

MINUTES  
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

May 4, 2021

The Board of Directors (the "Board") of Travis County Municipal Utility District No. 10 (the "District") met on the 4th day of May, 2021, 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:

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

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

Also attending the teleconference were Terrie Sechrist of Sechrist Duckers, LLP; Jason Grim of Silverton Homes; Beth Bruce of BWB Holdings, Ltd.; Craig Rathmann of Rathmann & Associates, L.P.; Cathy Mitchell of Jones & Carter, Inc. ("J&C"); Hal Lanham and Tammy Hargett of AWR Services, Inc. ("AWR"); and Kathryn Garner and Janet Swartz of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Garner reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at <https://www.districtdirectory.org/agendapackets/tcmud10>.

PUBLIC COMMENTS

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

RATIFICATION OF EMERGENCY OR URGENT ACTIONS, IF ANY, AND  
RATIFICATION OF COVID-19 EPIDEMIC RELATED 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 April 6, 2021 regular meeting, and April 13 and 26, 2021, special meetings. After review and discussion, Director Reiter moved to approve the minutes of the April 6, 13, and 26, 2021 meetings. Director Fawthrop seconded the motion, which passed by unanimous vote.

## FINANCIAL AND BOOKKEEPING MATTERS AND TAX ASSESSMENT AND COLLECTION MATTERS

The Board reviewed the bookkeeper's report, a copy of which is attached. 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 (1) approve the bookkeeper's report and the checks listed on the report; and (2) approve the tax assessor/collector's report. Director Reiter seconded the motion, which passed by unanimous vote.

## TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE AND VOTING MEMBER REPRESENTATIVE

The Board discussed attending the AWBD summer conference on June 17, 18 and 19, 2021. The Board took no action on this agenda item.

## OPERATION OF DISTRICT FACILITIES

Mr. Lanham reviewed the operator's report, a copy of which is attached. He stated that 181 customers were billed during the month of March.

Mr. Lanham discussed the upcoming installation of the new raw water line. He stated that AWR has been keeping the water tanks filled higher than normal as a precaution during the replacement of the raw water line. Mr. Lanham stated that there will be two scheduled outages during construction of the new raw water line and in both cases the residents should not have a disruption in water service. Director Tasset stated that the District will communicate with the residents about the scheduled outages through the IRIS system.

Mr. Lanham stated that the sound proofing panels around the blowers at the wastewater treatment plant ("WWTP") were replaced. In response to an inquiry from Director Fawthrop, Ms. Mitchell stated that an engineer took readings and panels were installed to reduce noise to ambient levels.

Mr. Lanham stated that he is obtaining quotes for the replacement of two pumps at Lift Station No. One. He added that the wastewater piping at Lift Station No. One needs to be replaced and the cost will be \$22,395. He added that more information on

the replacement of the piping, fittings, and a bypass at Osprey Ridge Loop and Kingfisher Ridge will be presented at the next meeting. Director Reiter requested that work at Lift Station No. One not be performed on a holiday weekend.

Mr. Lanham reported on AWR's coordination with Director Tasset on District communications to residents. Director Tasset and Ms. Hargett discussed communications added to the website and information that will be in the upcoming newsletter. Director Fawthorp suggested adding illustrations of the District's facilities to the website.

Ms. Hargett discussed the Water Conservation Plan Annual Report with the Board.

Mr. Lanham did not have a report on delinquent accounts and terminations.

Mr. Reiter and Mr. Lanham discussed the installation of grinder pumps at Mr. Rapp's residence.

After review and discussion, Director Taylor moved to (1) accept the operator's report; and (2) approve the Water Conservation Plan Annual Report, direct that the report be filed appropriately and retained in the District's official records, and authorize the District's operator to submit the report to the appropriate government agencies. Director Fawthrop seconded the motion, which passed by unanimous vote.

The Board tabled adoption of the Resolution Adopting Policy and Procedures for February 2021 Freeze Event Leak Adjustment Credits.

#### BWB HOLDINGS, LTD., DEVELOPMENT FINANCING AGREEMENT

Ms. Bruce reviewed several terms of the proposed Development Financing Agreement (the "Agreement") between the District and BWB Holdings, Ltd. ("BWB"). She stated that BWB will be engaging J&C as the engineer for the development. Discussion ensued.

Director Taylor stated that the requirement for BWB to escrow funds that equal the costs of the existing wastewater treatment plant upgrades and existing water plant upgrades plus a contingency of 20% of the costs of the upgrades and engineering costs of 15% of the cost of the upgrades as of the commencement date as defined in the Agreement will remain in the Agreement.

After review and discussion, Director Tasset moved to accept the terms of Section 2(a)(2) of the Agreement to reflect that if the developer has not added at least \$40,000,000 in assessed value of the property by a date not later than 54 months from the commencement date as defined in the Agreement, the developer's total reimbursement will be decreased by 10% and if the developer fails to increase the assessed value of the property to \$72,000,000

by a date not later than 66 months from the commencement date, the developer's total reimbursement will be decreased by an additional 10%. There being no second to the motion, the motion failed.

