

MINUTES  
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

July 2, 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 July 2, 2024, at 1316 Watercliffe Drive 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 Fawthrop, thus constituting a quorum.

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

Also attending the meeting by telephone was Director Fawthrop; members of the public, Zachary Stone and Kelly Kephart; Kim Courte of Arthur J. Gallagher Risk Management Services, LLC. ("Gallagher"); Carl Sandin of Perdue Brandon Fielder Collins & Mott, LLP ("PBFCM"); Brittany Keeswood of Assessments of the Southwest, Inc. ("ASW"); and Kathryn Garner of ABHR.

PUBLIC COMMENTS

Director Sneed offered members of the public the opportunity to make public comment.

Ms. Kephart and Mr. Stone addressed the Board regarding a service availability request that was originally submitted in December 2023, for a single-family residence and was resubmitted to request service availability for two single-family residence on the same tract. Discussion ensued regarding the specifications of the tract, the District's waterline easement located on the property, and the District's barge that is adjacent to the property. Following discussion, the Board concurred to grant conditional approval of the service availability request as part of an agenda item later in the meeting. Ms. Norris stated that Quiddity will provide a markup of the submitted plat that includes the waterline easement, the approximate location of the barge, and the required note related to restrictions on the use of water docks.

Mr. Stone and Ms. Kephart left the meeting.

APPROVE MINUTES

The Board considered the minutes of June 4, 2024, regular meeting and discussed necessary revisions. After review and discussion, Director Tasset moved to approve the minutes of June 4, 2024, regular meeting, as revised. Director Wines 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.

After review and discussion, Director Eckermann 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; REPORT FROM DELINQUENT TAX ATTORNEY REGARDING PROCEDURES FOR THE COLLECTION OF DELINQUENT TAXES

The Board reviewed the tax assessor/collector's report, including the delinquent tax roll, a copy of which is attached.

The Board considered authorizing PBFCM to proceed with the collection of 2023 real property taxes that are delinquent on July 1, 2024. Mr. Sandin reviewed with the Board the process for collecting delinquent taxes.

After review and discussion, Director Tasset moved to (1) authorize PBFCM to proceed with the collection of 2023 real property taxes that were delinquent on July 1, 2024; and (2) approve the tax assessor/collector's report. Director Eckermann seconded the motion, which passed by unanimous vote.

Mr. Sandin left the meeting.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

Ms. Keeswood reviewed with the Board the process for collecting delinquent property taxes from property owners in the District and stated that ASW sent a letter to the property owners who are delinquent in paying property taxes.

The Board considered the District's 2024 tax rate. Ms. Garner 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. She 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. After considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2024 tax year. After review and discussion, Director Wines moved to 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. Director Sneed seconded the motion, which passed by unanimous vote.

Ms. Keeswood left meeting.

APPROVE AUDIT FOR FISCAL YEAR END FEBRUARY 29, 2024

The Board reviewed and discussed the audit for the fiscal year end February 29, 2024. After review and discussion, Director Tasset moved to approve the 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. Director Sneed 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.

Mr. 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.

Ms. Hargett stated that the Public Utility Commission of Texas now allows updates regarding critical load information to be submitted online.

Mr. Hargett stated that the Lead and Copper project is in progress.

Mr. Hargett stated that resident compliance with the District's water usage restrictions are approximately 93-94%.

Discussion ensued regarding the used generator that is for sale by Cypress Ranch Water Control and Improvement District No. 1 including the age and repair history of the generator, the availability of spare parts if needed, and the potential purchase of a different used or new generator. Director Wines stated that the inspection of the used generator was postponed in order to consider options and run price comparisons. After discussion, the Board requested that AWR review options for used generators and that Quiddity review options for new generators.

Discussion ensued regarding the combined water storage levels of the Lakes.

Director Wines discussed the security requirements of the wastewater treatment plant ("WWTP").

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

#### ADOPT RESOLUTION SUSPENDING RETURN TO STAGE I OF DROUGHT CONTINGENCY PLAN

Ms. Garner reviewed a Resolution Suspending Return to Stage 1 of Drought Contingency Plan which suspends returning to Stage I of the drought contingency stages until storage levels in Lakes Buchanan and Travis are above 1.1 million acre-feet for 90 consecutive days. Director Sneed noted that according to reports from the Lower Colorado River Authority ("LCRA"), the storage levels of Lakes Buchanan and Travis are expected to return to below 1.1 million acre-feet this month.

After discussion, Director Eckermann moved to 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 records. Director Tasset seconded the motion, which passed by unanimous vote.

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

Director Wines discussed the inspection of the barge and tour of the District's facilities and stated that he would discuss his recommendations to improve the security and safety of the District's facilities at a later date.

#### ENGINEERING MATTERS

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

Ms. Norris updated the Board on the WWTP Improvements project. She stated that the Contractor has continued applying the protective coatings, installed the chemical feed pumps and storage tank, installed the eyewash and safety shower, purchased and received the piping for Train No. 2 and seal welded two patches. She reviewed and recommended approval of Pay Application No. 4 in the amount of \$48,566.16, payable to G. Creek Construction, Inc.

