

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

December 1, 2009

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 December 1, 2009, at 1405 Osprey Ridge Loop, Lago Vista, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Harvey Reiter	President
Jerry McAhren	Vice President
John Henry McMahan, Jr.	Secretary
Robert Ernst	Assistant Vice President
Vance Taylor	Assistant Secretary

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

Also present at the meeting were Greg Bourgeois of Jones & Carter, Inc. ("Jones & Carter"); Hal Lanham of AWR Services, Inc.; Roger Johnson and Matt Hackley of Waterford LT Partners, L.P.; Mike Lucas of CML/WE Ltd.; and Trey Lary and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR") by conference call.

APPROVE MINUTES

The Board considered approving the minutes of the November 3, 2009, meeting. Discussion ensued regarding Mr. Johnson's proposed statement concerning reimbursement to the developer.

Mr. Lary said that Mr. Johnson and his attorney have expressed their belief that the District is in violation of the District's Development Financing Agreement with the developer. Further discussion ensued.

After review and discussion, Director Taylor moved to approve the minutes of the November 3, 2009, meeting. Director McAhren seconded the motion, which passed by unanimous vote.

BOND SALE AND CITY OF AUSTIN CONSENT

Mr. Lary said that the District has land in the extraterritorial jurisdiction of the City of Austin (the "City") and has a consent agreement with the City that provides for the District to seek approval from the City to sell its bonds. He said that he has been in contact with Bart Jennings of the City regarding the District's bonds and said that Mr. Jennings understands that the District wants to move expeditiously to sell the bonds. Mr. Bourgeois said that he has been in contact with Virginia Collier of the City

regarding the City's requirements for submission of the bond package. Mr. Lary said that ABHR and Jones & Carter will work to submit the bond package to the City.

GARBAGE SERVICES

Director Reiter said that he contacted IESI regarding the 2010 garbage rates, but has not received a response. In response to a question, Director Reiter said that garbage collection fees are billed as part of the sewer fees. The Board discussed the means for communicating requests for new garbage service and terminations of service to IESI. Mr. Lanham said that AWR will notify IESI of requests for service or terminations since they are contacted by the homeowner that desires new water and sanitary sewer service or to request termination of service. He said that AWR will also prepare a monthly report on new garbage service requests and terminations of service.

FINANCIAL AND BOOKKEEPING

The Board reviewed the bookkeeper's report, a copy of which is attached, and the bills presented for payment. Upon a motion made by Director Taylor and seconded by Director Ernst, the Board voted unanimously to approve the bookkeeper's report and the checks presented for payment.

TAX ASSESSMENT AND COLLECTION

The Board received the tax assessor/collector's report, a copy of which is attached. The Board reviewed the delinquent tax report. Director Taylor moved to approve the tax assessor/collector's report. Director Ernst seconded the motion, which passed unanimously.

OPERATOR'S REPORT

The Board reviewed the operator's report, a copy of which is attached. Mr. Lanham said that the Lower Colorado River Authority has lifted their watering restrictions. He recommended notifying residents that watering restrictions have been lifted, removing the signage and removing the emergency water usage notice from the web site. Mr. Lanham said that water accountability was 86% last month and that a couple of minor leaks had been repaired. Mr. Lanham said that cleaning and reconditioning of the original water plant has begun.

Director Taylor said that the new posting box for notices of meetings has been erected. The Board requested that AWR place a notice with their contact information in the box.

Mr. Lanham discussed the new motor for the boat. He said that the boat will be inspected and appropriate measures will be taken to install the motor to preserve the warranty. Mr. Lanham said that AWR and the District agreed to split the cost of the motor.

Mr. Lanham said that there was one delinquent account this month. After review and discussion, Director Ernst moved to: 1) authorize AWR to notify property owners in accordance with the Drought Contingency Plan that the watering restrictions have been lifted; 2) authorize the removal of drought signage in the District; 3) authorize removal of the emergency water usage notice from the District's web site; and 4) approve the operator's report. Director Taylor seconded the motion, which passed by unanimous vote.

DROUGHT CONTINGENCY PLAN

Discussion ensued regarding the Drought Contingency Plan (the "DCP") including trigger conditions, drought stages and appropriate notification to property owners. Director Taylor discussed the proposed drought stages. He said that he drafted a communication plan and letter to homeowners regarding the community's response to the recent drought conditions and sent both to Director McMahon for review. Director Taylor said that a draft of the Drought Contingency Plan will be sent to the Board members, consultants and ABHR prior to the next Board meeting. The Board took no action to adopt the Drought Contingency Plan. Director Taylor suggested that the Drought Contingency Plan be reviewed annually.

CONDUCT HEARING REGARDING WATER AND SEWER SERVICE TERMINATIONS TO DELINQUENT ACCOUNTS AND AUTHORIZE TERMINATION, IF APPROPRIATE

The Board conducted a hearing on the termination of utility service to the delinquent account. Mr. Lanham informed the Board that the person on the attached termination list was mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and show reason why utility service should not be terminated for reason of nonpayment. After discussion, Director Ernst moved that, because the resident on the attached list was neither present at the meeting, nor had presented any statement on the matter, utility service should be terminated in accordance with the District's Rate Order. Director Taylor seconded the motion, which passed by unanimous vote. A copy of the delinquent account list is attached.