After review and discussion, Director Taylor moved to accept the terms of Section 2(a)(2) of the Agreement to reflect that if the developer has not added at least \$40,000,000 in assessed value of the property by a date not later than 48 months from the commencement date as defined in the Agreement, the developer's total reimbursement will be decreased by 10% and if the developer fails to increase the assessed value of the property to \$72,000,000 by a date not later than 72 months from the commencement date, the developer's total reimbursement will be decreased by an additional 10%. Director Fawthrop seconded the motion. Upon the question being called, Directors Taylor, Fawthrop, and Tasset voted "Aye", Directors Reiter and Eckermann voted "No" and the motion passed.

Discussion ensued on the timing of reimbursement to BWB on the 28% cost of the plant expansions that will serve section 5.

After review and discussion, Director Fawthrop moved to accept the terms of section 4.01 of the Agreement to provide that if one party to the Agreement believes that an event of default has occurred by the other party, the other party shall give written notice of the event of default to the defaulting party. Director Tasset seconded the motion, which passed by unanimous vote.

Discussion ensued on the date that BWB must deposit into an account an amount equal to the costs of the existing wastewater treatment plant upgrades and the existing water plant upgrades, plus a contingency of 20% of the costs of the upgrades and engineering costs of 15% of the costs of the upgrades pursuant to the Agreement. After review and discussion, Director Taylor moved to accept the terms of Section 4.02 of the Agreement to provide that the funding of the escrow account by BWB will occur as of the commencement date defined as the date on which the completed design plans for the plant expansions are submitted by the District engineer for approval to the Texas Commission on Environmental Quality, Travis County and the District. Director Fawthrop seconded the motion, which passed by unanimous vote.

After review and discussion, the Board concurred to authorize the President and Secretary to execute the Agreement once accepted by BWB and finalized by ABHR and direct that the Agreement be filed appropriately and retained in the District's official records.

REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT FACILITIES AND  
AUTHORIZE FILING OF UPDATED INFORMATION, IF APPROPRIATE

Ms. Garner stated that the Critical Load Spreadsheet is reviewed by the District's consultants annually and no changes are necessary. The Board took no action on this agenda item.

APPROVE AND AUTHORIZE OPERATOR TO FILE WATER LOSS AUDIT

Ms. Hargett discussed the Water Loss Audit with the Board. After review and discussion, the Board concurred to approve the Water Loss Audit, direct that the audit be filed appropriately and retained in the District's official records, and authorize the District's operator to submit the audit to the appropriate government agencies.

APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER  
CONSERVATION PLAN

Ms. Hargett stated that the report was addressed under the operator's report.

ENGINEERING MATTERS

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

CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Mitchell presented an updated CIP Plan. She stated she received input from AWR on the CIP Plan. She discussed the updated CIP Plan and a schedule of work planned for 2021.

REPAIR TO RAW WATER LINE

Ms. Mitchell stated that the TCEQ approved the District's request for a waiver of the competitive bidding requirement for the raw water line repair due to an emergency caused by the winter storm. She added that the contractor has removed the existing raw water line and the new supports are scheduled for installation next week. Ms. Mitchell stated that the new raw water line will be installed once the supports are completed.

INSPECTIONS AND REPAIRS

Ms. Mitchell stated that she is planning the annual inspection of the water plant on May 17, 2021.

#### ZEBRA MUSSEL REMOVAL AND PREVENTION

Ms. Mitchell stated that the new raw water pump screens are in production and should be ready by the end of May, 2021.

#### CONTINGENCY PLAN FOR DISTRICT FACILITIES

Ms. Mitchell stated she did not have an update on the plan.

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

#### RESOLUTION ESTABLISHING ADDITIONAL POSTING PLACE FOR NOTICE OF BOARD OF DIRECTORS MEETINGS

The Board took no action on this agenda item.

#### REPORT REGARDING DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

#### DISTRICT AND PROPERTY OWNERS ASSOCIATIONS COORDINATION AND BOARD MEMBER INPUT REGARDING ISSUES FACING THE DISTRICT

Director Fawthrop reported on trails in the District.

#### FREEZE EVENT LESSONS LEARNED FOLLOWUP

Director Fawthrop reviewed a report on lessons learned by the Board and consultants from the freeze event. He discussed the review of operational procedures.

#### CONTINGENCY PLANNING FOLLOWUP

There was no discussion on this agenda item.

#### MAINTENANCE AND FORMAT OF THE DISTRICT WEBSITE

Director Tasset updated the Board on the District website.

#### NEWSLETTERS, COMMUNICATIONS WITH RESIDENTS AND/OR PROPERTY OWNERS REGARDING UPDATES TO IRIS DISTRICT COMMUNICATION SYSTEM AND OTHER DISTRICT COMMUNICATIONS

Director Tasset discussed the preparation of the newsletter.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY

The Board did not convene in executive session.

NEXT MEETING DATE AND LOCATION

Following discussion, the Board agreed to hold the next meeting on June 1, 2021, 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/ Harvey Reiter  
Secretary, Board of Directors



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