

MINUTES  
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

January 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 January 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
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, thus constituting a quorum.

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

APPROVE MINUTES

The Board considered approving the minutes of the December 7, 2010, meeting. After review and discussion, Director Ernst moved to approve the minutes of the meeting. Director Taylor seconded the motion, which passed by unanimous vote.

GARBAGE

Director Taylor discussed the agreement with IESI for recycling services and stated revisions to the agreement are still being made. He stated that the final cost for recycling once the revisions are complete will be \$4.25 per month per single-family home and that the condominiums are not included. He further stated that a mail notification was sent to all residents on December 30, 2010, regarding the recycling service and that the service will begin in February 2011. Following discussion, Director McAhren moved to accept the agreement with IESI with a total recycling cost of \$4.25 per month per single family residence, subject to final revisions to the contract amendment. Director Ernst seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING

The Board reviewed the bookkeeper's report, a copy of which is attached, and the bills presented for payment. After review and discussion, Director Taylor moved to approve the bookkeeper's report and the checks presented for payment. Director Ernst seconded the motion, which passed by unanimous vote.

## ANNUAL DISCLOSURE STATEMENTS

The Board considered accepting the annual disclosure statements of the Investment Officer and bookkeeper. Following review and discussion, Director Reiter moved to accept the annual disclosure statements of the Investment Officer and bookkeeper, authorize filing of the same with the Texas Ethics Commission and direct that copies be retained in the District's official records. Director Taylor seconded the motion, which passed unanimously.

## 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 Ernst seconded the motion, which passed unanimously.

## 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. He reported that a leaking sewer tap at 1231 Osprey Ridge has been repaired.

Director Reiter stated that a resident reported finding an electrical panel box with a missing cover in Section One near the lift station. Following discussion, the Board directed the operator to investigate the problem and determine if there are any safety issues.

Mr. Lanham discussed start-up of the new water plant. He requested that the contract with TEI Controls ("TEI") be executed by the Board. He stated that TEI will begin installation of the SCADA remote monitoring system next week and expects to complete the project within 60 days.

After review and discussion, Director McAhren moved to: 1) authorize execution of the contract with TEI for the installation of the SCADA system; and 2) approve the operator's report. Director Ernst seconded the motion, which passed by unanimous vote.

## AMENDED RATE ORDER

The Board considered amending the Rate Order to increase the sewer rate to include the cost of recycling. He said that the sewer rate for single family residents would increase from \$55.00 to \$59.25. Following review and discussion, Director Taylor moved to adopt the Amended Rate Order and direct that it be filed appropriately and retained in the District's records. Director Ernst seconded the motion, which carried unanimously.

retained in the District's records. Director Ernst seconded the motion, which carried unanimously.

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 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 McAhren 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 Ernst seconded the motion, which passed by unanimous vote. A copy of the delinquent account list is attached.

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.

WATER PLANT, PHASE 3 EXPANSION

Mr. Bourgeois reported on the water plant, phase 3 expansion. He said that the contractor is working on the punch list items and that the final pay estimate should be ready by next week. He then recommended release of the developer's Letter of Credit upon receipt of payment for the final pay estimate and engineering fees.

REMOTE WATER PLANT CONTROLS

Mr. Bourgeois stated that the final proposal from TEI for the remote water plant controls was \$16,000. The Board took action on this matter during the operator's report.

SURPLUS FUNDS APPLICATION

Mr. Bourgeois said that the surplus funds application was declared to be administratively complete by the Texas Commission on Environmental Quality

(the "TCEQ") on December 7, 2010, and that additional information was submitted to the TCEQ on December 23, 2010.

### BOND APPLICATION NO. 3

Mr. Bourgeois discussed bond application no. 3. He said that the application was submitted to the TCEQ on December 23, 2010. Mr. Bourgeois then stated he intends to send the bond application package to the City of Austin for review and approval prior to receiving the Order from the TCEQ. He then discussed the City approval process and the expected bond sale timeline.

### OTHER ENGINEERING MATTERS

Discussion ensued regarding a visual barrier in front of lift station no. 1 as was requested by a District resident. Mr. Bourgeois presented a proposal from Viking Fence in the amount of \$1,300 for installing twenty feet of fencing in front of the lift station. The Board also discussed planting trees or other methods of blocking the view. Following discussion, Director Reiter recommended the Board take no action on this matter and the Board concurred.

Director Reiter reported that he received a complaint from a property owner in Point Venture regarding the noise created by the water treatment plant. He stated that he requested the resident send a letter regarding the matter to Ms. Covan at ABHR. Options regarding reducing the noise level were discussed, including changing the cycle of the plant so the noisy time occurs during the day instead of the evening. The Board concurred to discuss the matter further upon receipt of the property owner's letter.

Discussion ensued regarding signage in the District. Director Reiter suggested that a sign be posted on the road leading to the water treatment plant stating that it is a private road and notifying drivers of the boulders.

Mr. Bourgeois reported that he is reviewing the acceptance terms in the construction contract for the water treatment plant and will determine when the one year warranty period begins and when the plant became operational.

After review and discussion, and based on the engineer's recommendation, Director Taylor moved to: 1) authorize release of the Letter of Credit for the Water Plant Phase 3 Expansion upon receipt of payment for the final pay estimate and engineering fees; and 2) approve the engineer's report. Director Ernst seconded the motion, which passed by unanimous vote.

### LETTER OF CREDIT FOR WATER TREATMENT PLANT EXPANSION

There was no further discussion regarding this matter.

REPORT ON DEVELOPMENT

Mr. Johnson reported on development in the District.

WEBSITE

There was no report on the web site.

MAINTENANCE AGREEMENT

There was no discussion on the maintenance agreement.

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 did not convene in Executive Session.

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

  
Secretary, Board of Directors

(SEAL)



ATTACHMENTS TO THE MINUTES

Page

bookkeeper's report.....	1
tax assessor/collector's report .....	2
operator's report.....	2
delinquent account list .....	3
engineering report .....	3