

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

September 3, 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 September 3, 2025 at the offices of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701. The meeting was open to the public and notice was given in accordance with the Texas Open Meetings Act. Copies of the Certificates of Posting of the notice are attached collectively as **Exhibit "A"**.

The meeting was called to order at 12:03 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 except Director Rossig, 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"), 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 August 6, 2025 Board meeting. After review, upon motion by Director Roberts and second by Director Henry, the minutes were approved 4-0.

Mr. Bartram next announced that the Board would consider the Budget and Tax Items section of the agenda, beginning with a recommendation from the District's financial advisor regarding the District's 2025 tax rate. Ms. Smith directed the Board's attention to the 2025 Tax Rate Analysis Summary and related materials attached collectively as **Exhibit "B"** and, due to legislative uncertainties, recommended that the District establish a tax rate for 2025 of \$0.8310, which was the rate proposed last month and published in the newspaper. She indicated that this rate would be comprised of a \$0.2625 debt service tax component, a \$0.2185 operation and maintenance tax component, and a \$0.35 contract tax component. She indicated that, because assessed values had decreased, the recommended rate would result in a \$20 decrease in the average tax bill but would still allow the District to maintain the required 25% debt service coverage ratio in the District's debt service fund as well as meet all of the District's maintenance and operations obligations. She also confirmed that a \$0.35 contract tax would be sufficient to fund the Master District's operations. Mr. Bartram then explained that, before the Board could actually levy a tax rate, the Board was required first to conduct a public hearing on the tax rate

and to adopt a budget. Accordingly, he opened a public hearing and inquired whether there was anyone present who desired to address the Board regarding the District's 2025 tax rate. There being no in-person public comment, Mr. Bartram noted for the record that the following comment regarding the District's 2025 tax rate had been submitted through the appraisal district's website as of the time of the meeting: "I feel that the tax rate for MUD district should stay the same if not lower." There being no further public comment, Mr. Bartram closed the public hearing and stated that the Board would next consider adopting a budget for the 2025-2026 fiscal year. Mr. Douthitt first presented the draft Joint Facilities Budget for the 2025-2026 Fiscal Year for the four existing joint facilities projects managed by the District, as reflected on Exhibit "C". He stated that he had included \$30,000 for the ShadowGlen wastewater interceptor, \$55,000 for the Southeast Detention Pond, and \$40,000 for the Southwest Detention Pond. **After discussion, upon motion by Director Mura and second by Director Johnson, the Board voted 4-0 to approve the Joint Facilities Budget, as presented, with a directive that notice of this budget be given to the other participants in these projects as required under the applicable joint facilities agreements.**

Mr. Douthitt next presented and reviewed the budget for the 2025-2026 fiscal year attached as Exhibit "D", which he explained had been updated after his meeting with the Budget Subcommittee to reflect the \$0.8310 tax rate as well as adjustments to garbage collection and Master District charges and increases in the monthly retail rates. He indicated that the budget projected a year-end surplus of ±\$364,000. After discussion, upon motion by Director Mura and second by Director Roberts, the Board voted 4-0 to approve the Resolution Adopting Budget attached as Exhibit "E", incorporating the budget presented by Mr. Douthitt. Mr. Bartram then stated that, having conducted a public hearing and having adopted a budget, the Board could now consider setting a tax rate; and he directed the Board's attention to the Order Levying Taxes attached as Exhibit "F", which he stated would officially levy the \$0.8310 tax rate recommended by the District's financial advisor. After discussion, Director Johnson moved to establish an \$0.8310 tax rate (allocated as discussed) and to adopt the Order Levying Taxes as presented. Upon second by Director Mura, the motion carried, with Directors Roberts, Mura, Johnson, and Henry all present and voting "aye" and Director Rossig absent and not voting. Mr. Bartram then concluded the budget and tax items by recommending that the District's information form be updated to reflect the change in the tax rate. Upon motion by Director Roberts and second by Director Mura, the Board voted 4-0 to approve the Amended and Restated Information Form attached as Exhibit "G" and its recording.

