

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

July 7, 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 July 7, 2009, at 1325 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.

Also present at the meeting were Greg Bourgeois and Cathy Mitchell of Jones & Carter, Inc. ("Jones & Carter"); Hal Lanham of AWR Services; Matt Hackley of Waterford LT Partners, L.P.; and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR"), Kim Courte of Highpoint Insurance Group, LLC; and Dan McDonald of Anco McDonald Waterworks Insurance ("Anco") by conference call.

APPROVE MINUTES

The Board considered approving the minutes of the June 6, 2009, meeting. After review and discussion, Director Taylor moved to approve the minutes of the June 6, 2009, meeting. Director McMahan seconded the motion, which passed by unanimous vote.

GARBAGE SERVICES

Ms. Covan said that the customer at 1312 Watercliff contacted AWR and requested no trash service because their home in the District is a vacation home. Director Reiter said that a letter was sent to homeowners advising them of the garbage service and offering a one-time opportunity to decline the service if their home was not receiving garbage service prior to January 1, 2009. He said that the deadline was February 28, 2009. After discussion, the Board determined that an exception could not be made and garbage service is provided to all residents. The Board requested that AWR notify the homeowner.

The Board discussed the \$7.50 monthly IESI charge to customers receiving a second garbage bin. Ms. Covan said that five homes receive a second garbage bin, but they have not been billed the additional fee. After discussion, the Board authorized AWR to annually bill the customers for the second bin and include sales tax. The Board also determined that new customers should contact IESI directly to set up new service.

FINANCIAL AND BOOKKEEPING

The Board reviewed the bookkeeper's report, a copy of which is attached, and the bills presented for payment. The Board then discussed the budget comparison and reviewed a draft of the budget for the fiscal year ending September 30, 2010. Upon a motion made by Director Ernst and seconded by Director Reiter, 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. Director Reiter said that the 2008 taxes are 99.8% collected. 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 intake barge needs additional cable in order to move the barge further out in the lake, but the engineer indicated that the raw water line from the barge to the shore does not need to be extended. Mr. Lanham said that the annual barge inspection may be moved from August to July.

Mr. Lanham said that new grinder pump systems were installed at 1301 Osprey Ridge Loop and at the marina. Mr. Lanham discussed installing a relief valve on a customer's water line. He said that a suitable valve had not yet been found. Director Reiter said that the gravel along the driveway to the wastewater treatment plant is loose.

Director Reiter asked Mr. Lanham about the \$124.00 AWR charged the District for cleaning the water plant and said this should be included in AWR's base charge.

Mr. Lanham said that there were no delinquent accounts this month. After review and discussion, Director Taylor moved to approve the operator's report. Director Ernst seconded the motion, which passed by unanimous vote.

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

There were no delinquent utility accounts.

AMENDED RATE ORDER

The Board discussed amending the Rate Order to increase the builder meter deposit to \$750.00 and the residential utility deposit to \$250.00. After review and discussion, Director Taylor moved to adopt the Amended Rate Order with the deposits, as stated and direct that the Rate Order be filed appropriately and retained in the District's files. Director Reiter seconded the motion, which passed by unanimous vote.

INSURANCE

The Board considered proposals for the District's insurance. Mr. McDonald joined the meeting and answered questions regarding ANCO, occurrence versus claims made coverage as well as sewer backup coverage. Mr. McDonald then left the conference call and Ms. Courte joined the meeting and answered questions regarding High Point and the proposed coverage. Ms. Courte then left the conference call. After review and discussion, Director McAhren moved to accept the Highpoint Insurance coverage, including the Chubb Director's and Officer's liability coverage. 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

There were no deeds or easements for approval by the Board.

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

Mr. Bourgeois said that the contractor is completing lift station no. 3. He had no pay estimates to present to the Board.

WATER PLANT, PHASE 3 EXPANSION

Mr. Bourgeois said that construction plans for the water plant, phase 3 expansion are being updated based on the initial review by AWR and the TCEQ. Mr. Bourgeois said that the TCEQ had not completed its review. He said that the project is being advertised for bids and bids will be received on July 11, 2009.

WATERFORD ON LAKE TRAVIS, SECTION 3D AND ROAD EXTENSION

Mr. Bourgeois stated that this project is complete and the final inspection was held on May 18, 2009. He said that a deficiency letter was sent to Mike Lucas and that no connections would be allowed until the deficient items are corrected. Mr. Bourgeois said that the contractor contacted him last week and said that the deficiencies will be addressed soon.

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 was submitted to the TCEQ and declared administratively complete on May 21, 2009. He said that the application is in the technical review and public comment phase.

BOND APPLICATION

Mr. Bourgeois reported on the bond application. He said that the bond application report was filed with the Texas Commission on Environmental Quality for expedited review on July 2, 2009.

OTHER ENGINEERING MATTERS

Mr. Bourgeois said that Jones & Carter is working with AWR to ensure that there is sufficient cable available for the barge to be positioned properly as the lake level drops. He requested authorization to schedule the barge inspection in July instead of August.

There were no further engineering matters for discussion. Director Ernst moved to authorize the barge inspection in July and to approve the engineer's report. Director Reiter seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

Mr. Hackley reported on development in the District.

WEBSITE

There was no report on the website.

AUGUST MEETING

The Board agreed that the August Board meeting will be held at Director Ernst's home.

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 12:30 p.m., Director Reiter announced that the Board would meet in Executive Session to discuss pending litigation.

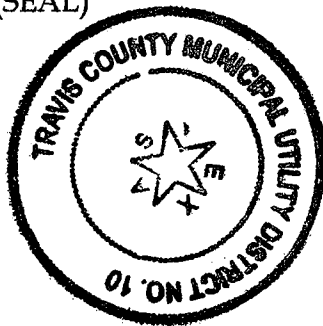
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION

At 12:50 p.m., Director Reiter announced that the Board would re-convene in Open Session.

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


Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

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