

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

August 6, 2024

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 August 6, 2024, at 1845 Kingfisher Ridge Cove, Lago Vista, TX 78645, inside the boundaries of the District, and the roll was called of the members of the Board:

John Sneed	President
Andrew Fawthrop	Executive Vice President
Andi Tasset	Secretary
Dan Eckermann	Vice President/ Assistant Secretary
Patrick Wines	Treasurer

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

Also present at the meeting in person were Cathy Mitchell and Meagan Norris of Quiddity Engineering, LLC ("Quiddity"); Tammy Hargett and Mike Bamer of AWR Services, Inc. ("AWR"); and Kathryn Garner and Megan Leissner of Allen Boone Humphries Robinson LLP ("ABHR").

Also attending the meeting by telephone were Craig Rathmann of Rathmann and Associates L.P.; Brittany Keeswood of Assessments of the Southwest, Inc. ("ASW"); and Director Wines.

PUBLIC COMMENTS

Director Sneed offered members of the public the opportunity to make public comment. There being no members of the public wishing to make public comment, Director Sneed moved to next agenda item.

APPROVE MINUTES

The Board considered the minutes of July 2, 2024, regular meeting and discussed necessary revisions. After review and discussion, Director Eckermann moved to approve the minutes of July 2, 2024, regular meeting, as revised. Director Fawthrop seconded the motion, which passed by unanimous vote. A copy of the minutes of the July 2, 2024, regular meeting as revised are attached.

RATIFY ALL ACTIONS TAKEN AT BOARD OF DIRECTORS MEETING

The Board considered ratifying approval of all the actions taken during the July 2, 2024, meeting. Following discussion, Director Sneed moved to ratify approval of all the actions taken during the July 2, 2024, meeting listed below.

- 1) approve the minutes of June 4, 2024, regular meeting, as revised;
- 2) approve the bookkeeper's report and the checks presented for payment;
- 3) authorize PBFCM to proceed with the collection of 2023 real property taxes that were delinquent on July 1, 2024;
- 4) approve the tax assessor/collector's report;
- 5) adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing District for the 2024 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;
- 6) approve the annual financial audit, authorize filing of the audit with the Texas Commission on Environmental Quality (the "TCEQ"), and direct that such document be filed appropriately and retained in the District's official records;
- 7) approve the operator's report;
- 8) adopt the Resolution Suspending Move to Stage 1 of Drought Contingency Plan, and direct that such document be filed appropriately and retained in the District's official record;
- 9) approve the engineer's report;
- 10) approve Pay Application No. 4 in the amount of \$48,566.16, payable to G. Creek Construction, Inc, based on Quiddity's recommendation;
- 11) approve the service availability request for the two single-family residences on one plat subject to the addition of the note prohibiting the use of recreational water docks and the additional easement adjacent to the existing waterline;
- 12) authorize Quiddity to continue working with Bee Cave Drilling regarding the questions discussed in the workplan regarding the Emergency Water Well Project;
- 13) accept the proposal from Arthur J. Gallagher & Co. for renewal of the District's insurance policies and direct that the proposal be filed appropriately and retained in the District's official records; and
- 14) approve the reimbursement of expenses to Directors Sneed and Wines for attendance at the Association of Water Board Directors summer conference.

Director Eckermann seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS; REVIEW ANNUAL BUDGET IN REVISED FORMAT; AND TAX ASSESSMENT AND COLLECTIONS MATTERS, INCLUDING DELINQUENT TAX COLLECTIONS, AND PAYMENT OF TAX BILLS

The Board reviewed the bookkeeper's report prepared by Myrtle Cruz, Inc., a copy of which is attached. Director Fawthrop reviewed District data related to income, expenses, and capital.

Director Wines left the meeting.

After review and discussion, Director Fawthrop moved to approve the bookkeeper's report and the checks presented for payment. Director Tasset 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. Discussion ensued regarding the collection of delinquent taxes in the District.

After review and discussion, Director Tasset moved to approve the tax assessor/collector's report. Director Eckermann seconded the motion, which passed by unanimous vote.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2024 tax rate. Mr. Rathmann reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 debt service tax rate of \$0.110 per \$100 of assessed valuation, based on the District's initial 2024 certified value. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Garner discussed the two-step process for setting the District's tax rate.

The Board considered a proposed policy to shift eight cents of the debt service tax rate approved in 2023 to the operation and maintenance tax rate for 2024 in order to restore District's operating reserve to the amount historically maintained by the District, and beginning in the tax year 2025, the debt service tax rate will be restored to the 2023 rate, with the intent to restore the debt service fund reserve to an amount that is at least equal to approximately fifty percent of the annual debt service payments.

