

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

October 4, 2011

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 October 4, 2011, 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
Robert Ernst	Vice President
Vance Taylor	Secretary
Robert Woolsey	Assistant Vice President
Raymond Archer	Assistant Secretary

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

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

APPROVE MINUTES

The Board considered approving the minutes of the September 6, 2011, meeting. After review and discussion, Director Taylor moved to approve the minutes of the meeting. Director Reiter seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING

There was no report on garbage and recycling.

FINANCIAL AND BOOKKEEPING

The Board reviewed the bookkeeper's report, a copy of which is attached, and the budget for the fiscal year ending September 30, 2012. After review and discussion, Director Taylor moved to approve the bookkeeper's report. Director Reiter seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION

The Board reviewed the tax assessor/collector's report, a copy of which is attached, and the delinquent list. After review and discussion, Director Taylor moved to approve the tax assessor/collector's report. Director Woolsey seconded the motion, which passed unanimously.



CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE; ORDER
LEVYING TAXES; AMENDMENT TO INFORMATION FORM

Director Reiter opened the public hearing regarding the District tax rate and upon no comment from the public, the Board concurred to close the public hearing.

The Board considered setting a tax rate for 2011. Ms. Covan reported that the District published notice to levy a total tax rate of \$0.747 per \$100 of assessed valuation for 2011. The Board confirmed its intention that the 2011 tax levy include a debt service component for the calendar year ending December 31, 2012, and a maintenance tax component for the fiscal year ending September 30, 2012. After discussion, Director Reiter moved to adopt the Order Levying Taxes for 2011 containing a total tax rate of \$0.747 per \$100 of assessed valuation consisting of \$0.372 for debt service and \$0.42 for operations and maintenance and direct that the Order be filed appropriately and retained in the District's official records. The motion was seconded by Director Woolsey and carried unanimously.

The Board considering authorizing execution of the Amendment to Information Form incorporating the 2011 tax rate. Director Reiter moved to approve the Amendment to Information Form, authorize filing the Information Form with the Texas Commission on Environmental Quality (the "TCEQ") and with Travis County, and direct that the Information Form be filed appropriately and retained in the District's official records. Director Woolsey seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

The Board reviewed the operator's report, a copy of which is attached. Mr. Lanham said that water accountability was 97% during the month.

Mr. Lanham said that a notice was mailed to all customers that Stage 3 water restrictions are currently in place in accordance with the Lower Colorado River Authority's (the "LCRA") drought trigger conditions in the LCRA's Drought Contingency Plan ("DCP") and the TCEQ has been notified, as required.

Mr. Lanham said that Director Reiter provided him with suggestions to minimize the damage that could be caused by a fire in a wooded area. Mr. Lanham said that he will use this information and contact contractors requesting plans and cost estimates to remove grass and shrubbery and to trim trees around the District's water plant to mitigate damage in case of a fire. Mr. Martin suggested that when the work to remove grass and shrubbery and trim trees is performed, the mulch pile by the wastewater treatment plant also be moved to reduce the damage to the plant in the event of a fire. Director Taylor asked Mr. Lanham to contact the Lago Vista Fire Department to find out what they consider to be appropriate clearing. Mr. Lanham said that the fire hydrants are color coded according to flow specifications. The Board



authorized AWR to obtain bids for the removal of grass and shrubbery, for tree trimming around the District's water plant and for moving the mulch at the wastewater treatment plant.

Mr. Lanham said that AWR is contacting paving contractors to obtain a proposal to repair the section of asphalt leading to the water plant that was damaged by a track hoe.

Mr. Lanham discussed a proposed amendment to the AWR contract with the District. He said that there have been cost increases in the area of TCEQ permit compliance, billing software increases and increases in the costs of internet technology. Mr. Lanham distributed a memorandum detailing the proposed contract revisions, a copy of which is attached. After discussion, the Board agreed to defer action on the proposed contract revisions to allow the Board members and ABHR time to review the proposal and compare the proposal to the current AWR contract.

Mr. Johnson said that a prospective purchaser of Lot 6 in Section 3 believes that the barge may be encroaching on the property. Mr. Bourgeois said that the barge should be in line with the raw water line running up the cliff and within the District's easement.

Mr. Lanham said that the Property Owner's Association has Christmas materials stored in the building housing the water plant and various files in the office building. After review and discussion, the Board agreed that, because construction has been completed at the water plant, all extraneous materials not related to the water plant operations should be removed. The Board requested that ABHR prepare a letter to the POA requesting that their property be removed from the buildings.

Director Lanham said that the condominiums continue to irrigate their property, although the District is under Stage 3 water restrictions. He said that the POA was granted permission to temporarily hook up to the lift station connection to irrigate, but the time allotted for this has passed. Mr. Lanham said that the POA is requesting an extension for the hook up until December. After discussion, Director Archer moved to authorize the POA to only use water that is absolutely necessary and authorized AWR to notify the POA that the connection will be disconnected in December. Director Reiter seconded the motion, which passed by unanimous vote.

After discussion, Director Taylor moved to approve the operator's report. Director Woolsey 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 Woolsey seconded the motion, which passed by unanimous vote. A copy of the delinquent account list is attached.

AMENDED RATE ORDER

The Board took no action to amend the Rate Order.

WATER CONSERVATION AND DROUGHT CONTINGENCY MATTERS

Discussion ensued regarding drought conditions and the District's DCP.

ENGINEER'S REPORT

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

DEEDS AND EASEMENTS, UTILITY COMMITMENTS

There were no deeds, easements or utility commitments for consideration by the Board.

LOWER COLORADO RIVER AUTHORITY MAINTENANCE PERMIT APPLICATION FOR WATER QUALITY PONDS

Mr. Bourgeois said that Jones & Carter will work with ABHR to prepare the maintenance permit for the water quality ponds.

GROUND STORAGE TANK NO. 1 ROOF SUPPORT RECOATING

Mr. Bourgeois said that Jones & Carter will obtain proposals for the roof support recoating at ground storage tank no. 1.



OTHER ENGINEERING MATTERS

Mr. Bourgeois said that the annual barge inspection was rescheduled for October 20, 2011.

The Board requested that Jones & Carter reconcile the remaining surplus funds and determine if the operating account has been reimbursed. There were no further engineering matters for discussion. After review and discussion, Director Taylor moved to approve the engineer's report. Director Woolsey seconded the motion, which passed by unanimous vote.

REPORT ON DEVELOPMENT

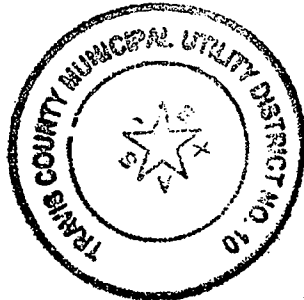
Mr. Johnson had no report on development in the District.

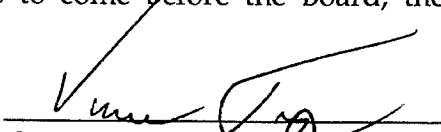
WEBSITE

There was no discussion on the web site.

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

(SEAL)




Secretary, Board of Directors



ATTACHMENTS TO THE MINUTES

Page

bookkeeper's report 1
tax assessor/collector's report 1
operator's report..... 2
delinquent account list 4
engineering report 4

