

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

August 4, 2020

The Board of Directors (the "Board") of Travis County Municipal Utility District No. 10 (the "District") met on the 4th day of August, 2020, in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, and the roll was called of the members of the Board being present by telephone:

Harvey Reiter	President
Dan Eckermann	Executive Vice President
Andrew L. Fawthrop	Vice President
Vance Taylor	Secretary
Andi K. Tasset	Assistant Secretary

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

Also attending the teleconference were Jason Baze and Cathy Mitchell of Jones & Carter, Inc. ("J&C"); Brittany Keeswood of Assessments of the Southwest, Inc. ("ASW"); Hal Lanham, Tammy Hargett, and Amanda Rodriguez of AWR Services, Inc. ("AWR"); Craig Rathmann of Rathmann & Associates, L.P.; and Kathryn Garner and Janet Swartz of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Reiter offered any members of the public attending the meeting by telephone the opportunity to make public comment. There were no comments from the public.

RATIFICATION OF ANY RELATED COVID-19 EPIDEMIC EMERGENCY ACTIONS, IF ANY

The Board concurred that there were no emergency actions to ratify.

APPROVE MINUTES

The Board considered approving the minutes of the July 7, 2020, regular meeting. After review and discussion, Director Fawthrop moved to approve the minutes of the July 7, 2020, regular meeting. Director Eckermann 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 Eckermann moved to approve the bookkeeper's report and the checks listed on the report. Director Tasset 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 Eckermann moved to approve the tax assessor/collector's report. Director Tasset seconded the motion, which passed by unanimous vote.

DISCUSS WATER CODE TAX PROVISIONS AND 2020 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2020 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2020 tax rate. Ms. Garner discussed recent legislative changes to the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. She stated that such legislation established three main categories for water districts, based on a district's development status and/or tax rate. Ms. Garner reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code. She stated that the legislation allows a "developed" district to use alternate notice and calculation procedures following a declared disaster.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2020 tax year.

Mr. Rathmann distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2020 water, sewer, and drainage debt service tax rate of \$0.40 per \$100 of assessed valuation, based on the District's initial 2020 certified value. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Garner discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Taylor moved to (1) adopt a Resolution Regarding Development Status for 2020 Tax Year establishing the District as a Developing District for the 2020 tax year pursuant to Section 49.23603, Texas Water Code, and providing that the District will follow the tax notice and calculation

procedures provided by Section 49.23602(d), Texas Water Code; (2) set the public hearing date for September 1, 2020,; and (3) authorize the tax assessor/collector to mail notice to all taxpayers of the District's meeting on September 1, 2020, to set the proposed 2020 total tax rate of \$0.79 per \$100 of assessed valuation with \$0.40 allocated for debt service on water, sewer, and drainage bonds and \$0.39 allocated for operations and maintenance. Director Fawthrop 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. Garner reviewed the District's annual report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the District's bond resolutions and as required by SEC Rule 15c2-12. She stated that the District is required to file the annual report with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System ("EMMA"). Discussion ensued. Following review and discussion, Director Reiter moved to approve the annual report, authorize the attorney to submit the District's annual report in compliance with the continuing disclosure provisions contained in the bond resolutions, and direct that the report be filed appropriately and retained in the District's official records. 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. After discussion, Director Reiter moved to make no changes to the procedures for continuing disclosure compliance. Director Taylor seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Ms. Hargett reviewed the operator's report, a copy of which is attached. She stated that 179 customers were billed during the month of June. Ms. Hargett reported on Combined Highland Lake Storage Levels. The Board requested that AWR send notices to residents on voluntary reduction of water consumption and post signs in the District.

Ms. Hargett updated the Board on AWR's COVID-19 Response Plan.

Ms. Hargett discussed the water treatment plant operations and stated that the air relief valve at the plant was repaired. She added that AWR repaired a leak on the backflow preventer at the plant.

Mr. Lanham stated that the replacement switches on the filter at the water treatment plant have been ordered. He added that the Eaton Power Quality meter to be installed at the water treatment plant has been ordered. Ms. Hargett stated AWR will obtain a proposal for replacement of the blower at the plant after WestTech has conducted the system review.

Mr. Lanham stated that the vegetation along the raw water line has been removed.

Mr. Lanham stated that AWR will inspect the clay valves at the water treatment plant and at the barge, based upon the request of the District's engineer.

Mr. Lanham stated that the new alarm dialer for lift station no. 2 has been ordered.

Mr. Lanham reported on customer calls for service in the District and the installation of meters.

Director Reiter stated that the District consultants have conducted a review of the service history for a residence at 178 Kingfisher Ridge in the District, currently owned by Craig Rapp. He added that Mr. Rapp has requested the District replace two grinder pumps at his residence. Director Reiter discussed Mr. Rapp's account history and the current status of grinder pumps at the residence. Director Reiter offered to meet with Mr. Rapp to discuss a resolution of the grinder pump issues.

