

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

February 7, 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 February 7th, 2023, at 17805 Kingfisher Ridge Drive, Lago Vista, Texas, 78765, inside the boundaries of the District, and the roll was called of the members of the Board:

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|--------------------|--------------------------|
| 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 Robert Dazey of Quiddity Engineering, LLC ("Quiddity"); Tammy Hargett of AWR Services, Inc. ("AWR"); and Kathryn Garner and Nancy Phan of Allen Boone Humphries Robinson LLP ("ABHR").

Also present by telephone were Hal Lanham of AWR; and Cathy Mitchell and Toby McQueary of Quiddity.

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the January 3, 2023, regular meeting. After review and discussion, Director Fawthrop moved to approve the minutes of the January 3, 2023, regular meeting. Director Tasset 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 Sneed 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.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered adoption of a Resolution Concerning Exemptions from Taxation. After review and discussion, Director Taylor moved to adopt a Resolution Concerning Exemptions from Taxation, reflecting a \$10,000 exemption for persons over 65 years of age or for disabled persons and a general residential homestead exemption of fifteen percent (15%) of the appraised value (but not less than \$5,000) of the residence homestead, and direct that such document be filed appropriately and retained in the District's official records. Director Sneed seconded the motion, which passed by unanimous vote.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR THE FISCAL YEAR END FEBRUARY 28, 2022

The Board reviewed an engagement letter from McCall Gibson Swedlund Barfoot, PLLC ("McCall") to perform the District's audit for the fiscal year end February 28, 2023, reflecting the anticipated fee will be an amount not to exceed \$8,500. After review and discussion, Director Sneed moved to approve and authorize execution of the engagement letter with McCall to conduct the audit for the District's fiscal year end February 28, 2023, and direct that such document from McCall be filed appropriately and retained in the District's official records. 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.

Ms. Hargett next reported on the replacement of the barge hoist and removal and replacement of pipes. She recommended changes made to Chapman Marine proposal (the "Chapman proposal"). After review and discussion, the Board concluded to keep the original proposal.

Mr. Lanham presented a proposal from Hernandez Painting to rehabilitate the office at the water treatment plant in the amount of \$20,000. He recommended approval of the proposal.

Ms. Garner presented to the Board Vessel Storage License Agreement (“the Marina Storage Agreement”) from Waterford Marina and noted that the Marina Storage Agreement includes an annual lease payment in the amount of \$6,270 to continue storing the District’s boat at the Waterford Marina.

The Board discussed revising the tap fees in the Amended Rate Order and including an exhibit to list the water rates, sewer rates, and tap fees. The Board also discussed the tap fees that were charged incorrectly by AWR. Mr. Lanham stated that AWR will credit to the District’s invoice to fix the incorrect charges.

Ms. Hargett reported that there were no delinquent accounts.

After review and discussion, Director Taylor moved to: (1) accept the operator’s report; (2) approve the proposal from Hernandez Painting in the amount of \$20,000 to rehabilitate the office at the water treatment plant and direct that such document be filed appropriately and retained in the District’s official records; (3) approve the Marina Storage Agreement in the amount of \$6,270 to continue storing the District’s boat at Waterford Marina and direct that such document be filed appropriately and retained in the District’s official records; and (4) adopt the Amended Rate Order, effective March 1, 2023, with the revisions to the District’s tap fees and to include an exhibit listing the water rates, sewer rates, tap fees, and other fees included in the Amended Rate Order, and direct that the Amended Rate Order be filed appropriately and retained in the District’s official records. Director Sneed seconded the motion, which passed by unanimous vote.

FACILITIES SECURITY AND THE STORAGE AREA ADJACENT TO THE DISTRICT’S WATER TREATMENT PLANT

There was no discussion on this agenda item.

ENGINEERING MATTERS

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

Ms. Johnson updated the Board on the installation of the generator at the water treatment plant and stated that Quiddity has issued notice to proceed to order the generator. Board discussion ensued regarding the timeline of generator installation.

Ms. Johnson and Mr. Dazey updated the Board on the timeline and cost of drilling a water well in the District. The Board discussed the potential cost and implementation of drilling a water well and expressed their concern on the timeline of drilling water well in the District.

After review and discussion, Director Taylor moved to accept the engineer’s report. Director Fawthrop seconded the motion. Director Sneed opposed the engineering report for

the purpose of making a statement regarding the status of the engineer's report and Director Eckermann abstained. Director Tasset approved and the motion passed.

ADOPT BUDGET FOR FISCAL YEAR ENDING FEBRUARY 28, 2024

The Board reviewed a proposed budget for the fiscal year ending February 28, 2024. The Board discussed certain line items to be removed. After review and discussion, Director Taylor moved to adopt the budget for the fiscal year ending February 28, 2024. Director Fawthrop seconded the motion, which passed by unanimous vote.

The Board next discussed the request from residents to plant cedar trees in the area of Watercliffe Drive that will be used as drip fields. Following discussion, the Board authorized AWR to prepare a cost summary to plant cedar trees in the requested area and to present it at a future meeting.

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 there were no updates regarding the request for approval to establish No Wake Zones to be maintained by the Waterford On Lake Travis Section III Property Owners Association (the "Waterford POA"), and that the Waterford POA continues to consider the establishment of a No Wake Zone.

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

There was no discussion on this agenda item.

Director Sneed has left the meeting.

ADOPT RESOLUTION ESTABLISHING CRITERIA FOR SURETIES ISSUING PAYMENT AND PERFORMANCE BONDS

The agenda item was tabled.

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

Ms. Garner discussed the District information posted online for Sections 26.18, Tax Code and Section 2051.202, Texas Government Code and confirmed that the information posted online was accurate and up to date.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE

The Board discussed the Association of Water Board Directors winter conference. The Board then considered authorizing attendance at the summer conference. After discussion, the Board approve reimbursement of all eligible expenses for Directors who attended the winter conference and to authorize attendance of any interested Directors at the summer conference.

Ms. Garner stated that AWBD 2023 Summer Conference will be held June 22 - 24, 2023.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Director Taylor reported on development in the District. He stated that the District had received a request to provide water and sewer connection to an area outside and adjacent to the District. After discussion, the Board authorized AWR and ABHR to provide a cost estimate to provide utilities to this area.

REPORT ON DISTRICT WEBSITE

Director Tasset and Ms. Hargett reported on the 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 newsletter and communications with residents.

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 1:19 p.m.

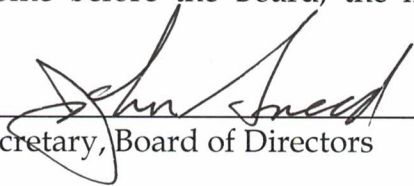
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING MATTERS CONSIDERED IN EXECUTIVE SESSION, OR A SETTLEMENT OFFER

The Board reconvened in open session at 1:23 p.m. The Board took no action.

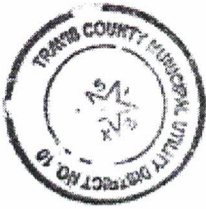
NEXT MEETING DATE AND LOCATION

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

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


Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

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