

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

July 6, 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 July 6th, 2023, at 1316 Water Cliffe, 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 except Director Fawthrop, thus constituting a quorum.

Also present at the meeting in person were Cathy Mitchell of Quiddity Engineering, LLC ("Quiddity"); Hal Lanham of AWR Services, Inc. ("AWR"); and Tim Miller and Nancy Phan of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Taylor offered any members of the public attending the meeting by telephone and in person the opportunity to make public comment. There being no members of the public attending the meeting in person or by telephone, Director Taylor moved to the next agenda item.

APPROVE MINUTES

The Board considered approving the minutes of June 6, 2023, regular meeting. After review and discussion, Director Tasset moved to approve the minutes of June 6, 2023, regular meeting. Director Taylor 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 Taylor seconded the motion, which passed by unanimous vote.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Mr. Miller discussed with the Board the delinquent tax attorney and collection of delinquent taxes. Discussion ensued regarding collection of delinquent taxes. The Board tabled action on this agenda item.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2022 TAX YEAR

The Board considered the District's 2023 tax rate. Mr. Miller discussed the "truth-in-taxation" property tax calculations and tax levy process for municipal utility districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for municipal utility districts, based on a district's development status and/or tax rate. He reviewed the definitions for each of the three categories and stated the Board must determine annually the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code. Discussion ensued regarding the District's development status. After considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2023 tax year. After review and discussion, Director Sneed moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developing District for the 2023 tax year pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Tasset seconded the motion, which passed by unanimous vote.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2023 tax rate and discussed the debt service and maintenance and operation tax rates. Director Sneed provided information that indicated a plausible scenario where maintenance and operation tax revenue could be kept at 2023 levels, barring any unforeseen expenses. The scenario would ensure the reserve account would stay within municipal utility district Board supported levels. Director Sneed supported the approach to leveling the maintenance and operation tax revenue for the next four years. The Board concurred to continue discussion of the District's 2023 tax rate at the next meeting.

OPERATION OF DISTRICT FACILITIES CONTINUED

Mr. Lanham reviewed the operator's report, a copy of which is attached.

Mr. Lanham reported on the Highland Lake storage levels and stated that the District continues to be at Stage 2 of the Drought Contingency Plan. He stated violation letters were issued to residents that violated their allotted amount of water usage.

Mr. Lanham reported on the power outage that occurred in the District and AWR's response.

Mr. Lanham informed the Board that the 2022 Consumer Confidence Report has been sent out to District residents.

Mr. Lanham reported that AWR's collection agency, Merchants and Professional Collection Bureau ("Merchants"), was no longer in business and stated that there were remaining amounts to be collected by Merchants in the amounts of \$803.75 and \$1,546.64. He requested from the Board authorization to close out the accounts. Mr. Lanham then reviewed a proposal from Southwest Recovery Services ("Southwest") to provide collection services to the District and recommended approval of the proposal.

After review and discussion, Director Eckermann moved to: (1) accept the operator's report; (2) authorize AWR to write off the remaining balances from Merchants in the amounts of \$803.75 and \$1,546.64; and (3) approve the proposal with Southwest to serve as the new collection agency for the District and direct that such document be filed appropriately and retained in the District's records. Director Taylor seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

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

In connection with the competitive bidding process conducted by Quiddity for construction of the Wastewater Treatment Plant Improvements (the "WWTP Improvement Project"), Ms. Mitchell stated that Quiddity received one bid. She stated that Quiddity needed to review the documents submitted in the bid by G-Creek Construction ("G-Creek"). The Board concurred that the award of the contract should be tabled until the August meeting.

Ms. Mitchell presented a proposal to perform the barge inspection in the amount of \$3,600 and recommended approval of the proposal.

After review and discussion, Director Taylor moved to: (1) accept the engineer's report; and (2) approve the proposal from Chapman Marine in the amount of \$3,600 for the

barge inspection, and direct that such document be filed appropriately and retained in the District's records. Director Sneed seconded the motion, which passed unanimously.

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

Mr. Miller stated that the winter conference will be held on January 19th through 20th, 2024. The Board took no action on this agenda item.

REPORT REGARDING 2023 LEGISLATIVE MATTERS

Mr. Miller presented a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature. He summarized significant legislation applicable to municipal utility districts and responded to Board member's questions.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Miller reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a municipal utility district. He said municipal utility districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post the Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers. He explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Travis County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Taylor moved to: (1) authorize execution of the Amendment to Information Form and to authorize filing with Travis County and the TCEQ; and (2) direct that such document be filed appropriately and retained in the District's official records. Director Eckermann seconded the motion which passed unanimous vote.

DISCUSSION REGARDING DIRECTOR PER DIEMS AND NEW LEGISLATION

Mr. Miller stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum director fees of office for directors of municipal utility districts at the per diem amount set by the Texas Ethics Commission for members of the legislature. He noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation. After discussion, the Board concurred to leave the director per diem fee at \$150.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Director Taylor reported on development in the District.

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

The Board discussed the timeline of when the cedar trees will be planted in the District.

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

Director Sneed stated there are no updates and that the agenda item should be removed until the District is ready to comply with the Lower Colorado River Authority requirements for approval of the no wake zones.

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 upcoming District's newsletter that will be sent out to the 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 did not convene in executive session.

NEXT MEETING DATE AND LOCATION

Following discussion, the Board agreed to hold the August 1, 2023 meeting at 18001 Kingfisher Ridge Dr., Lago Vista, TX 78645, and that each meeting should include access by telephone conference line.

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

[Handwritten Signature]

Ass. Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

	<u>Page</u>
Bookkeeper's report.....	1
Tax assessor/collector's report	1
Operator's report.....	3
Engineer's Report.....	3