

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

September 5, 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 September 5, 2023, at 17805 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 except Director Sneed, thus constituting a quorum.

Also present at the meeting in person were Cathy Mitchell of Quiddity Engineering, LLC ("Quiddity"); Tammy Hargett of AWR Services, Inc. ("AWR"); Lisa Sooter of Waterford Lago Vista; Ralph Sharp, member of the public; and Kathryn Garner and Nancy Phan of Allen Boone Humphries Robinson LLP ("ABHR").

Also present by telephone were Hal Lanham and Mike Bamer of AWR.

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 revised minutes of July 6, 2023, regular meeting the minutes of August 1, 2023 meeting. Ms. Garner stated that Director Sneed asked that the July 6, 2023 minutes be revised to include the information he provided at the July meeting regarding a scenario indicating that the District's maintenance and operation tax revenue could be kept at 2023 levels and would ensure that the reserve account would stay within acceptable levels barring any unforeseen expenses. After review and discussion, Director Taylor moved to approve the revised minutes of July 6, 2023, regular meeting, as submitted and the August 1, 2023 minutes. 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 Tasset moved to approve the bookkeeper's report and the checks presented for payment, with exception of the check for Director Sneed in the amount \$138.52. Director Eckermann 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 Fawthrop moved to approve the tax assessor/collector's report. Director Eckermann seconded the motion, which passed by unanimous vote.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the collection of 2022 real property taxes that are delinquent on July 1, 2023. After review and discussion, the Board concurred to table this agenda item.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Garner confirmed that the Notice of Public Hearing on Tax Rate was published in the *Hill Country News* regarding adoption of the District's proposed 2023 total tax rate of \$0.67 per \$100 of assessed valuation.

Ms. Garner opened the public hearing. There being no comments from the public, Ms. Garner closed the public hearing.

Ms. Garner presented an Order Levying Taxes reflecting the proposed 2023 tax rate. She next presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality ("TCEQ") and recorded in the Official Public Records of Travis County, Texas.

After review and discussion, Director Taylor moved to: (i) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.67 per \$100 of assessed valuation, comprised of \$0.19 to pay debt service on water, sewer, and drainage bonds and \$0.48 for operation and maintenance; (ii) authorize execution of the Amendment to Information Form; and (iii) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Fawthrop seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy. Ms. Garner stated that neither ABHR nor the bookkeeper have any recommended changes to the Investment Policy. After review and discussion, Director Taylor moved to adopt a Resolution Regarding Annual Review of Investment Policy and direct it be filed appropriately and retained in the District's official records. Director Tasset seconded the motion, which passed unanimous vote.

ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Garner reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. She stated that the District's bookkeeper, Myrtle Cruz, Inc., provided an updated list of qualified brokers/dealers with whom the District may engage in investment transactions as an exhibit to the Resolution. After review and discussion, Director Fawthrop moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that it be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed unanimous vote.

RECEIVE REPORT REGARDING PROPOSED SITE VISIT BY BURNS & MCDONALD ON BEHALF OF MAGELLAN MIDSTREAM PARTNERS AND NON-DISCLOSURE AGREEMENT, AND TAKE ANY NECESSARY ACTION

Ms. Garner reported to the Board that the Non-Disclosure Agreement between the District and Burns & McDonald regarding a site visit to the District's water plant by Magellan Midstream Partners was sent to Burns & McDonald and no response was received prior to the September Board meeting. The Board did not take any action.

EMERGENCY BULK WATER SUPPLY TO TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT - POINT VENTURE, AND TAKE ANY NECESSARY ACTION

Director Taylor reported on his discussions with the President of the Board of Directors of Travis County Water Control and Improvement District - Point Venture ("Point Venture WCID") regarding each district providing the other district with potable water when experiencing emergency conditions. The Board discussed an agreement between the two districts that provides the terms under which each district would provide potable water to the other when one of the districts has no access to water due to emergency conditions, including the terms under which potable water would be supplied between the two districts. After discussion, the Board authorized

ABHR to draft an agreement between the District and Point Venture WCID to supply potable water to each other under emergency conditions.

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 entered Stage 3 of the Drought Contingency Plan. She next discussed the revised letter to be issued to residents who violate District's Drought Contingency Plan water use restrictions. The Board discussed revising the language of the violation letter.

