the minutes. After review and discussion, Director Ernst moved to approve the minutes of the meeting, as corrected. Director Eckermann 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 Taylor moved to approve the bookkeeper's report and the checks listed on the report. Director Eckermann seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF INVESTMENT POLICY; ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Ms. Covan explained that the Texas Public Funds Investment Act requires the Board to annually review its Investment Policy and authorize any amendments. After discussion, Director Archer moved to adopt a Resolution Regarding Annual Review of Investment Policy, to make no changes to the Investment Policy and direct that the

Resolution be filed appropriately and retained in the District's official records. Director Ernst seconded the motion, which passed by unanimous vote.

RESOLUTION ESTABLISHING AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS

The Board considered adopting a Resolution Establishing the Authorized Depository Institutions and Adopting a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions incorporating an updated list of broker/dealers provided by the District's bookkeeper. After review and discussion, Director Archer moved to adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records. 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 Ernst moved to approve the tax assessor/collector's report. Director Reiter seconded the motion, which passed by unanimous vote.

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

The Board considered approving the District's 2018 tax rate calculation, authorizing publication of same, and setting a public hearing date. The Board discussed the 2018 tax rate recommendation prepared by Rathmann & Associates, L.P., of \$0.76 per \$100 of assessed value. The Board discussed the maintenance and operations tax rate. Discussion ensued.

Following review and discussion, Director Reiter moved to approve the District's 2018 tax rate calculation, including the proposed total tax rate of \$0.76 per \$100 of assessed valuation to provide for maintenance and operations and debt service, and authorize publication of the tax calculation and the notice of public hearing or mailing of such notice to property owners, to be held at the District's October 2, 2018, meeting. Director Eckermann 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. Mr. Lanham said PrimeSpec estimated \$59,100 to replace the underdrains and clean the filter media. Mr. Lanham said AWR attempted to obtain two additional proposals from other contractors, but one contractor failed to submit a proposal due to the small size of the project, and the other did not respond at all. Mr. Lanham requested authorization to proceed with the project as bid by

PrimeSpec. Mr. Lanham said AWR repaired thirteen locations in the District's irrigation drip fields that had been damaged by wildlife or inclement weather. Mr. Lanham said the transducer at ground storage tank no. 3 was replaced in August after an auto-dialer alarm occurred from the water treatment plant. He said the new unit has been installed, tested and calibrated.

Mr. Lanham said AWR is in the processing of installing a TeamViewer for remote access to the District's facilities. He said that AWR is also working with electrical contractors to install a power quality monitor to work in conjunction with a power conditioning system.

Mr. Lanham said the Texas Commission on Environmental Quality inspected the District's wastewater system on July 19, 2018. He said the inspector is finalizing the report.

Mr. Lanham said the damaged fencing on the boundary of the disposal fields with Point Venture has been removed. He said there is evidence that off road vehicles have been driving on District property. Mr. Lanham said proposals are being obtained to repair the fence line as well as secure the area by the placement of boulders to prevent access to the drip fields. He said the estimated cost of the fence is \$5,000 and one contractor proposed \$100.00 per boulder. Discussion ensued. The Board agreed that boulders should be used to secure the area along with the necessary fencing to mark the boundary and that fencing should be minimally used as the boulders properly spaced will provide the necessary security to ensure that the area cannot be accessed by off-road vehicles.

Mr. Lanham said the District received a letter from the Lower Colorado River Authority (the "LCRA") regarding conditions in the lower Colorado River basin including Lake Buchanan and Lake Travis. He said the letter notifies the District that the LCRA is implementing drought response, stage 1 under the LCRA's Drought Contingency Plan and requests that the District and other LCRA customers implement voluntary drought response measures. Mr. Lanham said the District has already implemented Stage 1 water conservation measures in accordance with the District's Drought Contingency Plan. Mr. Lanham said AWR will more closely monitor the Lake Travis water storage level. Mr. DeGreeff said the Property Owner's Association was not timely notified that the water conservation measures were in place and that the POA's water usage resulted in an incremental increase in the cost of water. Mr. Lanham said AWR will investigate the POA's water usage and bill and determine if any action is required.

After review and discussion, Director Taylor moved to: (1) authorize AWR to engage PrimeSpec to remove the filter media and install replacement underdrains at the water treatment plant at a cost of \$59,100; (2) authorize replacement of the fence at the irrigation fields at a cost of up to \$5,000 and authorize the purchase and placement of boulders at a cost of up to \$5,000; and (3) accept the operator's report. Director Archer 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. Dreiss reviewed the engineering report, a copy of which is attached.

CAPITAL IMPROVEMENTS

Ms. Dreiss distributed an updated Capital Improvement Plan for 2018-2021, a copy of which is attached.

WATER PLANT INSPECTION AND REPAIRS

There was no report on this matter.

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

REPORT ON DEVELOPMENT

Ms. Covan reported on communications from a potential developer, Waterford Lake Travis, L.P., that purchased land in the District.

WEBSITE

There was no discussion on this matter.

LAKE LEVELS AND COMMUNICATIONS TO THE LOWER COLORADO RIVER AUTHORITY

Director Eckermann discussed Lake Travis water levels including the increasing demand for water and reliance on rain to maintain lake levels. He discussed sending a letter to the LCRA recommending that the lake control point be raised from 681 feet to a higher level, with the increase occurring in stages. Director Taylor discussed whether there would be any benefit to the District if this matter is pursued with the LCRA. After discussion, Director Reiter asked Director Eckermann to draft a letter to the LCRA for review by the Board.

COMMENTS FROM THE PUBLIC

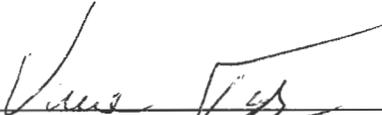
There were no comments from the public.

MEETING DATES

The Board agreed that the next meeting will be October 2, 2018, at Director Eckermann'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

Page

Bookkeeper's report.....	1
Tax assessor/collector's report	2
Operator's report.....	2
Engineering report.....	4
Capital Improvement Plan for 2018-2021	4