

MINUTES
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

January 6, 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 the 6th day of January 2009, at 1405 Osprey Ridge Loop, Lago Vista, Texas, inside the boundaries of the District, and the roll was called of the duly appointed 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 Cathy Mitchell and Greg Bourgeois of Jones & Carter, Inc. ("Jones & Carter"); Matt Martin and Melanie Johnson of AWR Services; Matt Hackley of Waterford LT Partners, L.P.; and Debbie Gibson of McCall Gibson & Company, PLLC and Sharon Covan of Allen Boone Humphries Robinson LLP ("ABHR") by conference call.

APPROVE MINUTES

The Board considered approving the minutes of the December 2, 2008, meeting. After review and discussion, Director Taylor moved to approve the minutes of the December 2, 2008, meeting. Director Ernst seconded the motion, which passed by unanimous vote.

AUDIT

Ms. Gibson reviewed the audit for the fiscal year ended September 30, 2008. Mr. Bourgeois said that he has minor comments regarding the status of construction projects that he will provide to Ms. Gibson. After review and discussion, Director Ernst moved to approve the audit, subject to final review by the Board members and consultants. Director Reiter seconded the motion, which passed by unanimous vote.

GARBAGE SERVICES

The Board discussed the garbage services provided by IESI. Director McMahan said that he received a refund check from IESI for payment made for garbage service prior to the District contracting for the service. Director Taylor said that a letter has been sent to homeowners regarding the garbage service. The Board requested that a link containing contact information for IESI be added to the District's website. Ms.

Covan said that she will contact the web master. Mr. Hackley said that condominium units will begin closing in approximately three months. The Board requested that Ms. Covan contact IESI regarding the cost of providing dumpsters and garbage collection service to the condominiums. Director Reiter said that the condominium homeowner association will be billed for garbage service to the condominiums.

BOOKKEEPER'S REPORT

The Board reviewed the bookkeeper's report and the bills presented for payment. The Board then discussed the three-month 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.

Ms. Covan explained that the annual disclosure statement discloses relationships of the bookkeeper and investment officer with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. After review and discussion, Director Ernst moved to accept the disclosure statements of the District's bookkeeper and investment officer and authorize filing the disclosure statements with the Texas Ethics Commission. Director Taylor seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS

The Board considered adopting a Resolution Designating the Authorized Depository Institutions and Adopting a List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions incorporating an updated list of broker/dealers provided by the District's bookkeeper. After review and discussion, Director Reiter moved to adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed by unanimous vote.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board received the tax assessor/collector's report. After review and discussion, Director Taylor moved to approve the tax assessor/collector's report and payment of the tax bills. Director Ernst seconded the motion, which passed unanimously. A copy of the tax assessor/collector's report is attached.

Director Reiter said that the District's financial advisor has requested that a January 1, 2009, estimate of value be requested from the Travis Central Appraisal District (the "TCAD"). Mr. Hackley said that he recently met with the TCAD and they estimated that with new home starts in 2008 and the condominiums, the taxable value is approximately \$94,221,000. After review and discussion, Director Reiter moved to

adopt a Resolution Requesting Appraisal of Property and Certificate of Estimated Value and direct that the Resolution be filed appropriately and retained in the District's official records. Director Ernst seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT

The Board reviewed the operator's report, a copy of which is attached. Mr. Martin stated that water accountability was not calculated this month, because the raw water meter was off line. He reported that the water intake barge has been moved due to the drop in the lake water level. He said that the electric motor on the barge pump burned out and that it has been removed and rebuilt. Mr. Martin said that sixty-seven meters have been installed at the condominiums and that the tap fees were paid last year. 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

Ms. Johnson said that there were no utility accounts for termination.

AMENDED RATE ORDER

The Board considered amending the Rate Order to provide for garbage service to all residents, without exception. After review and discussion, Director Ernst moved to approve the Amended Rate Order and direct that the Rate Order be filed appropriately and retained in the District's official records. Director Taylor seconded the motion, which passed by unanimous vote.