AMEND RATE ORDER

The Board discussed amending the Rate Order to provide for the grinder pump fee and the water rate for public spaces. The Board asked Mr. Lanham to review the grinder pump maintenance and repair costs and recommend a monthly grinder pump fee that will cover the expenses. After discussion, the Board took no action to amend the Rate Order. Director Taylor said that he and Director McMahon will have a recommendation on the irrigation water rate for public spaces at the next meeting.

RESOLUTION ESTABLISHING ADDITIONAL POSTING PLACE FOR NOTICE OF MEETING

The Board considered adding an additional posting place for notices of meetings located at the entrance of the wastewater treatment plant at 620 Lohmans Ford Road. After review and discussion, Director Ernst moved to adopt the Resolution Establishing Additional Posting Place for Notice of Meetings. Director Taylor seconded the motion, which passed by unanimous vote.

ENGINEER'S REPORT

Mr. Bourgeois presented the engineering report, a copy of which is attached.

DEEDS AND EASEMENTS, UTILITY COMMITMENTS

Mr. Bourgeois said that Perdenales Electric Company has requested an easement for their facilities at the water plant. He said that ABHR has reviewed the easement and conveyance agreement for the new electric facilities at the water plant. Mr. Bourgeois recommended that the Board accept the easement and conveyance agreement. After discussion, Director Taylor moved to accept the easement and conveyance agreement. Director Taylor seconded the motion, which passed by unanimous vote.

WATERFORD ON LAKE TRAVIS, SECTION 4A AND LIFT STATION NO. 3

Mr. Bourgeois said that the final inspection of the facilities for Waterford on Lake Travis, Section 4 was held on July 21, 2009, and the contractor should have the punch list items completed within two weeks. He had no pay estimates to present to the Board.

WATER PLANT, PHASE 3 EXPANSION

Mr. Bourgeois said that the contractor has completed the structural foundations for the buildings and the ground storage tank and they are working on the plant piping and electrical conduits for the phase 3 expansion. He said that the barge structural plans are being reviewed. Mr. Bourgeois presented and recommended for approval Pay Estimate No. 3 from Payton Construction, Inc. in the amount of \$68,031.13. The Board discussed a change order for additional items to enhance the water plant. Mr. Bourgeois said that he will discuss this with Mr. Johnson and further information will be provided at the January Board meeting.

WATERFORD ON LAKE TRAVIS, SECTION 5

Mr. Bourgeois said that Jones & Carter is the engineer for Hunt Properties, the group that purchased Waterford on Lake Travis, Section 5. He said that the developer decided to use a land plan similar to the original plan for this section. Mr. Bourgeois said that design and platting of the section has begun.

WATERFORD ON LAKE TRAVIS, SECTION 4B

Mr. Bourgeois said that Waterford on Lake Travis, Section 4B is on hold.

WASTEWATER TREATMENT PLANT PERMIT RENEWAL

Mr. Bourgeois said that the final wastewater permit should be received from the Texas Commission on Environmental Quality (the "TCEQ") within the next two weeks.

OTHER ENGINEERING MATTERS

Mr. Bourgeois said that Jones & Carter is working with various contractors on the one-year punch lists for Waterford on Lake Travis, Section 6, Section 7, lift station no. 2 and the wastewater treatment plant, phase 2.

Mr. Bourgeois said that the TCEQ pre-purchase inspection for the projects in the bond application was held on November 4, 2009. He said that there were no deficiencies, but the inspector noted some minor maintenance around the storm sewer pipe at the Section 3 entrances. Mr. Bourgeois said that the developer has agreed to have the maintenance performed.

There were no further engineering matters for discussion. Director Ernst moved to approve Pay Estimate No. 3 from Payton Construction, Inc. in the amount of \$68,031.13 for the water plant, phase 3 expansion and to approve the engineer's report. Director McAhren seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

Mr. Johnson reported on development in the District. He said that ten condominiums were sold at auction. He said that the first closing is next week.

MAINTENANCE AGREEMENT FOR WATERSTONE DETENTION PONDS

Ms. Covan said that the maintenance agreement for the Waterstone detention ponds is being reviewed by ABHR.

WEBSITE

There was no discussion on the District's web site.

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

At 12:15 p.m., Director Reiter announced that the Board would meet in Executive Session to discuss pending litigation.

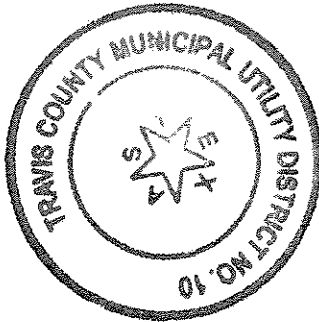
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION

At 12:30 p.m., Director Reiter announced that the Board would re-convene in Open Session. No action was taken by the Board.

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


Secretary, Board of Directors

(SEAL)



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