

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

June 4, 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 June 4, 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 except Director Taylor, thus constituting a quorum.

Also present at the meeting were Cathy Mitchell and Jason Baze of Jones & Carter, Inc. ("Jones & Carter"); Brett Lanham and Amanda Rodriguez of AWR Services; Nancy Olson of McCall Gibson Swedlund Barfoot, PLLC; Jim Carroll, a resident of the District; and Sharon Covan of Allen Boone Humphries Robinson LLP by telephone.

APPROVE MINUTES

The Board considered approving the minutes of the May 7, 2019, meeting. Director Reiter noted two corrections to the minutes. After review and discussion, Director Ernst moved to approve the minutes of the meeting, as corrected. Director Archer seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING

There was no report on garbage and recycling.

FINANCIAL AND BOOKKEEPING MATTERS

The Board reviewed the bookkeeper's report, a copy of which is attached. Discussion ensued regarding the current and historical revenues and expenses. Director Reiter said he will discuss the future impact of the District's revenues versus expenses with the District's financial advisor, Craig Rathmann.

After review and discussion, Director Eckermann 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. Director Reiter discussed the 2019 preliminary estimate of value from the Travis Central Appraisal District. After review and discussion, Director Eckermann moved to approve the tax assessor/collector's report. Director Ernst seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

Mr. Lanham said a home at 1608 Watercliffe is under construction and AWR received a call from the contractor regarding a discharge line crossing the property from 1612 Watercliffe. He reviewed the events surrounding the re-routing of the discharge line by AWR that was improperly routed from the home at 1612 Watercliffe to 1608 Watercliffe by the original home contractor for 1612 Watercliffe. Mr. Lanham said AWR temporarily re-routed the discharge line to enable the builder at 1608 Watercliffe to proceed with construction. He said Mr. Carroll, the current owner at 1612 Watercliffe was contacted and provided with options to either bury the discharge line where it is, with permission of the owner of 1608 Watercliffe, or re-route and bury the discharge line after an inspection by AWR. Mr. Lanham said Mr. Carroll was billed \$1,372.93 for AWR's work to temporarily re-locate the discharge line.

Mr. Carroll addressed the Board and reviewed a statement regarding AWR's re-routing of the discharge line that occurred in November of 2018, and the subsequent bill he received from AWR in the amount of \$1,372.93. He said the charges have not been itemized by AWR and contain administrative and overhead fees associated with AWR's normal business activities. Mr. Carroll said there has been a lack of transparency by AWR and he has not been represented. He said he contacted Mr. Lanham on four occasions in March and finally received a return call on April 2, 2019. Mr. Carroll said Mr. Lanham did not inform him of the charges. Mr. Carroll said he should have been informed of the charges before the work was done and provided an estimate. He said he believed it was the District's responsibility to pay for the rerouting of the discharge line. Mr. Carroll requested the Board waive the \$1,372.93 charge. He said the charges are not documented, overcharged and not justified.

Mr. Lanham said he received direction from the Board at the April 2, 2019, Board meeting, after which he contacted Mr. Carroll. Director Reiter said the original builder of 1612 Watercliffe made an error in placing the discharge line, and it is not the District's responsibility to absorb the cost to relocate the line. Mr. Lanham said it is AWR's responsibility to maintain and provide continuous water and wastewater services to the District. He said AWR believed the work to be urgent because cement trucks were in route to 1608 Watercliffe. Mr. Lanham then offered an interest-free payment plan to Mr. Carroll. Mr. Carroll left the meeting.

Director Archer said the re-routing of the line was outside the realm of a District project and the project should have been handled between AWR and the homeowner. He said AWR should have billed the customer directly. Director Archer said AWR needs more clarity to determine when the District's responsibility begins and ends. Director Reiter suggested the Board provide direction to AWR for determining whether a repair project is a District project or the homeowner's responsibility.

OPERATION OF DISTRICT FACILITIES

Mr. Lanham reviewed the operator's report, a copy of which is attached. He said 163 customers were billed during the month of April. Mr. Lanham said a new water meter was installed at 216 West Water Court.

Mr. Lanham reported on water repairs. He said AWR met with Jones & Carter in April to review water treatment plant, wastewater treatment plant and raw water pump station operations. He said the intake barge and the zebra mussel trap were inspected. Mr. Lanham said the inspection did not show significant zebra mussel activity.

