

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

April 2, 2025

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 April 2, 2025 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"**.

The meeting was called to order at 12:01 p.m., and the roll was 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

All of the Directors were present, 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; and John Bartram of Armbrust & Brown, PLLC, the District's general legal counsel. Attending the meeting via telephone conference call were Russ Allison and Dale Strickland representing SG Land Holdings LLC, a developer in the District; Lauren Smith of Public Finance Group LLC, the District's financial advisor; and Allen Douthitt of Bott & Douthitt, PLLC, the District's accountant.

Mr. Bartram announced that he would be moderating the meeting on behalf of the Board, and he stated that the Board would first receive public comment. There being no citizens' communications or Board member announcements, Mr. Bartram announced that the Board would next consider approving the minutes of the February 5, 2025 Board meeting. After review, upon motion by Director Henry and second by Director Rossig, the minutes were approved unanimously.

Mr. Bartram next reviewed the District's current water conservation and drought contingency plan. He reminded the Board that the plan had been overhauled last year, and he stated that no substantive revisions were being recommended this year. However, he recommended that the District's utility system profile be updated to reflect the changes in the District's population and connection count over the last year. Upon motion by Director Johnson and second by Director Mura, the Board voted unanimously to approve the Resolution Confirming Annual Review of Water Conservation and Drought Contingency Plan and Updating Water and Wastewater Utility System Profile attached as **Exhibit "B"**.

Mr. Bartram next recommended that the Board consider amending the District's rate order to pass-through recent increases in solid waste collection costs at the recommendation of the District's bookkeeper and to increase the afterhours and weekend/holiday reconnect fees in order to recoup actual costs at the recommendation of the District's utility operator. Mr. Hendrix noted that customers had four opportunities to pay their water bills prior to disconnection and

that it was fair and reasonable to assess reconnection costs to the customers who were disconnected rather than spreading those costs across all customers, including those who had timely paid their bills. He also noted that most municipal utilities did not even offer weekend or holiday reconnects. Director Rossig asked if overtime rates were higher on weekends and holidays, and Mr. Hendrix confirmed that they were. Director Henry stated that the proposed increases were generally acceptable to her; but she expressed a concern about the impact on customers who were struggling financially. Mr. Hendrix explained that it was his long-standing practice to offer payment plans to customers going through a period of financial hardship if they contacted him prior to disconnection. After discussion, upon motion by Director Roberts and second by Director Henry the Board voted unanimously to approve the Amended Order Establishing Rates and Charges, and Adopting Rules with Respect to District Water, Wastewater and Drainage, Including Water Quality Systems attached as **Exhibit “C”**.

Mr. Bartram then stated that the Board would consider the Master District and Advisory Committee items on the agenda. He first addressed wholesale water related matters and reviewed the notice from Metro Water Systems, Inc. (“Metro”) attached as **Exhibit “D”** advising the Participant Districts of the annual 3% increase in the volumetric rate and annual rate payment under the wholesale water contract with Metro. Mr. Hendrix reported that the elevated storage tanks were full; that water pressures were normal; and that EPCOR’s third water well and related system maintenance were complete. He noted that there had been no water pressure or quality complaints associated with the EPCOR system maintenance, and he stated that the District should now be “out of the woods” in terms of water supply for the summer. 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 and that work on the rapid mix basin was in progress. Mr. Bartram then presented the Master District’s audit for the fiscal year ended September 30, 2024, which he noted was a requirement under the Master District Contract. He confirmed that the auditor had been able to issue a clean, unmodified opinion. 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 Advisory Committee.

Mr. Bartram next announced that the Board would move to the Reports and Related Action Items section of the agenda, and he recognized Mr. Allison for a report from the developer. Mr. Allison first reported that Perry Homes had obtained the development permits for Sections 18A and 18B in early March and that construction was expected to commence within the next two weeks. He next advised the Board that beavers had taken up residence at one or more of the water quality ponds in ShadowGlen. Mr. Allison indicated that the question of what to do with the beavers had become an issue within the community and that the homeowners association desired input from the District before taking action. He stated that the HOA had obtained an environmental study that identified alternative options, which he would forward to Mr. Bartram. Mr. Bartram stated that he would share the report with Messrs. Hendrix and Schroeder for review and recommendation at a future meeting. Mr. Hendrix stated that he had already received an email from the HOA’s management company and that it was his sense that the majority sentiment was to allow the beavers to remain. He added that the District was generally not responsible for operation and maintenance of the ponds unless a drainage function was affected and that, in his opinion, the impact from the beavers on the pond was not significant at this time. Mr. Allison stated that the HOA’s management company had not made any decisions yet and just wanted guidance from the District. Mr. Allison then concluded his report by stating that he would contact Mr. Hendrix offline regarding the maintenance of certain drainage areas in Wilbarger Creek MUD No. 1.