Following review and discussion, Director Sneed moved to: (1) set the public hearing date for September 3, 2024; and (2) authorize Assessments of the Southwest, Inc. to publish notice in a newspaper of general circulation in the District of the Tax Hearing to be held at the District's regular meeting on September 3, 2024, to reflect a

proposed 2024 total tax rate of \$0.679 per \$100 of assessed valuation. Director Fawthrop seconded the motion, which passed by unanimous vote.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12; ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Garner reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access ("EMMA") system in compliance with SEC Rule 15c12-12.

Ms. Garner next reviewed the District's procedures for continuing disclosure compliance and stated that no changes are required at this time.

After review and discussion, Director Sneed moved to: (1) approve the Annual Report, authorize the attorney to submit the District's updated financial and operating data to EMMA in compliance with the continuing disclosure provisions contained in the bond resolutions and direct that the Report be filed appropriately and retained in the District's official records; and (2) approve the annual review of the District's procedures for continuing disclosure compliance resulting in no changes to the District's procedures, based on ABHR's recommendation that no changes are necessary currently. Director Fawthrop seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES; AND REVIEW DROUGHT CONTINGENCY PLAN, ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN, AND APPROVE SUBMISSION OF PLAN TO LOWER COLORADO RIVER AUTHORITY

Ms. Hargett reviewed the operator's report, a copy of which is attached.

Ms. Hargett reported that AWR has been acquired by Si Environmental, LLC and stated current AWR personnel will continue to serve as the District operator. The Board concurred to approve an Assignment of Agreement for Operating Services from AWR to Si Environmental, LLC at the next meeting.

Ms. Hargett stated that the combined levels of Lakes Buchanan and Travis ("the Lakes") are above 1.1 million acre-feet. She stated that District is remaining in Stage II, once-per-week watering restrictions, per the Board's action at its June meeting. Discussion ensued regarding the current watering restrictions of the District and the Lower Colorado River Authority ("LCRA").

Ms. Hargett reported on the installation of new grinder pumps in the District and noted that the collection of the associated fees from homeowners will likely occur in different fiscal years

Ms. Hargett stated that the next round of testing is in progress for the lead exceedance plan.

Ms. Hargett stated that AWR is working with Quiddity to prepare a list of maintenance and capital improvement projects for the next two years.

After review and discussion, Director Fawthrop moved to accept the operator's report. Director Tasset seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS; AND CONSIDER ACQUISITION OF PRE-OWNED OR NEW GENERATOR AND TAKE ANY ACTION NECESSARY

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

Ms. Norris updated the Board on the Wastewater Treatment Plant ("WWTP") Improvements Project. She reviewed and recommended approval of Pay Application No. 5 in the amount of \$88,433.69, payable to G. Creek Construction Inc. ("G. Creek"). She then reviewed Change Order No. 3, a copy of which is attached to the Engineer's Report, to increase the contract with G. Creek in the total amount of \$18,939.83 and 24 additional contract days. She stated that two items included in Change Order No. 3 were time sensitive and were approved by Directors Fawthrop and Sneed in between Board meetings in the amount of \$9,786.65. She recommended that the Board ratify approval of item nos. 17 and 18 in Change Order No. 3 in the respective amounts of \$3,855.35 and \$5,931.30 and approve item nos. 19 and 20 in the respective amounts of \$4576.59 and \$4,576.59 for a total \$18,939.83 and 24 additional contract days. The Board determined that Change Order No. 3 is beneficial to the District.

Ms. Norris updated the Board on the Generator at the Water Plant site. She stated that CSW W-Industries, Inc. ("W-Industries") reached substantial completion on June 25, 2024. She reviewed Change Order No. 2 to increase the contract with W-Industries in the amount of \$11,850.49. The Board discussed delays to the project caused by the contractor and concurred to consider approval of Change Order No. 2 later in the meeting.

Ms. Norris updated the Board on the Emergency Water Well project and stated that Quiddity is awaiting the results of the water quality test conducted by Bee Cave Drilling. Ms. Norris stated that Quiddity paused the design of the piping for the Emergency Water Well project per the Board's instructions.

