

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2**

December 4, 2024

THE STATE OF TEXAS       §  
  §  
COUNTY OF TRAVIS       §

A meeting of the Board of Directors of Travis County Municipal Utility District No. 2 (the “District”) was held on December 4, 2024 at the offices of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas. The meeting was open to the public and notice was given in accordance with the Texas Open Meetings Act. A copy of the Certificate of Posting of the notice is attached as **Exhibit “A”**.

John Bartram of Armbrust & Brown, PLLC, the District’s general legal counsel, called the meeting to order at 11:01 a.m. The roll was then called of the members of the Board:

Wilmer Roberts	-	President
Raymond C. Mura	-	Vice President
Tracy T. Johnson	-	Secretary
Daffney A. Henry	-	Assistant Secretary
Sarah Rossig	-	Assistant Secretary

and all of the Directors were present except Director Henry, who arrived later, thus constituting a quorum. Also present in person at the meeting were Dennis Hendrix of Crossroads Utility Services LLC (“Crossroads”), the District’s utility operator; Ken Schroeder of Schroeder Engineering Company, the District’s engineer; Allen Douthitt of Bott & Douthitt, PLLC, the District’s accountant; and John Bartram of Armbrust & Brown, PLLC, the District’s general legal counsel. Lauren Smith of Public Finance Group LLC, the District’s financial advisor, attended the meeting via telephone conference call.

Mr. Bartram announced that the Board would first receive public comment. There being no citizens’ communications or Board member announcements, Mr. Bartram stated that the Board would next consider the Director Items section of the agenda. He advised that Directors Roberts and Rossig had been re-elected as of November 5<sup>th</sup>, and he recommended that the Board accept the sworn statements and oaths of office from the re-elected directors for their new terms of office. Upon motion by Director Mura and second by Director Johnson, the Board voted 4-0 to do so. Director Henry arrived at this time.

Mr. Bartram next recommended that the Board update the District’s Registration Form to reflect the new terms of office for the re-elected Directors, change the address of the District’s financial advisor, and update the name and address of the Travis County tax assessor/collector. Mr. Bartram also asked the Board members and consultants to review their respective information and confirm that everything was still current. After review, upon motion by Director Johnson and second by Director Rossig, the Board voted unanimously to approve the revised District Registration Form attached as **Exhibit “B”** and its filing with the Texas Commission on Environmental Quality (the “TCEQ”).

Mr. Bartram then stated that the Board would consider approving the minutes of the October 2, 2024 Board meeting. After review, upon motion by Director Roberts and second by Director Mura, the minutes were approved unanimously.

Mr. Bartram next directed the Board's attention to the Covered Applications and Prohibited Technology Policy attached as **Exhibit "C"**. As background, he recounted that, in December 2022, Governor Greg Abbott had ordered all state agencies to ban the TikTok application from state-issued devices and that the Texas Legislature had subsequently extended such prohibition to all governmental entities, including special purpose districts, pursuant to Senate Bill 1893 effective June 14, 2023 ("SB 1893"), which had also directed the Texas Department of Information Resources (the "DIR") and the Texas Department of Public Safety to jointly develop a model policy for governmental entities to use in satisfying the requirements of SB 1893. He stated that the DIR had recently released the model policy, which he had customized for the District, noting that, because the District did not own or lease any electronic devices other than the computer equipment at its water and wastewater facilities, the policy should have minimal effect on the District at this time. After discussion, upon motion by Director Roberts and second by Director Mura, the Board voted unanimously to approve the Covered Applications and Prohibited Technology Policy, as presented.