AUTHORIZE FILING THE AUDIT WITH THE STATE INFORMATION DEPOSITORY

Director Ernst moved to authorize filing the audit with the State Information Depository in accordance with the District's Continuing Disclosure of Information Agreement and as required by SEC Rule 15c2-12. 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 stated that work is ongoing to convey the Waterford on Lake Travis detention ponds, lift stations 2 and 3 and the wastewater treatment plant site to the District.

WATERFORD ON LAKE TRAVIS, SECTION 7

Mr. Bourgeois reported on the status of construction of the underground utilities to serve Waterford on Lake Travis, Section 7. He said that the contractor is completing the final punch list item to install the water meter boxes.

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

Mr. Bourgeois stated that the contractor is completing the work on the lift station.

WASTEWATER TREATMENT PLANT, PHASE 2

Mr. Bourgeois stated that the final inspection of the wastewater treatment plant, phase 2 was held on September 30, 2008, and the contractor has completed the punch list items. He said they are waiting for the Operation and Maintenance manuals before processing the final pay estimate.

WATER PLANT, PHASE 3 EXPANSION

Mr. Bourgeois said that a plan for the pilot program outlined by the Texas Commission on Environmental Quality ("TCEQ") has been carried out by AWR. He said AWR and Jones & Carter met with the TCEQ yesterday to discuss the results of the study. Mr. Bourgeois said that they are waiting for the TCEQ to determine if the results are acceptable or if additional testing is needed.

WATERFORD ON LAKE TRAVIS, SECTION 3D AND ROAD EXTENSION

Mr. Bourgeois stated that this project is complete and the final inspection is being scheduled. He said that Mike Lucas of CML/WE, Ltd., the developer, met with Jones & Carter to discuss the \$5,840 owed to Jones & Carter for engineering inspection fees and consultations with the contractor. Mr. Bourgeois said that Mr. Lucas agreed to pay the \$5,840. He said that payment has not yet been received.

WATERFORD ON LAKE TRAVIS, SECTION 5

Mr. Bourgeois stated that the construction drawings for Waterford on Lake Travis, Section 5 have been reviewed and comments have been addressed. 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.

RAW WATER LINE REPAIR

Mr. Bourgeois discussed the repairs to the raw water line. He said that Excel Construction Services, LLC has scheduled the repairs for January 9, 2009.

BOND APPLICATION

Mr. Bourgeois said that a preliminary engineering report for bond application number two has been prepared along with the Summary of Costs. He said that the bond amount is approximately \$2,180,000. Mr. Bourgeois said that the consultants are reviewing the report.

OTHER ENGINEERING MATTERS

There were no further engineering matters for discussion. After review and discussion, Director Taylor moved to approve the engineer's report. Director McAhren seconded the motion, which passed by unanimous vote.

DEVELOPER'S REPORT

Mr. Hackley reported on development in the District. He said that four lots were sold in November. Mr. Hackley discussed the marina parking lot and work by the electric company to provide electricity to the lift station. Mr. Hackley said that the entryway and gates to Waterford on Lake Travis, Section 6 are being completed. He then discussed construction activities in Waterford on Lake Travis Sections 3, 4, and 6. Director Ernst said that he observed a mound of dirt located along Lohman Ford Road east of the Section 3 entrance. Director Taylor suggested that the dirt may be needed at the wastewater treatment plant. Ms. Mitchell said that she will determine whether the dirt is needed at the wastewater treatment plant.

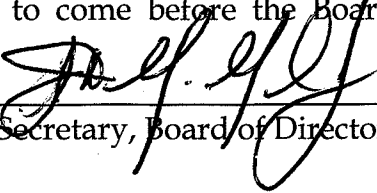
WEBSITE

Director McMahon asked Mr. Hackley to provide an updated District aerial map for posting 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

The Board took no action to convene in executive session to discuss pending litigation.

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


Secretary, Board of Directors

(SEAL)