After review and discussion, the Board concurred to (1) accept the operator's report; and (2) authorize Director Reiter to meet with Mr. Rapp to negotiate a resolution for Mr. Rapp's account at a cost to the District of not more than \$7,000.

DISCUSSION REGARDING DELINQUENT ACCOUNTS AND TERMINATIONS

Mr. Lanham stated he did not have a report on this agenda item.

ENGINEERING MATTERS

Ms. Mitchell reviewed the engineer's report, a copy of which is attached.

CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Mitchell stated the CIP has been updated based upon the recent inspection of the water treatment plant. She added the CIP will be updated if necessary after

the WestTech inspection of the water treatment plant and with items from the contingency plan currently being prepared.

Ms. Mitchell discussed the recoating of the water treatment plant. She stated that J&C has advertised for bids which will be opened on August 12, 2020. Ms. Mitchell recommended that the contract be awarded once the bids are received in order to take advantage of the dry weather conditions. She recommended that the Board appoint a committee of two Board members to approve the award of the contract once bids are received and based upon J&C's recommendation.

INSPECTIONS AND REPAIRS, INCLUDING THE BARGE

Ms. Mitchell discussed a log of action items noted on the report on the water treatment plant inspection.

BARGE INSPECTION

Ms. Mitchell stated Chapman Marine inspected the barge and removed zebra mussels from the barge, the raw water pumps and the pump screen.

ZEBRA MUSSEL REMOVAL AND PREVENTION

There was no further discussion on this agenda item.

CONTINGENCY PLAN FOR DISTRICT FACILITIES

Director Taylor reported on the assessment of risks associated with the District's facilities and the creation of a contingency plan. He discussed the possibility of installing generators to operate the water treatment plant and barge during power outages.

The Board discussed authorizing the President to approve District expenditures and authorize actions to be undertaken by District consultants that constitute emergency response efforts without obtaining prior approval of the Board. Ms. Garner stated she will add a Resolution Regarding Delegation of Authority Related to Emergency Action or Urgent Action to the next agenda for the Board's consideration.

OTHER ENGINEERING MATTERS

There was no discussion on other engineering matters.

After review and discussion, Director Reiter moved to (1) accept the engineer's report; and (2) appoint Director Taylor and Director Fawthrop to a committee on the water treatment plant recoating project and following the recommendation of J&C to award a contract to a contractor to (i) make a determination once bids are

received that, in the committee's judgement, the recommended contractor was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project, and (ii) approve the award of the contract for the water treatment plant recoating to the recommended contractor, based upon the recommendation of the District's engineer and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Tasset seconded the motion, which passed by unanimous vote.

Ms. Garner stated that the Board will ratify the award of the contract, based upon the water treatment plant recoating committee's recommendation at the next meeting.

CLEANING AND MAINTENANCE OF DISTRICT GREENBELT IN WATERFORD, SECTION 3

Director Eckermann reported on the maintenance of the District-owned greenbelt in Waterford, Section 3. He stated that the mowing of the greenbelt has been arranged through AWR. He stated he attended a meeting with the Waterford, Section 3 Property Owners Association on the Firewise program. Director Eckermann stated that the Waterford, Section 3 Property Owners Association will not be acting on the Firewise program at this time due to funding.

FACILITIES SECURITY INCLUDING REPORT ON MEETING WITH WATERFORD ON LAKE TRAVIS PROPERTY OWNERS ASSOCIATION II, INC., AND THE STORAGE AREA ADJACENT TO DISTRICT WATER TREATMENT PLANT AND SECURITY OF THE DRIP FIELD AND OTHER DISTRICT FACILITIES

Director Fawthrop updated the Board on a meeting he attended with representatives of the Waterford on Lake Travis Property Owners Association II, Inc., on the storage area adjacent to the District's water treatment plant. He stated that the Association is cleaning the area and contacting owners of boats and trailers to request that they be moved to the center of the storage area to create a natural fire break area between the storage area and the water treatment plant.

Mr. Lanham stated AWR will arrange for "No Trespassing" signs to be installed at the District's drip field.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE, AUTHORIZE ATTENDANCE AND DIRECTOR EXPENSES FOR CONFERENCE AND AWBD SIMPLY VOTING (VIRTUAL VOTING REPRESENTATIVE)

After discussion, the Board concurred to authorize Director Fawthrop to attend the virtual AWBD summer conference.

DISTRICT AND PROPERTY OWNER ASSOCIATIONS COORDINATION

There was no discussion on this agenda item.

NEXT MEETING DATE AND LOCATION

Following discussion, the Board agreed to hold the next meeting on September 1, 2020, at 10:30 a.m. by teleconference, with access by telephone available to the public, pursuant to the Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020.

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

/s/ Vance Taylor
Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

	<u>Page</u>
Bookkeeper's report.....	2
Tax assessor/collector's report	2
Debt service tax rate analysis	2
Operator's report.....	3
Engineering report.....	4