

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

June 4, 2025

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

A meeting of the Board of Directors of Travis County Municipal Utility District No. 2 (the “District”) was held on June 4, 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 12:04 p.m. 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

and 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; John Barcellona of Jones-Heroy & Associates, Inc. (“JHA”); and Jenn Scholl of Armbrust & Brown, PLLC, the District’s general legal counsel. Attending the meeting via telephone conference call were Russ Allison, Dale Strickland, and Robert Starkman 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.

Ms. Scholl announced that she would be moderating the meeting on behalf of the Board, and she stated that the Board would first receive public comment. There being no citizens’ communications or Board member announcements, Ms. Scholl announced that the Board would next consider approving the minutes of the April 2, 2025 Board meeting. After review, upon motion by Director Johnson and second by Director Henry, the minutes were approved unanimously.

Ms. Scholl then stated that the Board would consider the Bond Items section of the agenda. She first directed the Board’s attention to the Interim Arbitrage Rebate Analysis from BLX Group LLC (“BLX”), the District’s arbitrage and yield restriction compliance specialist, attached as **Exhibit “B”**, which concluded that no arbitrage rebate payment was due for the April 8, 2020 through April 8, 2025 interim computation period for the District’s \$2,410,000 Series 2020 refunding bonds. Ms. Scholl next reviewed the Arbitrage Rebate Review Letter from BLX attached as **Exhibit “C”**, which, she explained, confirmed that there was no arbitrage rebate or yield restriction liability associated with the District’s Series 2015 refunding bonds for the period April 15, 2020 through April 15, 2025, which was the second computation period for those bonds. Ms. Scholl also referenced the Arbitrage Compliance Summary from BLX attached as **Exhibit “D”**, which, she indicated, tracked the status of arbitrage and yield restriction compliance on the District’s outstanding bonds.

Ms. Scholl next announced that the Board would consider the Budget and Tax Items section of the agenda and directed attention to the 2025 preliminary estimate of taxable value in the District from Travis Central Appraisal District attached as **Exhibit “E”**. She indicated that values were usually certified in late July and would form the basis of the annual budget and tax rate process as well as support the feasibility of the issuance of additional bonds. Ms. Scholl then referred the Board to the memorandum attached as **Exhibit “F”**, summarizing the schedule and process for adopting a budget and setting a tax rate. She stated that the Board would need to meet in August and September to complete the budget and tax rate process; and she advised the Board to keep those meetings calendared for quorum purposes.

Ms. Scholl then stated that the Board would consider the Master District and Advisory Committee items on the agenda. She first addressed wholesale water related matters and noted that, according to the email correspondence attached as **Exhibit “G”**, the Participant Districts had not exceeded the minimum take-or-pay amount under the wholesale water contract with Metro Water Systems last year and that, therefore, there would be no “Excess Quantity Payment” or adjustment to the minimum take-or-pay amount this year. Mr. Hendrix reported that the elevated storage tanks were full and that water pressures were normal. However, he indicated that the contractor working on the U-Haul facility in Cottonwood Creek MUD No. 1 had undertaken excessive flushing last week, which had caused the elevated storage tank to drop significantly and had resulted in 25 to 30 water quality complaints. Mr. Hendrix advised that he had shut the project down pending verification that the amount of the builder’s security deposit would cover the amount of lost water. Mr. Hendrix next updated the Board on the Master District’s 1.0 mgd wastewater treatment plant expansion project. He reported that, overall, the plant was running well and that work on the remaining items was in progress. He then reported that, due to escalating costs and other considerations, the Master District had decided to move forward with the next expansion of the wastewater treatment plant, which would increase the size of the plant to a treatment capacity of 1.5 mgd. Ms. Scholl indicated that the Master District would be able to use surplus bond proceeds left over from the prior expansion as initial funding for the next expansion; that the Master District’s financial advisor was working on a finance plan for the issuance of additional Master District bonds; and that the Master District had engaged Quiddity Engineering, LLC to begin the design work. Ms. Scholl 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.

