

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

### **AGENDA**

**September 3, 2025**

TO: THE BOARD OF DIRECTORS OF TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 AND ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Travis County Municipal Utility District No. 2 will hold a meeting on **Wednesday, September 3, 2025, at 12:00 noon at the offices of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas.** The following matters may be considered and acted upon at the meeting:

### **PUBLIC COMMENT**

1. Citizens' communications and Board member announcements;

### **CONSENT ITEMS**

*(These items may be approved collectively or individually. Any of these items may be pulled for discussion upon the request of any board member.)*

2. Minutes of August 6, 2025 Board meeting;

### **BUDGET AND TAX ITEMS**

3. Tax rate analysis, including recommendation from District's financial advisor regarding 2025 tax rate;
4. Public hearing on District's 2025 tax rate, including public feedback received through appraisal district / county tax office websites;
5. Budget for fiscal year 2025-2026, including:
  - (a) Operating budgets for the following Joint Facilities and notices to participating districts under related Joint Facilities Agreements:
    - (i) Southeast Detention Pond;
    - (ii) Southwest Detention Pond;
    - (iii) ShadowGlen Trace;
    - (iv) Wilbarger Creek Wastewater Interceptor;
  - (b) Resolution Adopting Budget for fiscal year 2025-2026;
6. Record vote on District's 2025 tax rate and Order Levying Taxes;
7. Amended and Restated Information Form *(if necessary for tax rate change)*;

## **MASTER DISTRICT AND ADVISORY COMMITTEE ITEMS**

8. Wholesale water rates and capacity charges, wholesale water purchase schedule and projections, LUE connections, and related matters;
9. Wastewater treatment and related matters, including:
  - (a) 1.0 mgd wastewater treatment plant expansion project;
  - (b) 1.5 mgd wastewater treatment plant expansion project;
10. Agenda(s) and minutes from most recent meeting(s) of Wilbarger Creek Municipal Utility District No. 2 Board of Directors and Advisory Committee;

## **REPORTS AND RELATED ACTION ITEMS**

11. Report from developer(s) regarding status of development, construction, and homebuilding activity;
12. Website design and management, including:
  - (a) Americans with Disabilities Act (ADA) compliance;
13. Report from District's utility operator, including:
  - (a) Water and wastewater utility operations, maintenance, repairs, and any proposals related thereto, including:
    - (i) Water usage, quality, accountability, and conservation, including:
      - (1) Leak detection investigations and repairs;
      - (2) Water quality complaints;
      - (3) Implementation and enforcement of watering restrictions, including summer-time reminder notice to customers;
    - (ii) Connection and billing reports, including customer service, delinquent accounts, and write-offs;
  - (b) Drainage area maintenance, including First Amendment to Drainage Channel Maintenance Agreement with TexaScapes Inc. to incorporate maintenance of District-only drainage areas as needed on time and materials basis;
  - (c) Joint facility detention pond maintenance;
  - (d) Solid waste and recycling collection;
  - (e) Master District operations;
14. Report from District's accountant, including:
  - (a) Bills, invoices, transfers, and investments;

15. Report from District's engineer, including:
  - (a) ShadowGlen Phase 2, Section 18A, including:
    - (i) Any pay estimates or change orders;
  - (b) Master District operations;
16. Report from District's financial advisor;
17. Report from District's attorney, including:
  - (a) Review of prior developer and consultant directives;

#### **OTHER DISCUSSION/ACTION ITEMS**

18. Renewal of Bookkeeping Services Agreement with Bott & Douthitt, PLLC (*expires September 30, 2025*);
19. Renewal of Operations Services Agreement with Crossroads Utility Services LLC (*expires September 30, 2025*);
20. Retail rate adjustments to pass-through annual wholesale water cost increases to retail rates, including:
  - (a) Amended Order Establishing Rates and Charges, and Adopting Rules with Respect to District Water, Wastewater and Drainage, Including Water Quality, Systems;
21. Future meeting schedule and agenda items.

The Board of Directors is authorized by the Texas Open Meetings Act, Chapter 551, Texas Government Code, to convene in closed or executive session for certain purposes, including, without limitation, receiving legal advice from the District's attorney (Section 551.071); discussing real property matters (Section 551.072); discussing gifts and donations (Section 551.073); discussing personnel matters (Section 551.074); discussing security personnel or devices or security audits (Section 551.076); and discussing information technology security practices (Section 551.089). If the Board of Directors determines to go into executive session to discuss any item on this agenda, the presiding officer will announce that an executive session will be held and will identify the item to be discussed and the provision of the Open Meetings Act that authorizes the closed or executive session.