Mr. Bartram next recognized Director Johnson for a report on website design and management. Director Johnson reported that the updated website was in a staging phase pending minor updates and migration of legacy data from the old website. He characterized the work at 95% complete and noted that the new website should be final by the end of the week. Mr. Hendrix suggested that information on how customers can access their “smart” meter data be added to the District’s website. Director Johnson concurred.

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 “E”** and reviewed the latest water usage, water accountability, connection, billing, and delinquent accounts reports. He reported that all water leak repairs had been completed; that he was “ecstatic” that water loss had decreased to -6.19% for the latest reporting period; that the replacement sub-master meter necessary to isolate usage between Wilbarger Creek MUD No. 1 and the District had been installed; that all facilities were generally operating well; that he had no concerns regarding aged receivables; that there were two write-offs for consideration this month in the total amount of \$358.69, which were owner accounts without forwarding addresses; and that Stage 2 watering restrictions remained in effect. Upon motion by Director Rossig and second by Director Henry, the Board voted unanimously to approve the recommended write-offs. Mr. Hendrix then concluded his report by recommending that the District declare the old water meters replaced in connection with the “smart” meter conversion project to be surplus and authorize them to be sold to Fluid Meter Service, which had offered to purchase them at a cost of \$1 per pound per the Quote attached as **Exhibit “F”**. Mr. Hendrix stated that brass currently had a scrap value of ±\$2.99 per pound; however, he noted that the District would incur costs trying to dispose of the meters itself. After discussion, upon motion by Director Roberts and second by Director Mura, the Board voted unanimously to adopt the Resolution Declaring Surplus Property to be Surplus and Order Authorizing Sale attached as **Exhibit “G”**, to approve the Quote from Fluid Meter Service, and to authorize Mr. Hendrix to sell the surplus water meters accordingly. Mr. Hendrix then concluded his report by advising the Board that he had scheduled a final, close-out meeting with HydroPro Solutions for the “smart” meter conversion project, which was now complete, and by encouraging the Board members to sign up to access their own “smart” meter data.

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 “H”** 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, with the observation that it included approximately \$68,000 in charges related to water leak repairs in January and February. Mr. Douthitt next reviewed the District’s latest cash activity report, collateral report, tax collection report, and financial statements, noting that approximately 96% of the District’s 2024 tax levy had been collected and that the District was ±\$24,000 unfavorable to plan, primarily due to water leak repairs and the “smart” meter conversion project. Mr. Hendrix advised that the cost of water leak repairs had gone up because Travis County was requiring “flowable fill” for street repairs, which was available only by six-yard truckload. After discussion, upon motion by Director Roberts and second by Director Mura, 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 “I”** 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 but that he had received the construction plans for Section 18A. 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. Schroeder then concluded by advising the Board that he had decided to transition to retirement over the coming months. He stated that it had been a pleasure to serve the District and that it was his recommendation that the Board consider engaging Jones-Heroy & Associates, Inc. ("JHA"), a local engineering firm specializing in water districts, to replace him. The Board congratulated Mr. Schroeder on reaching retirement and **directed Mr. Bartram to obtain a proposal from JHA for engineering services for consideration at the next meeting.** Director Roberts suggested that the Board might want to seek additional bids. Mr. Bartram explained that the Water Code required districts to engage professional consultants, such as engineers, on the basis of qualifications, not cost.

Mr. Bartram stated that the next item on the agenda was a report from the District's attorney. He first advised that there were currently no outstanding directives. He next referred the Board to the "Critical Alert" from the Texas Municipal League Intergovernmental Risk Pool ("TMLIRP") attached as **Exhibit "J"** advising the District that it would need to "opt in" to TMLIRP's newly created Cyber Fund in order to continue Cyber Liability and Data Breach Response Coverage or lose such coverage at the end of the current coverage year. He explained that, in general, the coverage limits were decreasing, that the premiums were increasing, and that the new "Core+" option was most comparable to the District's existing coverage. After discussion, upon motion by Director Roberts and second by Director Mura, the Board voted unanimously to opt in to the new Cyber Fund with Core+ coverage and to approve the related Cyber Liability and Data Breach Response Interlocal Agreement.

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 May meeting would be canceled and the next meeting would be held as scheduled at noon on June 4<sup>th</sup>.

There being no further business to come before the Board, upon motion by Director Mura and second by Director Rossig, the meeting was adjourned at 1:02 p.m.

*(Signature page follows.)*

(SEAL)



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

A handwritten signature in blue ink, appearing to read "Tracy T. Johnson", is written over a horizontal line.

Tracy T. Johnson, Secretary  
Board of Directors

Date: June 4, 2025