Ms. Norris updated the Board on the generator at the water plant site. She stated that Quiddity met on-site with W-Industries on June 25, 2024, to confirm the wiring and lockout panel is functioning correctly.

Ms. Norris updated the Board on the Emergency Water Well Project. She stated that Bee Cave Drilling provided drawdown study results on June 25, 2024. She stated that Quiddity has paused design for the piping of the Emergency Water Well Project following the Project status update meeting on April 29, 2024. She reviewed and discussed a workplan that Quiddity prepared that includes requesting information from Bee Cave Drilling regarding the specifications, costs, and schedule of the project. The Board considered hiring a hydrogeologist and requested that Quiddity work with Advanced Groundwater Solutions, LLC to review the Emergency Water Well Project and the work completed by Bee Cave Drilling.

Ms. Norris updated the Board regarding the annual Water Plant inspection and stated that Quiddity is compiling their recommendations in an inspection report.

Ms. Norris stated that there were no issues with zebra mussels this month.

Ms. Norris updated the Board regarding the inspection of the District's barge (the "Barge") that was completed by Merrigan Electric and stated that Merrigan Electric did not observe the strain on the Barge cables that Chapman Marine observed in the previous inspection of the Barge. Discussion ensued regarding the potential impact of increased water levels in Lake Travis on the cables of the Barge. Ms. Norris stated that Quiddity is working with the District Operator regarding any necessary modifications to the Barge.

Ms. Norris discussed the service availability request for two single-family residence on the same tract and stated that the landowner has updated their plat to include the District's raw waterline easement and the approximate location of the Barge. She stated that Quiddity will send information to the landowner including a markup of the tract to include an additional easement adjacent to the existing waterline for future utility maintenance and improvements, removing the location of the Barge from the tract based on the recommendation from ABHR, and the note prohibiting the use of recreational water docks based on the LCRA's permit restrictions related to the distance of water docks from the District's Barge.

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

Ms. Norris stated that the LCRA reported that the water levels in Lake Travis were 634.72-ft mean sea level on June 27, 2024, which is 1.83-ft higher than 30 days ago.

Following further review and discussion, Director Sneed moved to (1) approve the engineer's report; (2) approve Pay Application No. 4 in the amount of \$48,566.16, payable to G. Creek Construction, Inc, based on Quiddity's recommendation; (3) 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; and (4) authorize Quiddity to continue working with Bee Cave Drilling to answer the questions discussed in the workplan regarding the Emergency Water Well Project. Director Tasset seconded the motion, which passed by unanimous vote.

#### AUTHORIZE RENEWAL OF DISTRICT'S INSURANCE POLICIES, INCLUDING REVIEW OF ENGINEER'S LIST OF DISTRICT FACILITIES TO BE INSURED

Ms. Courte reviewed a proposal from Gallagher for renewal of the District's insurance policies. She discussed the District's insurance proposal presented for renewal. After review and discussion, Director Eckermann moved to accept the proposal from Gallagher for renewal of the District's insurance policies and direct that the proposal be filed appropriately and retained in the District's official records. Director Wines seconded the motion, which passed by unanimous vote. The Board concurred to consider cyber security coverage for the District at the next meeting and requested that AWR, ABHR, Myrtle Cruz, Inc. and Quiddity provide at the August meeting the cyber security insurance carried by each firm and other internal measures by each firm to address cyber security concerns.

Ms. Courte left the meeting.

#### REPORT REGARDING DEVELOPMENT IN THE DISTRICT

There was no discussion on this agenda item.

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

Director Wines updated the Board regarding a question he received from a resident of the District related to drip fields.

#### REPORT ON DISTRICT WEBSITE

Director Tasset reported on the District website.

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.

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

Director Sneed discussed the Association of Water Board Directors summer conference. Following discussion, Director Eckermann moved to approve the reimbursement of expenses to Directors Sneed and Wines for attendance at the conference. Director Tasset seconded the motion, which passed by unanimous vote.

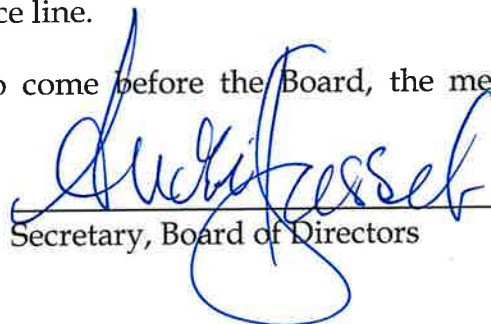
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY, AND DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board did not convene in executive session.

NEXT MEETING DATE AND LOCATION

After discussion, the Board agreed to hold (a) the August 6, 2024 meeting at 1845 Kingfisher Ridge Cove; and (b) September meeting at 1100 Watercliffe Drive; with each meeting accessible by a telephone conference line.

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

  
Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

	<u>Page</u>
Bookkeeper's Report.....	2
Tax assessor/collector's Report .....	2
Operator's Report.....	3
Engineer's Report.....	4