Ms. Norris discussed the service availability request for two single-family residences on the same tract and stated that the landowner noted that the District's waterline was not located within the existing waterline easement and stated that the landowner requested that

the easement be revised to reflect the correct location of the District's waterline. She then stated that the landowner requested information regarding the location of the District's raw water line barge related to the TCEQ's requirement that any recreational dock on the landowner's property be located at least 200 feet from the District's barge, and discussed options for locating the anchors of the barge. The Board discussed the costs associated with services to be provided by the District's consultants related to landowner's request to construct a recreational dock and concurred that the cost of any future research must be borne by the landowner. The Board concurred that revising the waterline easement to reflect the correct location of the waterline and to abandon the existing water line easement is the responsibility of the District.

Ms. Norris stated that the Lead and Copper Project is in progress.

Ms. Norris updated the Board on the combined water levels of Lakes Buchanan and Travis.

Ms. Norris stated that AWR has addressed all necessary repairs identified in the inspection of the District's facilities last year. She stated that this year's inspection was held on June 25, 2024, and discussed the inspection report.

Ms. Norris discussed the purchase of a used or new generator for the WWTP site. Discussion ensued regarding the requirements associated with the purchase of a generator including an Automatic Transfer Switch and a service agreement. Following discussion, the Board requested that Quiddity determine the requirements associated with the purchase and installation of a generator before the next meeting and concurred to consider purchasing a generator at the next meeting.

Ms. Norris discussed Quiddity's cybersecurity measures and cyber insurance per the Board's request at the last meeting.

Following discussion, Director Fawthrop moved to: (1) approve Pay Application No. 5 in the amount of \$88,433.69, payable to G. Creek Construction Inc; (2) ratify approval of item nos. 17 and 18 and approve item nos. 19 and 20 included in Change Order No. 3 to increase the contract with G. Creek in the total amount of \$18,939.83 and 24 additional contract days, based on the finding that the Change Order is beneficial to the District; and (3) accept the engineer's report. Director Sneed seconded the motion, which passed by unanimous vote.

DISCUSS WATER COALITION AND TAKE ANY NECESSARY ACTION

Director Eckermann led a discussion by the Board of matters regarding the development of water coalitions in Texas, options to increase access to water for the District, and education of the public regarding water conservation.

DISCUSS FACILITIES SECURITY, STORAGE AREA ADJACENT TO DISTRICT WATER PLANT AND FIRE PROTECTION

The Board concurred to defer action on this agenda item.

CONSIDER PROPOSAL FOR CYBERSECURITY INSURANCE POLICY

The Board concurred to defer action on this agenda item.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Director Sneed discussed development in the District.

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

There was no discussion on this agenda item.

REPORT ON DISTRICT WEBSITE

There was no discussion on this agenda item.

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

Director Tasset and Ms. Hargett updated the Board on communications with residents on the District's website.

NEXT MEETING DATE AND LOCATION

After discussion, the Board agreed to hold the September meeting at 1100 Watercliffe Drive with the meeting accessible by a telephone conference line.

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, OR A SETTLEMENT OFFER

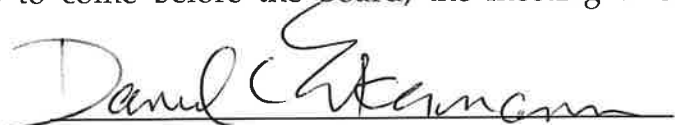
The Board convened in executive session at 1:11 p.m. pursuant to Section 551.071 Texas Government Code to conduct a private consultation with its attorney to discuss pending or contemplated litigation or to seek and receive legal advice by the District's attorney.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 1:53 pm. Following review and discussion, Director Fawthrop moved to approve Final Pay Application No. 2 in the amount of \$109,615.40, payable to W-Industries, reduced by economic disincentives in the amount of \$73,000, representing 146 days at \$500 per day, pursuant to the Contract Between the District and W-Industries, for construction of a Water Plant Generator Addition, due to a substantial completion date 146 days beyond that approved by the District and authorize ABHR to send a letter to W-Industries informing them of the Board's approval of accessing economic disincentives and if agreed to by W-Industries, authorized MCI to send a check to W-Industries in the amount of final pay application minus the economic disincentives approved by the Board. Director Tasset seconded the motion, which passed by unanimous vote. The Board did not approve Change Order No. 2.

Discussion continued regarding the service availability request for two single-family residence on the same tract. Following discussion, Director Sneed moved to authorize ABHR and Quiddity to coordinate with the landowners of the tract regarding the waterline easement location on the property and to notify the landowners that any future investigation regarding a dock on their property would be at the landowners' expense.

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


Secretary, Board of Directors

(SEAL)



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