Ms. Scholl next announced that the Board would move to the Reports and Related Action Items section of the agenda, and she recognized Mr. Allison for a report from the developer. Mr. Allison stated that he did not have anything specific to report. He then asked Ms. Smith how many remaining bond issuances the District would have since construction in Sections 18A and 18B had commenced and those were the last remaining sections to be developed in the District. Ms. Smith stated that she anticipated that the District would have one or two more bond issuances and pointed out that she would be discussing the next proposed bond issuance with the Board later in the meeting. Mr. Allison then asked if there was an estimate for how long it would take to obtain all approvals, secure financing, and complete construction of the Master District’s wastewater treatment plant 1.5 mgd expansion project. Mr. Hendrix stated that it would typically take around four years to complete a wastewater treatment plant expansion of that size but pointed out that the timeframe could be impacted based on any number of things. Mr. Allison then asked Ms. Smith if the next bond issuance would have any impact on the previously issued bonds. Ms. Smith stated that the next proposed bond issuance should not impact previously issued bonds because she and the other District consultants would ensure that the District’s tax rate would be sufficient to cover all bond issuances.

Ms. Scholl next recognized Director Johnson for a report on website design and management. Director Johnson reported that he had added a new page to the District's website with information related to the smart meters, including a link to the portal where residents can download the mobile application and sign up to begin monitoring usage.

Ms. Scholl 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 "H"** and reviewed the latest water usage, water accountability, connection, billing, and delinquent accounts reports. He reported that water loss had dropped to -0.96% for the latest reporting period; that all facilities were generally operating well; that he had no concerns regarding aged receivables; and that there were no write-offs for consideration this month. He noted that Metro Water Systems' wholesale water meter had failed in late April, which was likely the cause of the sudden drop in water loss, and he stated that he would be working with the wholesale water provider to estimate usage based on historic averages until the meter was replaced. Mr. Hendrix next reported that Travis County's Transportation and National Resources Department had recently completed inspections of the Southeast and Southwest Detention Ponds, which were managed by the District as joint facility projects on behalf of the District and Wilbarger Creek MUD No. 1, and that various violations and corrective actions had been identified, as reflected in the Travis County TNR Permanent BMP Inspection Reports attached collectively as **Exhibit "I"**. Mr. Hendrix advised the Board that he had met with the County inspector and had developed a plan for resolving the violations, which would consist of the removal of all overgrown vegetation from the pond outfalls, including cattails, and the repair of a damaged pipe cover. He stated that he had also discussed with the County inspector the community's concerns about the beavers that had taken up residence at one of the ponds and that the County inspector had recommended that the work start with removal of the overgrown vegetation, with the expectation that this would encourage the beavers to relocate naturally and, thus, possibly avoid the District being dragged into the larger beaver relocation controversy. The Board generally concurred. Mr. Hendrix requested that the Board authorize him to obtain proposals for the corrective work and requested that the Board's Urgent Matter's Subcommittee be authorized to approve the proposals between Board meetings. Upon motion by Director Rossig and second by Director Johnson, the Board voted unanimously to authorize Mr. Hendrix to obtain proposals for the corrective work and to give the Board's Urgent Matter's Subcommittee authority to approve the proposals. **Director Roberts requested that the consultants monitor the status of the beavers after the corrective work is completed and requested that Ms. Scholl place an item on the Board's December meeting agenda so that the Board could revisit the matter at that time. Mr. Hendrix stated that he would continue to keep an eye on the matter and Ms. Scholl confirmed that she would make sure an item got included on the December meeting agenda.** Mr. Hendrix concluded by calling the Board's attention to the correspondence from the Texas Commission on Environmental Quality attached as **Exhibit "J"** advising public water systems that all laboratories are required to transition to reporting water samples electronically by November 2025.

