

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

February 5, 2019

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 February 5, 2019, 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:

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, thus constituting a quorum.

Also present at the meeting were Cathy Mitchell and Jason Baze of Jones & Carter, Inc. ("Jones & Carter"); Brett Lanham and Mike Bamer of AWR Services; and Sharon Covan of Allen Boone Humphries Robinson LLP by telephone.

APPROVE MINUTES

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

GARBAGE AND RECYCLING

There was no discussion on this matter.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, a copy of which is attached. The Board reviewed the proposed budget for the fiscal year end February 29, 2020. After review and discussion, Director Archer moved to approve the bookkeeper's report and the checks listed on the report. Director Ernst seconded the motion, which passed by unanimous vote.

BUDGET FOR THE FISCAL YEAR END FEBRUARY 29, 2020

The Board considered adopting the budget for the fiscal year end February 29, 2020. After review and discussion, Director Ernst moved to adopt the budget for the fiscal year end February 29, 2020. Director Taylor seconded the motion, which passed by unanimous vote.

ENGAGE AUDITOR TO CONDUCT THE AUDIT FOR THE FISCAL YEAR END FEBRUARY 28, 2019

Director Reiter reviewed a proposal from McCall, Gibson, Swedlund, Barfoot, PLLC ("McCall") to conduct the audit for the District's fiscal year end February 28, 2019, for a fee of \$7,500. After review and discussion, Director Reiter moved to engage McCall to conduct the audit for the District's fiscal year end February 28, 2019, authorize execution of the engagement letter, and direct that the letter be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed by unanimous vote.

ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Ms. Covan explained that the annual disclosure statement discloses relationships of the bookkeeper and investment officer with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. Ms. Covan said the investment officer and bookkeeper provided ABHR with the annual disclosure statements. After review and discussion, Director Reiter moved to accept the disclosure statements of the District's bookkeeper, Terry Holland, and investment officer, Mary Jarmon, and authorize filing the disclosure statements with the Texas Ethics Commission. Director Taylor seconded the motion, which passed unanimously.

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

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adoption of a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Archer moved to adopt a Resolution Concerning Exemptions from Taxation, reflecting a general residential homestead exemption of 15%, a \$10,000 exemption for persons over 65 years of age or disabled persons, 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.

OPERATION OF DISTRICT FACILITIES

Mr. Lanham reviewed the operator's report, a copy of which is attached. He reviewed the chart tracking current Lake Travis water levels.

Mr. Lanham said AWR is coordinating a meeting with the Lower Colorado River Authority ("LCRA"). The Board agreed to meet on February 19, 2019, at the Barton

Creek Country Club, at a time to be determined. Ms. Covan said an agenda will be posted.

Mr. Lanham said there was an area wide power outage. He said AWR was informed by Pedernales Electric Company that repairs were being made to power relays and a nearby transformer. Mr Lanham said water pressure was verified at the water plant at once power was restored, all alarms and dialers were reset and all operations at the plants were verified.

Mr. Lanham said new signs were erected at the water treatment plant reflecting a new description and AWR's phone number.

Mr. Lanham said one of the clarifier drives at the wastewater treatment plant failed. He said several teeth inside the gearbox sheered and the unit stopped turning. Mr. Lanham said a temporary circulation pump and piping were fabricated and installed and a proposal was obtained for the emergency fabrication and installation of a new gear drive in the amount of \$17,668.60. He said the new drive should be available in approximately three weeks. Mr. Lanham said the wastewater treatment plant is within acceptable Texas Commission on Environmental Quality parameters and AWR is monitoring the wastewater treatment plant closely.

Mr. Lanham said AWR made leak repairs to nineteen areas in the drip fields, likely caused by wild life. Director Taylor said he has seen evidence of all-terrain vehicles in the irrigation fields.

Mr. Lanham said AWR continues to work with Jones & Carter on the pump failure issues at lift station no. 3. Discussion ensued regarding long-term remedies to repair or replace pumps to prevent future premature failures. Mr. Lanham said the cost to repair a pump is approximately \$6,500. Ms. Mitchell said the cost to replace two pumps is approximately \$20,000. Ms. Mitchell said this lift station serves only five homes and one cause of the failure may be due to the lack of pump usage. After discussion, it was agreed that given the minimal usage of the pump, bringing in a water line to increase the periodic running of the pumps could be most cost effective and eliminate the problem.

Director Taylor asked about the status of fire hydrant inspections. Mr. Lanham said he will contact Capital Hydrant who previously performed this work. Director Taylor asked Mr. Lanham to obtain the recycling calendar from Progressive Waste and have it posted on the District's website.

Mr. Lanham said AWR worked with Jones & Carter on the inspection of the intake barge for zebra mussels and other possible intake structure issues. He said the inspection was performed by Excel and zebra mussels were found clogging the intake screens. Mr. Lanham said it was determined that water flow was not being inhibited.

Mr. Lanham discussed grinder pump repairs during the prior month. He said the cost of moving the discharge line at 1608 Watercliff will be billed to the customer at 1612 Watercliff.

After review and discussion, Director Taylor moved to accept the operator's report. Director Eckermann 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 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 said Jones & Carter is providing assistance with improvements to AWR, as needed. She said two capital improvement projects planned at the wastewater treatment plant this year involve power quality monitors and rehabilitation of the blowers. Ms. Mitchell said maintenance on one of the blowers has already been performed and another proposal for the power quality monitors is being obtained.

WATER PLANT INSPECTION AND REPAIRS

Ms. Mitchell reported on the barge inspection by Excel Construction. She said the barge is in good condition, but some of the buoys need to be repositioned. Ms. Mitchell said Excel found that the pump screens were nearly 100% covered with zebra mussels. She said Excel removed approximately 80% of the mussels from the exterior screens and about 40% from the interior. Ms. Mitchell said sodium permanganate appears to be the most widely used measure for eliminating mussels and a secondary measure is using Z-alloy pump screens. The Board discussed contracting to have the screens cleaned twice a year. Director Taylor suggested maintaining a second set of screens that can be periodically exchanged with the screens being removed for cleaning on land rather than under the water. It was estimated that this could cost upwards of \$8,000 for materials and labor. The Board requested that prior to any decisions being made, additional information be gathered regarding the actual impact that zebra mussels are having on the water intake line. Mr. Lanham said AWR will be measuring over time any change in water volume or an increase in amperage on the pump due to zebra mussels.

Ms. Mitchell said the individual requesting out-of-district services was notified that a feasibility study would be required, at their cost.

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

REPORT ON DEVELOPMENT

The Board discussed development in the District.

MEETING WITH THE LOWER COLORADO RIVER AUTHORITY

There was no further discussion on this matter.

WEBSITE

There was no discussion on this matter.

COMMENTS FROM THE PUBLIC

There were no comments from the public. Director Reiter said needed road repairs were discussed with the Property Owner's Association (the "POA"). He said roads in Sections 1 and 2 are deteriorating, but no action is being taken by the POA.

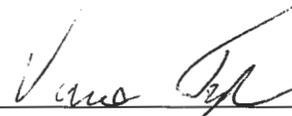
MEETING DATES

The Board agreed the next meeting will be March 5, 2019, at 1845 Kingfisher Ridge Cove.

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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