(SEAL)



  
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 Attorney for the District

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The District is committed to compliance with the Americans with Disabilities Act. Reasonable accommodations and equal access to communications will be provided upon request. Please call Armbrust & Brown, PLLC at 512-435-2300 for additional information. Hearing impaired or speech disabled persons equipped with telecommunications devices for the deaf may utilize the statewide Relay Texas program, 1-800-735-2988.

## TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

### TAXPAYER IMPACT STATEMENT PER TEXAS GOV'T CODE §551.043(c)(2)

Property tax bill for the median-valued homestead* for current fiscal year:	\$3,063
Estimated property tax bill for the median-valued homestead* for the upcoming fiscal year if the proposed budget (attached) is adopted:	\$3,044
Estimated property tax bill for the median-valued homestead* for the upcoming fiscal year if a balanced budget funded at the no-new-revenue tax rate as calculated under Chapter 26 of the Texas Tax Code*** is adopted:	\$3,098**

*\*The Appraisal District does not report "median" homestead values. The calculations above are based on "average" homestead values, which are reported.*

*\*\*The No-New-Revenue Tax Rate, as calculated under Chapter 26 of the Texas Tax Code, may not be capable of funding a balanced budget for the District.*

\*\*\***No-New-Revenue Tax Rate** = rate expressed in dollars per \$100 of table value calculated according to the following formula:

$$\text{No-New-Revenue Tax Rate} = \frac{(\text{Last Year's Levy} - \text{Lost Property Levy})}{(\text{Current Total Value} - \text{New Property Value})}$$

**Last Year's Levy** = the total of the amount of taxes that would be generated by multiplying the total tax rate adopted in the preceding year by the total taxable value of property on the appraisal roll for the preceding year, including taxable value that was reduced in an appeal, all appraisal roll supplements and corrections as of the date of the calculation (other than corrections made under Texas Tax Code § 25.25(d) for errors that resulted in an incorrect appraised value that exceeds more than one-fourth of the correct appraised value for a residence or one-third the correct value in the case of all other property), portions of property involved in an appeal that are not in dispute, and the amount of taxes refunded by the taxing unit in the preceding year for tax years before that year.

**Lost Property Levy** = amount of taxes levied in the preceding year on property value that was taxable in the preceding year but is not taxable in the current year because the property is exempt in the current year under a provision of the Texas Tax Code other than 11.251 (Tangible Personal Property Exempt), 11.253 (Tangible Personal Property in Transit), and 11.35 (Temporary Exemption for Qualified Property Damaged by Disaster), the property has qualified for special appraisal under Chapter 23 of the Texas Tax Code in the current year, or the property is located in the territory that has ceased to be part of the taxing unit since the preceding year.

**Current Total Value** = total taxable value of property listed on the appraisal roll for the current year, including all supplements and corrections as of the date of the calculation, less the taxable value of property exempted for the current tax year for the first time under Texas Tax Code § 11.31 (Pollution Control Property) or 11.315 (Energy Storage System in Nonattainment Area).

**New Property Value** = means the following:

- Total taxable value of property added to the appraisal roll in the current year by annexation and improvements listed on the appraisal roll that were made after January 1<sup>st</sup> of the preceding tax year, including personal property located in new improvements that was brought into the unit after January 1<sup>st</sup> of the preceding tax year.
- Property value that is included in the current total value for the tax year succeeding a tax year in which any portion of the value of the property was excluded from the total value because of the application of a tax abatement agreement to all or a portion of the property, less the value of the property that was included in the total value for the preceding tax year.
- For purposes of an entity created under Section 52, Article III, or Section 59, Article XVI of the Constitution, property value that is included in the current total value for the tax year succeeding a tax year in which the following occurs: (a) the subdivision of land by plat; (b) installation of water, sewer, or drainage lines, or (c) the paving of undeveloped land.