Mr. Bartram then stated that the Board would consider the Master District and Advisory Committee items on the agenda, beginning with wholesale water related matters. Mr. Hendrix first addressed wholesale water supply and reported that the elevated storage tanks were full; that water pressures were normal; and that EPCOR's third water well was "all but complete", which should help mitigate water supply shortages next summer. Director Roberts advised that the ShadowGlen homeowners association (the "HOA") had drained the swimming pool at the amenity center for repairs and that refilling the pool could affect the Master District's take-or-pay obligations. Mr. Hendrix next updated the Board on the Master District's pending wastewater treatment plant expansion/conversion project. He reported that, overall, the plant was running well, but that the chemical feed system was experiencing problems, which Crossroads was working with the contractor to resolve. He reported that the plant had been winterized; that the coatings work continued; and that all major components were in service except the rapid mix basin. Director Johnson asked when a tour of the expanded plant would be scheduled. Mr. Hendrix suggested late spring before the weather got too hot. Mr. Bartram stated that he planned to have the wastewater treatment plant approved as an out-of-district meeting location so that the tour could be posted as a meeting and, thus, a quorum of the Board could attend. Mr. Bartram then concluded the Master District and Advisory Committee items by directing the Board's attention to the agenda(s) and minutes from the most recent joint meeting(s) of the Board of Directors of Wilbarger Creek Municipal Utility District No. 2 and the Advisory Committee, which was a recurring agenda item so that the Board could stay informed of the activities of the Master District and the Advisory Committee.

Mr. Bartram next announced that the Board would move to the Reports and Related Action Items section of the agenda. There being no developer representatives in attendance, Mr. Bartram next recognized Director Johnson for a report on website design and management. Director Johnson reported that the domain name for the District's website was up for renewal through the District's old website hosting company. He stated that he had opened a ticket with Town Web, the current hosting company, to transfer the domain name after renewal. Other than that, Director Johnson indicated that he had completed various routine updates to the website. Director Roberts asked about website traffic. Director Johnson characterized website traffic as stable with the exception of a few spikes related to water quality and water outages. Director Roberts stated that a few residents had complained about rings being created in their toilet bowls and were wondering if water softeners would resolve the problem. Mr. Hendrix responded that water softeners would not help and recommended bleach tablets as an alternative.

Mr. Bartram then stated that the Board would receive a report from the District's utility operator. Mr. Hendrix directed the Board's attention to the most recent operations report

attached as **Exhibit “D”** and reviewed the latest water usage, water accountability, connection, billing, and delinquent accounts reports. He reported that water loss was still elevated at 16.6% for the latest reporting period. However, he stated that all but one of the 32 recently identified water leaks had been repaired and that he was very optimistic that the water loss percentage would dramatically improve in next month’s report. He added that none of the recent leaks had surfaced and that, therefore, he would be recommending leak detection efforts on an annual basis going forward, noting that the cost of leak detection was more than justified by the cost of lost water. Director Rossig asked what the water loss goal was. Mr. Hendrix stated that anything under 10% was generally considered acceptable. Director Rossig asked if the conversion to “smart”/AMI water meters would help. Mr. Hendrix confirmed that it would, and he verified that the conversion of all residential customers to “smart” water meters was now complete. Director Roberts asked what the long-term plan was for water loss. Mr. Hendrix stated that the District’s water mains had been designed to last 50 years but that it would probably be prudent to start budgeting more for water leak repairs. Director Roberts asked if the District would have to issue bonds to fund those repairs. Mr. Douthitt stated that the District had a “healthy” ±\$5 million general fund balance, and he suggested that the Board may want to consider assigning a portion of such fund balance for future maintenance and repair obligations. Mr. Hendrix next reported that all facilities were generally operating well; that there had been a few dirty water complaints; that he had no concerns regarding aged receivables; and that there was one write-off for consideration this month in the amount of \$114.49. Upon motion by Director Mura and second by Director Roberts, the Board voted unanimously to approve the recommended write-off. Mr. Hendrix next presented and recommended approval of the proposal from Crossroads attached as **Exhibit “E”** for the installation of five bacteriological sampling stations for a total cost not to exceed \$21,000. He explained that it was becoming more difficult to obtain permission from customers to take routine regulatory water samples on private property and that these sampling stations would facilitate obtaining water samples directly from the District’s water system. He stated that an additional sampling station might be required in future Section 18 and that he intended to require the developer to incorporate it into the initial design and subdivision construction. After discussion, upon motion by Director Johnson and second by Director Henry, the Board voted unanimously to approve the Crossroads proposal as presented. Mr. Hendrix then concluded by directing the Board’s attention to the letter from the TCEQ attached as **Exhibit “F”**, which advised that the minimum number of monthly coliform monitoring samples was increasing from two to three due to population growth. He stated that Crossroads was already collecting three samples and that, therefore, no action was required at this time.

