

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

February 4, 2026

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 February 4, 2026 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 12:04 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 Directors Mura and Henry, thus constituting a quorum. Also present in person at the meeting were Gwen Huntley and Melissa Hudson, residents of the District; Dennis Hendrix of Crossroads Utility Services LLC (“*Crossroads*”), the District’s utility operator; John Barcellona and Dennis Mostowy of Jones-Heroy & Associates, Inc. (“*JHA*”), the District’s engineer; Kyle Fadal of TexaScapes, Inc., the District’s landscape maintenance contractor; and John Bartram of Armbrust & Brown, PLLC, the District’s general legal counsel. Attending the meeting via telephone conference call were Russ Allison 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; Nancy Olson of McCall Gibson Swedlund Barfoot Ellis PLLC, the district’s auditor; 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 stated that the Board would next consider the Director Items section of the agenda. He indicated that both Directors Mura and Henry had resigned from the Board in December, as reflected in the resignation letters attached collectively as **Exhibit “B”**; and he recommended that the resignations be accepted. Upon motion by Director Rossig and second by Director Johnson, the Board voted 3-0 to accept the resignations of Directors Mura and Henry with regret.

Mr. Bartram then noted that the resignations created vacancies on the Board, which, so long as a quorum of the Board remained, could be filled by appointment; and he indicated that Director Roberts had identified Mr. Huntley and Ms. Hudson as candidates to fill the vacancies. At this time, Mr. Huntley and Ms. Hudson introduced themselves, reviewed their backgrounds and experience, and confirmed that they were excited about the opportunity to serve on the Board. Upon motion by Director Johnson and second by Director Rossig, the Board voted 3-0 to appoint Mr. Huntley to fill the vacancy on the Board created by Director Mura’s resignation and to appoint Ms. Hudson to fill the vacancy on the Board created by Director Henry’s resignation.

Mr. Bartram then stated that the Board would consider the sworn statement, oath of office, and bond application for Directors Huntley and Hudson. Directors Huntley and Hudson gave their oaths and completed their sworn statements and bond applications, which upon motion by Director Johnson and second by Director Roberts, were accepted by the Board by a vote of 3-0.

Mr. Bartram stated that the Board would next discuss Open Meetings Act and Public Information Act issues related to the appointment of a new Director. He indicated that Directors Huntley and Hudson, as new Directors, were required to undergo Open Meetings Act training within 90 days of taking office. He stated that a training video produced by the Texas Attorney General's office was available online, and he directed the new Directors' attention to the memorandum attached as **Exhibit "C"** for additional information. He next reviewed the Public Access Option Form attached as **Exhibit "D"**, which he stated would need to be completed by Directors Huntley and Hudson within 14 days of taking office.

Mr. Bartram then stated that the Board would consider the election of officers. After discussion, Director Rossig moved to elect the following slate of officers:

Wilmer Roberts	-	President
Tracy T. Johnson	-	Vice President
Sarah Rossig	-	Secretary
Gwen Huntley	-	Assistant Secretary
Melissa Hudson	-	Assistant Secretary

Upon second by Director Johnson, the motion passed unanimously.

Mr. Bartram next recommended that the Board update the Urgent Matters Subcommittee assignments, noting that Director Mura had been a member of the committee and that Director Henry had been the alternate. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to replace Ray Mura with Director Johnson on the Urgent Matters Subcommittee and to make Director Rossig the alternate.

Mr. Bartram next recommended that the District's current Registration Form be revised to reflect the appointment of Directors Huntley and Hudson to the Board and the new slate of officers. He requested the Directors and consultants to review their personal information and confirm that everything was still current. After review, upon motion by Director Rossig and second by Director Roberts, the Board voted unanimously to approve the revised District Registration Form attached as **Exhibit "E"** and its filing with the Texas Commission on Environmental Quality (the "**TCEQ**").

Mr. Bartram then concluded the Director Items by recommending that the account resolutions and signature cards for all of the District's bank accounts be updated to remove Ray Mura and Daffney Henry and to add Directors Huntley and Hudson. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the Resolution Approving Change in Bank Signatories and Change Certificate (Bookkeeper's Account), the Resolution Approving Change in Bank Signatories and Change Certificate (Operating Account), and the Resolution Approving Change in Bank Signatories and Change Certificate (Lock Box Clearing Account) attached collectively as **Exhibit "F"**, and all related signature cards.

Mr. Bartram stated that the Board would next consider approving the minutes of the December 3, 2025 Board meeting. After review, upon motion by Director Roberts and second by Director Rossig, the minutes were approved unanimously.

Mr. Bartram next announced that the Board would consider the Annual Review Items on the agenda. He first reviewed the District's identity theft prevention program, which he indicated was modeled on the requirements of the federal government's "red flag rules". Mr. Hendrix reported that the program had proved effective and that he was not recommending any changes this year. Upon motion by Director Johnson and second by Director Rossig, the Board voted unanimously to approve the Resolution Confirming Annual Review of Identity Theft Prevention Program attached as **Exhibit "G"**.

