

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

January 3, 2023

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 January 3, 2023, at 17817 Kingfisher Ridge Drive, Lago Vista, Texas, 78645, inside the boundaries of the District, and the roll was called of the members of the Board:

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

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

Also present at the meeting in person were Odalys Johnson and Jordan Carrasco of Quiddity Engineering, LLC ("Quiddity"); Tammy Hargett and Hal Lanham of AWR Services, Inc. ("AWR"); and Kathryn Garner and Nancy Phan of Allen Boone Humphries Robinson LLP ("ABHR").

Also present by telephone was Cathy Mitchell of Quiddity.

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the December 6, 2022, regular meeting and the minutes of the December 22, 2022, special meeting. After review and discussion, Director Tasset moved to approve the minutes of the December 6, 2022, regular meeting and the minutes of the December 22, 2022, special meeting. Director Eckermann seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS AND BUDGET FOR FISCAL YEAR
END OF FEBRUARY 28, 2024

The Board reviewed the bookkeeper's report, a copy of which is attached. After review and discussion, Director Fawthrop moved to approve the bookkeeper's report and checks listed on the report and presented for payment. Director Sneed seconded the motion, which passed by unanimous vote.

The Board discussed a proposed budget for the fiscal year ending February 28, 2024. AWR and Quiddity requested that the bookkeeper revise the budget to reflect a line item for landscaping fees. In addition, Director Taylor stated that budget for the legal fees and engineering fees will need to be increased. After review and discussion, the Board authorized Myrtle Cruz, Inc. to revise the budget for the fiscal year end of February 28, 2024, and to present the budget at the February meeting for the Board's approval.

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, and discussed collection of the property taxes that are delinquent. Ms. Garner stated the District does not have a delinquent tax collection policy. The Board concurred not to pursue collection of the delinquent property taxes and to review the tax delinquencies annually every December. After review and discussion, Director Taylor moved to approve the tax assessor/collector's report. Director Eckermann 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.

Ms. Hargett reported on the Highland Lake Storage Levels and stated that the District is at Stage 2 of the Drought Contingency Plan. She stated that violations letters were sent out for December of 2022 for residents that exceeded the water allowances stated from the Drought Contingency Plan. Following discussion, Director Fawthrop requested that AWR and ABHR revise the violation letter sent out to the District residents.

Ms. Hargett reported that the notice regarding an "extreme weather emergency" and the rules issued by the Texas Public Utility Commission ("PUC") was sent out to District residents in December of 2022.

Mr. Lanham reported on the freezing event that caused a water outage in December of 2022. He discussed the protocols that were implemented to fix the water outage in the District. Following discussion, the Board authorized AWR and Quiddity to review the District's water treatment and wastewater treatment plants and to bring any suggestions for protection against future freezing event and present it to the Board at a future meeting.

The Board discussed amending the current water rates and tap fees in the District's Amended Rate Order. The Board discussed the rates and tap fees to be amended. The Board requested that AWR send out a letter to the residents regarding the changes made to the District's water rates and tap fees that will be reflected in amendments discussed at today's meeting.

The Board discussed the amendments to the Lower Colorado River Authority ("LCRA") contract (the "LCRA Contract").

After review and discussion, Director Taylor moved to: (1) accept the operator's report; (2) approve the revision to the District's water rates and tap fees in the District's Amended Rate Order effective April 1, 2023, subject to final review by ABHR, and direct that such document be filed appropriately and retained in the District's official records. Director Fawthrop seconded the motion, which passed by unanimous vote.

No accounts were presented for termination of service.

PUBLIC UTILITY COMMISSION RULES REGARDING EXTREME WEATHER EMERGENCIES, INCLUDING ISSUANCE OF ONE-TIME NOTICE TO CUSTOMERS AND ADOPT AMENDED RATE ORDER

Ms. Garner discussed rules adopted by PUC to implement legislation prohibiting certain retail water or sewer providers, including the District, from imposing late fees or terminating service for nonpayment of water bills that are due during an "extreme weather emergency," defined as a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. As previously stated before, Ms. Hargett reviewed and discussed the one-time notice of the requirements that must be sent to the District's utility customers by January 31, 2023. Ms. Garner then presented a proposed Amended Rate Order incorporating the provisions of the PUC rules, including terms for customers to request and receive a payment schedule for payment of bills due during such an extreme weather emergency. Director Taylor moved to approve the notice required by the PUC to be sent to District customers by AWR and the proposed amendment to the District's Amended Rate Order incorporating the PUC rules. Director Fawthrop seconded the motion which passed by unanimous vote.