Ms. Hargett next reported that a resident requested that the Board waive the 150% penalty assessed for excess water usage. Board discussion ensued regarding the resident's request.

Ms. Hargett reported that AWR will need to order 10 additional electronic water meters in the amount of approximately \$8,000.00 to accommodate new homes and to replenish the District's inventory of electronic meters. The Board discussed authorizing AWR to order additional meters to accommodate new home construction and determined that AWR should maintain the District's electronic water meter inventory so that a minimum of five 3/4 inch electronic meters and five one inch meters are kept in the District's inventory.

Ms. Hargett discussed and recommended that the Board approve a proposal for the annual inspection of the District's raw water line in the amount of \$13,525.00 by JBS Underground ("JBS").

Ms. Hargett reported to the Board on the revision of the grinder pump agreement for residents.

Ms. Hargett reported that the water pump at lift station No. 3 failed, and Director Taylor approved an emergency repair in the amount of \$7,563.00. She recommended that the Board ratify Director Taylor's approval of the repair of lift station No. 3 in the amount of \$7,563.00.

After review and discussion, Director Taylor moved to: (i) accept the operator's report; (ii) authorize AWR to make additional revisions to the District's violation letter; (iii) deny the resident's request to waive the 150% penalty on the water usage; (iv) approve AWR's request to order and purchase 10 additional electronic water meters in the amount of \$8,000.00 to accommodate new home construction and to maintain the District's electronic water meter inventory at five 3/4 inch electronic meters and five one-inch electronic meters; (v) approve JBS's proposal for the annual inspection of the District's raw water line in the amount of \$13,525.00; (vi) accept the grinder pump agreement; and (vii) ratify Director Taylor's approval of the repairs to lift station No. 3

in the amount of \$7,563.00. Director Eckermann seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS

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

Ms. Mitchell stated that Quiddity had competitively bid the Water Well Project and received no bids. She requested that the Board authorize Quiddity to solicit bids for the Water Well Project based on new legislation that became effective on September 1 that permits solicitation of at least three bids for projects expected to cost between \$25,000 and \$150,000. The Board asked Quiddity and ABHR to review the form of contract to be used for this solicitation and to provide a revised version of the contract to Directors Eckermann and Fawthrop for review and approval prior to the solicitation.

After review and discussion, Director Taylor moved to: (i) accept the engineer's report; and (ii) authorize Quiddity to solicit bids for the Water Well Project after review and approval by Directors Eckermann and Fawthrop of the contract to be included in the bid solicitation. Director Tasset seconded the motion, which passed unanimously.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Director Taylor reported on development in the District.

Ms. Sooter and Mr. Sharp introduced themselves to the Board as representatives of Waterford 43, LLC. Ms. Sooter stated that she understood that the District had 50 taps available to serve new homes in the District and requested that all or a portion of the available taps be allocated to Waterford 43, LLC. Board discussion ensued regarding the request and no action was taken.

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

Director Fawthrop reported that a security gate was installed at the entrance to Watercliffe Drive by Waterford on Lake Travis Section III Property Owners Association.

REPORT ON DISTRICT WEBSITE

Ms. Garner responded to the Board on their request regarding record keeping practices for information posted on the District's website. She stated that most of the information posted on the website is included in the District records that are kept by ABHR as the District's recordkeeper, except the District's newsletter. Ms. Hargett stated that she would send copies of all newsletters to ABHR so that they can be added to the District's records.

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

Director Tasset reported that the District's next newsletter is being prepared.

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 12:57 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. After discussion, Director Taylor moved to authorize communication by ABHR to Waterford 43, LLC regarding the request for up to 50 taps for new homes in the District that existing taps will be made available to existing lots within the District on a first-come-first-serve basis and at the discretion and with the approval of the Board. Director Tasset seconded the motion, which passed unanimously.

NEXT MEETING DATE AND LOCATION

Following discussion, the Board agreed to hold (a) the October 3, 2023 meeting at 1845 Kingfisher Ridge Cove, Lago Vista, TX 78645, (b) the November 7, 2023 meeting at 1316 Watercliffe Drive, Lago Vista, TX 78645, and (c) the December 5, 2023 meeting at 17817 Kingfisher Ridge Drive, Lago Vista, TX 78645 with each meeting with access by telephone conference line.

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


Secretary, Board of Directors

(SEAL)



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