Mr. Bartram then stated that the Board would consider the Master District and Advisory Committee items on the agenda. Mr. Hendrix first reported that the elevated water storage tanks were full, that water pressures were normal, and that he was working at the Master District level to resolve the persisting water discoloration complaints within the community, which could include "ice pigging" the 24" transmission line. Mr. Hendrix next updated the Board on wastewater treatment plant operations and the status of the Master District's 1.0 mgd and 1.5 mgd wastewater treatment plant expansion projects. He stated that the existing plant was in compliance with the discharge permit, that a substantial completion "walk" was expected to be scheduled for the 1.0 mgd expansion sometime this month, and that the engineering work on the 1.5 mgd expansion was underway. He indicated that the 1.5 mgd expansion would include a sludge processing facility and would take three to five years to complete. Director Roberts asked if the expansion of U.S. Highway 290 in the future would affect the wastewater interceptors connecting the Participant Districts to the wastewater treatment plant. Mr. Hendrix stated that the work would have to be coordinated with the Texas Department of Transportation but that the interceptors should be okay. 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 reported that Section 18A, which was the last section to be developed in the District, was under construction by Perry Homes; and he asked if Perry Homes was submitting pay estimates to the District's engineer. Mr. Barcellona confirmed that his office had received a few pay estimates but was waiting on other contract documentation. Mr. Allison then asked for an update on the District's proposed Series 2026 bonds. Ms. Smith confirmed that JHA was working on the bond application. Mr. Allison then asked what the total amount of unreimbursed costs was and how many more bond issues the District was expected to have. Ms. Smith anticipated that there would be two more bond issues; and she stated that she would confirm the amount of unreimbursed costs. Mr. Strickland stated that he did not have anything to add. Director Roberts asked if there were any vacant lots remaining in the District. Mr. Allison stated that there were two vacant lots in Wilbarger Creek MUD No. 1 but that he was not aware of any vacant lots in the District, other than the lots currently being developed in Section 18A.

Mr. Bartram next recognized Director Johnson for a report on website design and management. Director Johnson reported that he had made several updates and fixed various broken links, and that there had not been any security issues. He also reviewed website traffic, noting that the District's website had received approximately 3,000 page views last quarter. Director Roberts noted that he had experienced certain problems linking from Crossroads' website to the District's website. Director Johnson responded that most of those issues were caused by "website crawlers" and were not actual issues with the District's website itself. Mr. Bartram then directed the Board's attention to the memorandum from his firm addressing new technical standards and other requirements for governmental websites (the "Website Accessibility Rule") under the Americans with Disabilities Act (the "ADA") attached as **Exhibit "H"**, noting that the deadline for compliance was April 26, 2027. He recommended that Director Johnson review the Website Accessibility Rule offline and let the Board know what actions might be warranted or required to keep the District's website in compliance with the ADA. Director Johnson stated that he would do so. He added that many of the ADA requirements had likely been addressed in connection with the recent migration to the Town Web platform.

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 General Manager's Report attached as **Exhibit "I"** and reviewed the latest water usage, water accountability, connection, billing, and delinquent accounts reports. He reported that water loss was still estimated at 0% due to the failed master meter; that all facilities were generally operating well; that he had no concerns regarding aged receivables; that there were no write-offs for consideration this month; that he was coordinating with JHA to locate all of the valves necessary to isolate the District's water system from Wilbarger Creek MUD No. 1's water system; and that he was coordinating drainage area maintenance with TexaScapes. He noted that a replacement master meter had been ordered, and he stated that he would coordinate with the wholesale water provider to estimate usage based on historic averages until the meter was replaced. Mr. Hendrix next reported that Stage 2 watering restrictions were still in effect, that reported violations were escalating, and that his office had hung a few door tags reminding customers that watering restrictions were in effect. Director Roberts noted that the City of Austin had recently relaxed its watering restrictions. Mr. Hendrix indicated that that was likely required by the City's drought contingency plan now that the highland lakes were full. He stated that the District's water supply was from a different source and advised that maintaining watering restrictions was prudent for the Master District's take-or-pay obligations. Mr. Hendrix then concluded by presenting the First Amendment to

Drainage Channel Maintenance Agreement with TexaScapes attached as **Exhibit “J”**, which incorporated into the scope of services the cleanout of the District’s drainage structures as needed on a time and materials basis per the proposal approved by the Board last month. After discussion, upon motion by Director Henry and second by Director Johnson, the Board voted 4-0 to approve the amendment as presented.