Mr. Lanham said replacement of the clarifier gear-drive at the wastewater treatment plant is complete. He said an over torque unit was installed and the clarifier gear-drive is under a one year warranty.

Mr. Lanham said lift station no. 3 existing pumps were repaired and are back in service. Mr. Lanham discussed repairs to grinder pumps during the prior month.

Mr. Lanham said AWR reviewed grinder pump charges to 17800 Kingfisher Ridge dating back to September 2007. He presented a draft letter to Mr. Rapp, a copy of which is attached to the operator's report, regarding the history of the grinder pumps at 17800 Kingfisher Ridge, according to records available at AWR. After reviewing existing billing records, Mr. Lanham said AWR proposes a refund to Mr. Rapp in the amount of \$1,350.00 for grinder pump fees relating to a second grinder pump charged from August 2015 to April 2019. He said the refund could be applied to Mr. Rapp's utility account or paid by check.

After review and discussion, and based on the information provided by and the recommendations of AWR, Director Eckermann moved to: (1) approve the refund to Mr. Rapp for grinder pump fees from August 2015 to April 2019 in the amount of \$1,350.00, subject to Mr. Rapp signing an acceptance of the refund and providing that acceptance to AWR; and (2) 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 there were no delinquent accounts for termination.

AUDIT FOR THE FISCAL YEAR END FEBRUARY 28, 2019

Ms. Olson reviewed the audit and management letter for the fiscal year end February 28, 2019, and responded to questions from the Board. After review and discussion, Director Eckermann moved to approve the audit. Director Ernst seconded the motion, which passed by unanimous vote.

WATER AND SEWER RATES; AMENDED RATE ORDER

Mr. Lanham distributed a survey and comparison of water and sewer rates charged by neighboring communities prepared by AWR. The Board took no action to amend the Rate Order.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing the delinquent tax attorney to proceed with the collection of delinquent taxes. After discussion, Director Ernst moved to authorize the delinquent tax attorney to proceed with the collection of delinquent 2018 taxes as of July 1, 2019. Director Reiter seconded the motion, which passed unanimously.

AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

The Board considered approving an Amended and Restated Drought Contingency Plan ("DCP"). Ms. Covan said she was contacted by the Lower Colorado River Authority (the "LCRA") asking that the District's DCP meet the LCRA minimum requirements by including in the Stage 2 Moderate Drought section of the DCP that watering occur no more than two times per week. After review and discussion, Director Reiter moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Archer seconded the motion, which passed by unanimous vote.

CRITICAL LOAD SPREADSHEET

The Board reviewed the critical load spreadsheet, which had been previously provided to the operator and engineer for review. Ms. Covan noted that the critical load information on the District's facilities is required to be reviewed at least annually and submitted to the District's electricity provider and other governmental entities. She said Ms. Mitchell has completed a new contact information form required by Pedernales Electric. After review and discussion, Director Reiter moved to authorize ABHR and Jones & Carter to file the critical load spreadsheet and contact form and direct that the spreadsheet and contact form be retained in the District's official records. Director Ernst seconded the motion, which passed by unanimous vote.

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.

WATER PLANT INSPECTIONS AND REPAIRS

Ms. Mitchell said inspections of the water plant and wastewater treatment plant were conducted on April 26, 2019. Ms. Mitchell said the inspection reports will be provided at the July Board meeting.

ZEBRA MUSSEL REMOVAL AND PREVENTION

Ms. Mitchell said the mussel sampler was installed on the raw water barge on April 10, 2019. She said there were no visible mussels when the sample was inspected on April 26, 2019. Ms. Mitchell said Jones & Carter met with the Texas Commission on Environmental Quality ("TCEQ") to discuss the pilot study and submittal requirements for a sodium permanganate system. She said the TCEQ will require a full set of plans and specifications for approval. Ms. Mitchell said engineering costs for design and construction services will be approximately \$40,000 and the construction cost budget is approximately \$200,000. After discussion, the Board agreed to continue observation of the zebra mussel situation and conduct another inspection next month.

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

WEBSITE

There was no discussion on this matter.

REPORT ON DEVELOPMENT

There was no report on development. The Board agreed that the next meeting will be July 2, 2019, at 1300 Osprey Ridge Loop.

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

(SEAL)

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Secretary, Board of Directors

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