

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

May 5, 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 May 5, 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:

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|-------------------------|--------------------------|
| 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.

Also present at the meeting were Greg Bourgeois and Cathy Mitchell of Jones & Carter, Inc. ("Jones & Carter"); Hal Lanham, Melanie Johnson and Matt Martin of AWR Services; Roger Johnson, Matt Hackley and Marshall Johnson of Waterford LT Partners, L.P.; and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the April 7, 2009, meeting. After review and discussion, Director McAhren moved to approve the minutes of the April 7, 2009, meeting. Director McMahan seconded the motion, which passed by unanimous vote.

GARBAGE SERVICES

There was no report on garbage services.

BOOKKEEPER'S REPORT

The Board reviewed the bookkeeper's report and the bills presented for payment. The Board then discussed the budget comparison. 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. A copy of the bookkeeper's report is attached.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board received the tax assessor/collector's report. Director Reiter said that the 2008 taxes are 90% collected. The Board reviewed the delinquent tax report. After review and discussion, Director Taylor moved to approve the tax assessor/collector's

report. Director Ernst seconded the motion, which passed unanimously. A copy of the tax assessor/collector's report is attached.

OPERATOR'S REPORT

The Board reviewed the operator's report, a copy of which is attached. Mr. Lanham said that the clay valves on the barge malfunctioned and that they have been disassembled and the worn parts have been replaced. He said that the new barge pump is operating normally. Mr. Lanham stated that water loss was not calculated because the raw water meter was clogged and not registering the water going through it. Mr. Lanham said that the Utility Profile for the Water Conservation Plan has been completed.

The Board reviewed the utility delinquent list and noted that Verabella Homes owes approximately \$500.00. After review and discussion, Director Taylor moved to approve the operator's report. Director McAhren seconded the motion, which passed by unanimous vote.

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 accounts. Mr. Lanham informed the Board that the persons on the attached termination list were 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 Taylor moved that, because the residents on the attached list were 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 McAhren seconded the motion, which passed by unanimous vote. A copy of the delinquent account list is attached.

INSURANCE

Ms. Covan said that insurance proposals have been requested from three providers. The Board requested that the proposals be e-mailed to each Board member before the next meeting.

ENGINEER'S REPORT

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

DEEDS AND EASEMENTS, UTILITY COMMITMENTS

Mr. Bourgeois said that the deeds to convey detention pond sites to the District are being prepared. He said that a maintenance agreement is also needed. Mr. Bourgeois said that a property owner has requested a utility commitment letter for a home proposed for Lots 39 and 40 in Waterford on Lake Travis, Section 3D. He said that water and sewer capacity is available and upon approval of the Board, he will send a utility commitment letter to the property owner.

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

Mr. Bourgeois said that the contractor has resumed work on lift station no. 3. He had no pay estimates to present to the Board.

WATER PLANT, PHASE 3 EXPANSION

Mr. Bourgeois said that the Texas Commission on Environmental Quality (the "TCEQ") has approved the exception request. He said that updated construction plans will be submitted to the TCEQ.

WATERFORD ON LAKE TRAVIS, SECTION 3D AND ROAD EXTENSION

Mr. Bourgeois stated that this project is complete and the final inspection is being scheduled.

WATERFORD ON LAKE TRAVIS, SECTION 5

Mr. Bourgeois said that Travis County has not yet signed off on the Waterford on Lake Travis, Section 5 project. He said that advertising for bids for this project will take place upon receipt of all agency approvals.

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 wastewater treatment plant permit renewal application has been prepared and is presented today for signature. He said that the permit renewal application is due June 1, 2009.

BOND APPLICATION

Mr. Bourgeois reported on the bond application. He said that Clyde Pederson has made a request to be included in this bond application. Mr. Johnson said that he has discussed this matter with Mr. Pederson, but a resolution has not been reached. Mr. Johnson requested that Board members and consultants not

discuss this matter with Mr. Pederson or his group. Director Ernst moved to authorize the engineer to proceed with submission of the bond application to the TCEQ with the projects that are currently included in the Summary of Costs. Director Taylor seconded the motion, which passed by unanimous vote.

OTHER ENGINEERING MATTERS

There were no further engineering matters for discussion. Director Ernst moved to authorize the engineer to provide a utility commitment letter to the owner of Lots 39 and 40 in Section 3D and to approve the engineer's report. Director Taylor seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

Mr. Johnson reported on development in the District. He said that Perdenales Electric is working on providing electricity to the lift station. He said that the grand opening for the marina is next week.

WEBSITE

There was no report on the website.

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

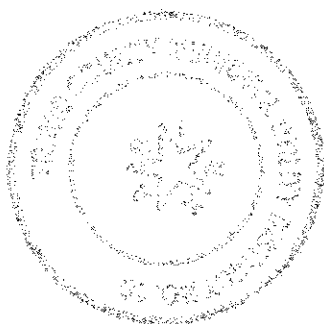
At 11:35 a.m., Director Reiter announced that the Board would meet in Executive Session to discuss pending litigation.

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

At 11:55 a.m., Director Reiter announced that the Board would re-convene in Open Session. Director Taylor moved to authorize execution of the Order on the Plaintiff's Request for Temporary Injunction (the "Order") and to authorize removal of the boulders to allow use of the unpaved route crossing the District's property by the plaintiff's under the terms stated in the Order. Director Ernst seconded the motion, which passed by unanimous vote.

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

(SEAL)




Secretary, Board of Directors

ATTACHMENTS TO THE MINUTES

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