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 “K”** and recommended approval of all Director and vendor payments and fund transfers. He next reviewed the District’s latest collateral report, tax collection report, and financial statements. He pointed out that over 97% of the District’s 2025 tax levy had been collected and that the District was $\pm$ \$168,000 “to the good” year to date. After discussion, upon motion by Director Roberts and second by Director Mura, the Board voted 4-0 to approve the Director and vendor payments and fund transfers, as presented. Mr. Douthitt then concluded by reporting that the District had recently experienced an instance of check fraud; and he recommended that the Board consider switching from Prosperity Bank, which did not have the Positive Pay feature designed to detect and deter check fraud, to ABC Bank, which did. Director Roberts asked if Frontier Bank was an option, noting that Frontier Bank had a branch near the District. Mr. Douthitt stated that he would verify and compare the security services offered. Mr. Bartram indicated that he would include appropriate items to change banks on the next meeting agenda.

Mr. Bartram next recognized Mr. Barcellona for a report from the District’s engineer. Mr. Barcellona directed the Board’s attention to the memorandum report attached as **Exhibit “L”**, and reported that his office had received Pay Estimate No. 3 for ShadowGlen Phase 2, Section 18A but was waiting to receive the executed construction contract, the payment and performance bonds, and pay estimate nos. 1 and 2 before recommending approval.

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

Mr. Bartram stated that the next item on the agenda was a report from the District’s attorney. He advised that the prior directives were either complete or in process. He confirmed that he had obtained a copy of the City of Manor’s contract with Frontier Waste Solutions for solid waste collection services, that he had met with the City’s attorney to review the District’s billing frustrations, and that the City attorney was in the process of scheduling a meeting between appropriate City staff and the District’s consultants to discuss the matter further.

Mr. Bartram next announced that the Board would move to the Other Discussion/Action Items section of the agenda beginning with the renewal of the District’s Bookkeeping Services Agreement with Bott & Douthitt, PLLC. He stated that the current agreement was scheduled to expire at the end of September and that Bott & Douthitt was proposing renewal for two years with a small increase in the base fee. Mr. Douthitt clarified that the request was for a \$250 increase in the base fee (as opposed to the \$50 increase reflected in the redlined agreement in the meeting packet), which equated to a $\pm$ 7% increase. After discussion, upon motion by Director Mura and second by Director Henry, the Board voted 4-0 to approve the renewed Bookkeeping Services Agreement with Bott & Douthitt, PLLC attached as **Exhibit “M”**, effective upon expiration of the current agreement.

Mr. Bartram then stated that the Board would next consider the renewal of the District’s Operations Services Agreement with Crossroads, noting that this agreement was also scheduled to expire at the end of September. Mr. Hendrix directed the Board’s attention to the draft renewal contract attached as **Exhibit “N”** and stated that Crossroads was requesting a two-year renewal

with a 2.6% increase in the base fee and connection charge, along with a slightly higher increase in the time-and-materials rates. After discussion, upon motion by Director Mura and second by Director Johnson, the Board voted 4-0 to approve the renewal of the Operations Services Agreement on the terms proposed by Crossroads, effective October 1st.

Mr. Bartram stated that the next item on the agenda was an amendment to the District's rate order to pass through to the District's retail rates this year's increases in wholesale water costs, as recommended by the District's rate consultant. After discussion, upon motion by Director Mura and second by Director Roberts, the Board voted 4-0 to approve the Amended Order Establishing Rates and Charges, and Adopting Rules with Respect to District Water, Wastewater and Drainage, Including Water Quality, System attached as **Exhibit "O"**.

Mr. Bartram next announced that the Board would conclude by reviewing the future meeting schedule. After discussion, the Board generally agreed that the next meeting would be held as scheduled on October 1st.

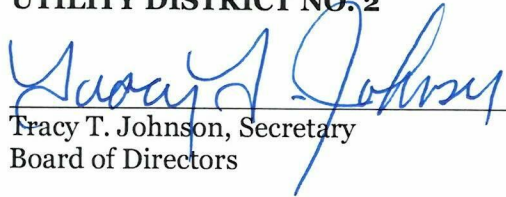
There being no further business to come before the Board, upon motion by Director Mura and second by Director Henry, the meeting was adjourned at 1:11 p.m.

(Signature page follows.)

(SEAL)



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


Tracy T. Johnson, Secretary
Board of Directors

Date: October 1, 2025