# Travis County MUD No. 2

## Proposed Budget: FY 2025 - 2026

	Audited			FY 24-25		FY 25-26
	FY 21 - 22	FY 22 - 23	FY 23-24	Budgeted	Projected	Proposed
<b>Revenues:</b>						
Property Taxes, including penalties	\$ 611,978	\$ 846,631	\$ 890,382	\$ 912,371	\$ 915,318	\$ 855,348
Service Accounts -						
Basic Service Fees	627,075	634,954	637,373	642,276	644,551	655,224
Water Service Fees	807,905	764,120	694,809	684,270	781,659	743,095
Sewer Service Fees	446,547	423,021	397,778	414,864	420,919	414,864
Service Account Penalties	36,040	25,005	29,772	30,475	33,086	31,731
Total Service Accounts	1,917,567	1,847,100	1,759,732	1,771,885	1,880,216	1,844,914
Tap Connection Fees	-	4,800	2,400	-	-	-
Inspection Fees	-	175	1,490	-	-	-
Interest Income	27,875	219,534	286,141	180,000	228,048	60,000
Other Income	534	-	-	-	-	-
Total Revenues	2,557,954	2,918,240	2,940,145	2,864,256	3,023,582	2,760,262
<b>Expenditures:</b>						
<b>District Facilities -</b>						
Master District Charges -						
Operations & Maintenance	1,068,172	1,517,441	1,384,790	1,772,177	1,498,109	1,576,327
Subtotal - Master District Charges	1,068,172	1,517,441	1,384,790	1,772,177	1,498,109	1,576,327
District Facilities -						
Management & Consulting	154,147	153,765	162,370	175,608	170,722	183,215
Repairs & Maintenance - Water	75,377	79,173	136,506	132,000	308,606	132,000
Repairs & Maintenance - Sewer	25,976	8,709	61,275	79,800	45,095	79,800
Repairs & Maintenance - Drainage	10,200	10,200	10,200	15,000	11,400	15,000
Garbage Service	249,928	248,944	249,272	260,263	272,419	322,324
Meter sets/inspections	-	250	385,534	50,000	198,341	10,000
Lab Fees	1,426	1,834	1,950	1,800	1,657	1,800
Joint Facility Charges	1,077	410	-	15,490	15,490	40,880
Capital Outlay-Sampling Sites	-	-	-	42,500	42,500	-
Subtotal - District Facilities	518,132	503,286	1,007,107	772,460	1,066,230	785,019
<b>Administrative Services -</b>						
Director Fees, including payroll taxes	9,689	11,081	15,324	15,225	13,234	15,225
Director Reimbursement/Travel	2,639	5,489	5,532	10,300	1,365	7,800
Printing/Legal Notices	-	2,435	4,840	3,500	3,532	4,000
Election Expenditures	1,368	158	1,415	1,000	1,000	1,000
Public Notices	-	-	-	8,000	8,000	8,000
Insurance & Surety Bond	7,149	7,460	9,633	9,200	10,429	12,600
Bank Fees	44,227	46,247	27,262	21,000	19,856	21,000
Website Expenditures	1,518	519	519	5,000	4,997	5,000
Miscellaneous	1,819	1,975	1,624	3,600	2,729	3,600
Subtotal - Administrative Services	68,409	75,365	66,149	76,825	65,143	78,225
<b>Professional Fees -</b>						
Legal Fees	47,735	49,491	41,288	58,800	42,839	58,800
Records Retention Policy Compliance	-	-	200	5,000	5,000	5,000
Accounting Fees	35,250	35,750	40,563	41,000	41,338	43,100
Engineering Fees	23,999	15,429	13,660	27,000	19,593	36,000
Lead & Copper	-	-	8,265	2,500	2,500	2,500
Financial Advisor Fees	512	569	613	1,000	927	1,000
Other Consulting Fees	3,600	4,550	-	7,500	7,500	7,500
Tax Appraisal/Collection Fees	3,124	4,299	5,250	5,500	5,542	7,000
Audit Fees	15,000	15,750	16,000	16,500	16,750	17,500
Subtotal - Professional Services	129,220	125,838	125,839	164,800	141,988	178,400
Total Expenditures	1,783,933	2,221,930	2,583,885	2,786,262	2,771,470	2,617,971
Excess / (Deficiency) of Revenues over Expenditures	\$ 774,021	\$ 696,310	\$ 356,260	\$ 77,994	\$ 252,113	\$ 142,291

**Assumptions:**

- AV: \$455,903,159
- M&O Rate: \$.1800
- DS Rate: \$.2625
- Contract Rate: \$.3500