Mr. Bartram next recognized Mr. Douthitt for purposes of receiving a report from the District’s accountant. Mr. Douthitt directed the Board’s attention to the accounting report and updated cash activity report attached collectively as **Exhibit “G”** and recommended approval of all Director and vendor payments and fund transfers. At Mr. Douthitt’s request, Mr. Schroeder verified that he had reviewed and recommended approval of Crossroads’ latest operations invoice. Mr. Douthitt next reviewed the District’s latest cash activity report, quarterly investment report, collateral report, and financial statements, noting that he had not yet received the District’s 2024 tax levy from the County yet and that the District had “come out of the gate pretty good” through the first month of the new fiscal year primarily due to a “good clip” of savings on Master District expenses. He closed by reporting that his office was in the process of making year-end adjustments in preparation for the annual audit. After discussion, upon motion by Director Roberts and second by Director Rossig, the Board voted unanimously to approve the Director and vendor payments and the transfers, as presented.

Mr. Bartram next recognized Ms. Smith for a report from the District’s financial advisor. Ms. Smith stated that she had nothing specific to address at this time.

Mr. Bartram then recognized Mr. Schroeder for a report from the District's engineer. Mr. Schroeder directed the Board's attention to the engineering report attached as **Exhibit "H"** and first reiterated that he had reviewed and recommended approval of Crossroads' latest operations invoice. He next reported that there was no active development in the District at this time and that it was his understanding that Section 18, which was the final section to be developed in the District, was still pending approval by Travis County. Director Rossig asked when Section 18 was expected to be approved. Mr. Schroeder stated that he was not sure. He recalled that the original issue related to vehicular sight lines. Mr. Schroeder next addressed matters related to the Master District. He reviewed the latest wastewater treatment plant flow data, advised that there had been no discharge permit excursions or violations during the latest reporting period, and confirmed that Crossroads and Quiddity continued to coordinate on the wastewater treatment plant expansion project, which was nearing final completion.

Mr. Bartram stated that the next item on the agenda was a report from the District's attorney. He indicated that there were currently no outstanding developer or consultant directives.

Mr. Bartram next announced that the Board would move to the Other Discussion/Action Items section of the agenda and conclude by reviewing the future meeting schedule. After discussion, the Board agreed that, unless there was a need to meet sooner, the January meeting would be canceled and the next meeting would be held as scheduled at noon on February 5<sup>th</sup>.

Mr. Bartram then inquired if there was any further business to come before the Board. Director Roberts asked if the annual audit was already in process. Mr. Douthitt responded that his office was actively working on closing things out but that he was not certain if the District's files had been sent to the auditor yet. Director Johnson then reported that the HOA's irrigation system at the primary entrance to the District had been damaged by a contractor working on the Butler tract, and he asked who should be contacted regarding the damage. Messrs. Schroeder and Hendrix recommended that the HOA contact the contractor working on the Butler tract directly.


There being no further business to come before the Board, upon motion by Director Mura and second by Director Henry, the meeting was adjourned at 11:50 a.m.

*(Signature page follows.)*

(SEAL)



**TRAVIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 2**

  
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Tracy T. Johnson, Secretary  
Board of Directors

Date: February 5, 2025