Ms. Scholl 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 "K"**. He pointed out that the District was ±\$116,000 ahead of budget. He then reported that he had received two odd notices from the City about solid waste rate increases so he and Mr. Hendrix had reached out to the City to investigate the increases and confirm the correct amount that should be paid by the District. He stated that, because of this, the District's payment to the City was one week late and the City had assessed a late penalty against the District. He stated that he did not believe that a late penalty should be assessed and that he was working with Mr. Bartram and Mr. Hendrix to try to resolve the matter. Mr. Douthitt next reviewed the District's latest cash activity report, financial

statements, and collateral report, pointed out that almost 97% of the District's 2024 tax levy had been collected, and recommended approval of all Director and vendor payments and fund transfers. After discussion, upon motion by Director Mura and second by Director Henry, the Board voted unanimously to approve the Director and vendor payments and the transfers, as presented.

Ms. Scholl then then stated that the Board would move to the engineering report agenda item. She introduced Mr. Barcellona of JHA, noting that, in connection with retirement, the District's long-time engineer, Ken Schroeder, had recommended that JHA succeed Schroeder Engineering Company as the District's engineer. Mr. Barcellona briefly explained JHA's history, experience, and qualifications and called attention to the proposed Engineering Services Agreement with JHA attached as **Exhibit "L"**, which he noted had been prepared by Ms. Scholl's office based on a standard form used for numerous other districts represented by both JHA and Armbrust & Brown. Ms. Scholl noted that the Master District and Cottonwood Creek MUD No. 1 had already engaged JHA to succeed Mr. Schroeder and that Wilbarger Creek MUD No. 1 was scheduled to do so later this week. After discussion, upon motion by Director Mura and second by Director Johnson, the Board voted unanimously to approve the Engineering Services Agreement with JHA as presented. Mr. Barcellona thanked the Board for engaging JHA as the District's engineer. He stated that he was not in a position to make a recommendation on the agenda item regarding ShadowGlen Phase 2 Section 18A at this time, and he asked the Board to table that matter until the next meeting. The Board agreed to do so. Ms. Scholl then recommended that, in connection with the transition of engineering services from Schroeder Engineering Company to JHA, the Board update the District's existing policy for execution of approved pay estimates and change orders. After discussion, upon motion by Director Rossig and second by Director Henry, the Board voted unanimously to approve the Amended and Restated Resolution Authorizing District Engineer to Sign Approved Pay Estimates and Change Orders on Behalf of District attached as **Exhibit "M"**.

Ms. Scholl next recognized Ms. Smith for a report from the District's financial advisor. Ms. Smith referred the Board to the feasibility materials attached collectively as **Exhibit "N"** and reported that, based on current values, it was feasible for the District to initiate its next bond issue, which she had preliminarily sized in a par amount of \$2,980,000 and which would fund Section 18A. She reviewed the Schedule of Events attached as **Exhibit "O"** and noted that the sale of the bonds was currently scheduled to close next March after Section 18A was complete. Ms. Smith recommended that, if the Board desired to move forward, the District authorize JHA to begin preparation of the bond application, with the understanding that doing so would not commit the District to issue bonds; it would just get the lengthy administrative process started. After discussion, upon motion by Director Henry and second by Director Mura, the Board voted unanimously to authorize JHA to begin the District's next bond application.

Ms. Scholl stated that the next item on the agenda was a report from the District's attorney. She first advised that there were currently no outstanding directives. Ms. Scholl then concluded by asking the Board members if they would like to receive Outlook calendar invites for future meetings or if they would prefer to calendar meetings independently. After discussion, the Board generally agreed that Outlook invites would be helpful.

Ms. Scholl 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 July meeting would be canceled and the next meeting would be held as scheduled at noon on August 6th.

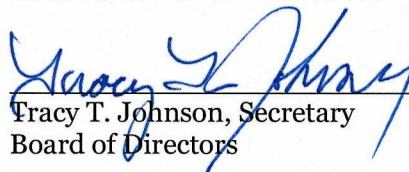
There being no further business to come before the Board, upon motion by Director Mura and second by Director Henry, the meeting was adjourned at 1:05 p.m.

(Signature page follows.)

(SEAL)



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


Tracy T. Johnson, Secretary
Board of Directors

Date: August 6, 2025