ENGINEERING MATTERS

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

Ms. Johnson presented a proposal from Dig Dug Construction, LLC ("Dig Dug"), for regrading of backwash basin's side slopes and trenching of the backwash basin liner and recommended approval of the proposal in the amount of \$8,525.

Ms. Johnson updated the Board on the installation of the generator at the water plant site. She stated the generator should be installed by October 2023. The Board expressed concern regarding the length of time it has taken to procure a generator at the water plant site and asked Quiddity to determine the best approach to obtain the generator as quickly as possible and provide this information at the February meeting.

The Board discussed drilling a test water well in the District. Directors Eckermann and Fawthrop reported on their discussions with Quiddity between Board meetings, and the potential cost and implementation of water wells in the District. Directors Eckermann and Fawthrop asked that Quiddity provide them a timeline by January 24 for drilling a test water well in the District for their review and for presentation to the Board at the February meeting.

After review and discussion, Director Taylor moved to: (1) accept the engineer's report; and (2) approve a proposal from Dig Dug for regrading of basin's side slopes and trenching of the backwash basin liner in the amount of \$8,525 and direct the proposal be filed appropriately and retained in the District's official records. Director Fawthrop seconded the motion. Director Eckermann abstained, and the motion passed.

DISCUSS CONTINGENCY PLANNING

The Board discussed Contingency Planning in the District. Following discussion, the Board authorized AWR to solicit proposals for lightning protection of the water plant to present to the Board at the February meeting. In addition, the Board asked AWR to review the District's inventory of critical components and determine if replacements were needed and to inspect the Water and Wastewater Treatment Plants and intake line to determine what may be required to prevent failure during freezing conditions.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Garner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time. The Board concurred to accept the report.

ANNUAL DISCLOSURE STATEMENTS

Ms. Garner stated that in accordance with the District's Investment Policy, Ms. Jarmon and Mr. Holland, as the District's Investment Officer and Bookkeeper, are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the Ms. Jarmon and Mr. Holland provided the disclosure statements to the District and these statements will be filed with the Texas Ethics Commission. The Board concurred to accept the disclosure statements from Ms. Jarmon and Mr. Holland.

REVIEW DISTRICT INFORMATION POSTED ONLINE FOR SECTION 26.18, TAX CODE AND SECTION 2051.202, TEXAS GOVERNMENT CODE

There was no discussion on this agenda item.

DISCUSS CYBERSECURITY MATTERS

Ms. Garner discussed the cyber attacks experienced by some Texas utility systems. She stated that ABHR is not recommending cybersecurity insurance, but was bringing this issue to their attention for consideration. The Board discussed whether the District needs cybersecurity insurance. Following discussion, the Board concurred that the District does not need cybersecurity insurance at this time. Director Fawthrop asked how cybersecurity measures are addressed in the District's annual financial audit report. Director Taylor volunteered to contact the District's representative at McCall Gibson Swedlund Barfoot PLLC, the District's auditor.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Director Taylor updated the Board on development of the District.

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

Director Fawthrop reported that he notified the Waterford on Lake Travis Section III Property Owners Association (the "Waterford POA") of the proposed increases to the water rates and tap fees and of the District's plan to drill a test water well.

Director Sneed updated the Board regarding the approval of the security gate by the Waterford POA and its installation.

REPORT ON THE REQUEST TO LOWER COLORADO RIVER AUTHORITY FOR APPROVAL OF NO WAKE ZONES IN LAKE TRAVIS ADJACENT TO THE DISTRICT

Director Sneed reported to the Board that the Waterford POA requires additional time to consider whether to establish No Wake Zones to be maintained by the Waterford POA.

REPORT ON DISTRICT WEBSITE

Director Tasset reported on the District's website.

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

Director Tasset reported on the status of the next District newsletter to be distributed in the District in January of 2023.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY, AND DISCUSS PENDING OR CONTEMPLATED LITIGATION

The Board convened in executive session at 1:21 p.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING MATTERS CONSIDERED IN EXECUTIVE SESSION, OR A SETTLEMENT OFFER

The Board reconvened in open session at 1:36 p.m. The Board took no action.

NEXT MEETING DATE AND LOCATION

Following discussion, the Board agreed to hold the February 7, 2023, meeting at 17805 Kingfisher Ridge Drive, Lago Vista, TX 78645, the March 7, 2023, meeting at 18001 Kingfisher Ridge Drive, Lago Vista, TX 78645, and the April 4, 2023, meeting at 1316 Water Cliffe, Lago Vista, TX 78645 with access by telephone.

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


Secretary, Board of Directors

(SEAL)



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