Mr. Bartram then reviewed the District's current code of ethics and financial management policies and stated that he did not have any revisions to recommend at this time other than to update the list of qualified brokers. Upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the Resolution Confirming Annual Review of Certain Financial Management Policies; Ratifying Adoption of Code of Ethics and Financial Investment, Financial Management, Travel, and Professional Services Policy; Ratifying Adoption of Investment Strategies; Ratifying Designation of Investment Officers; and Confirming Review and Adoption of Amended List of Qualified Brokers attached as **Exhibit "H"**.

Mr. Bartram next called the Board's attention to the District's written procedures for post bond issuance federal tax compliance and highlighted the arbitrage, private use, and records retention requirements. He stated that these procedures would likely evolve over time to keep up with underlying regulatory changes but that the District's bond counsel was not recommending any changes this year. Upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the Resolution Confirming Annual Review of Written Procedures for Post Bond Issuance Federal Tax Compliance attached as **Exhibit "I"**.

Mr. Bartram next reviewed the District's current water conservation and drought contingency plan. He reminded the Board that the plan had been overhauled in 2024 and 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 course of last year. Upon motion by Director Roberts and second by Director Rossig, 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 "J"**.

Mr. Bartram then concluded the Annual Review Items by referring the Board to the Declarations pages for the District's current insurance coverage attached as **Exhibit "K"**. He recommended that the Board review the current limits and deductibles in order to confirm that the Board was comfortable with the scope of coverage. Messrs. Barcellona and Hendrix verified that they had reviewed the District's property insurance schedule and determined that everything was up to date. After discussion, the Board generally concurred that the scope and limits of the District's insurance coverage were adequate.

Mr. Bartram next recognized Ms. Olson for purposes of receiving a report from the District's auditor in connection with the audit of the District's financial statements for the fiscal year ended September 30, 2025. Ms. Olson first reviewed the fraud and related party questionnaires attached collectively as **Exhibit "L"**, which she stated were provided under applicable governmental auditing standards as part of the auditor's audit planning process to document material misstatements caused by fraud and to identify related party relationships and transactions, and she advised anyone with questions or concerns about fraud or related party relationships to contact her office. Ms. Olson next presented the "Travis County Municipal Utility District No. 2 Year Ended September 30, 2025 Financial Statements, Supplementary Information and Independent Auditor's Report" (the "**Audit Report**") attached as **Exhibit "M"**, including a summary of (i) the independent auditor's report, which she explained contained a "clean", or what

was now referred to as an “unmodified”, opinion, and was the best opinion that the District could receive; (ii) the Management’s Discussion and Analysis, which she explained was a summary of District operations prepared by the District’s bookkeeper on behalf of District management in compliance with applicable governmental accounting standards; (iii) the basic financial statements and the notes thereto; (iv) the Required Supplementary Information; (v) the Texas Supplementary Information; and (vi) the Other Supplementary Information. She focused the Board’s attention on the balance sheet, income statement, budget-to-actual comparison, and various notes to the financial statements. She indicated that the District had ended the fiscal year with a ±\$509,000 positive budget variance, a positive net position of approximately \$5.8 million, and a tax collection rate of over 98%. She also highlighted a prior period adjustment related to the purchase of “smart” water meters that were expensed last year and were being capitalized this year. Ms. Olson next reviewed the audit summary letter attached as **Exhibit “N”**, which she noted was a required communication under applicable auditing standards, and confirmed that no significant difficulties were encountered, that no material adjustments were required, and that there had been no disagreements with management in connection with this year’s audit. Ms. Olson then reviewed the Board representation letter attached as **Exhibit “O”**, which she pointed out incorporated certain “knowledge” and “reliance” qualifiers that took into account the fact that the Board had not undertaken independent investigations and was relying on the advice of the District’s consultants in making the representations set forth in the letter. She stated that similar letters would be signed by the District’s utility operator and bookkeeper. After discussion, upon motion by Director Huntley and second by Director Johnson, the Board voted unanimously to approve the Board representation letter and the Audit Report and to authorize the filing of the Audit Report as and where applicable.

Mr. Bartram next announced that the Board would consider the Bond Items section of the agenda. He reminded the Board that it had previously engaged JHA to prepare the report for the District’s next bond application, and he stated that it was his understanding that the application was on schedule to be filed this month. Mr. Mostowy confirmed that to be the case, pending receipt of all close-out documentation for the facilities being funded. Ms. Smith then reviewed the Draft Summary of Costs and related feasibility materials attached collectively as **Exhibit “P”** and noted that she had sized the par amount of the bonds at \$2,330,000. She also called the Board’s attention to the Schedule of Events attached as **Exhibit “Q”** and noted that she expected the District to be in a position to approve the offering documents in May, to award the sale of the bonds in June, and to close the sale of the bonds in July. Mr. Bartram recommended that, if the Board desired to move forward as proposed, the Board authorize the bond application to be filed with the TCEQ when complete, as well as authorize the notice of submission of the bond application to be sent to the City of Manor as and when required by the District’s “consent agreement” with the City. He noted that the project engineer had not yet issued a certificate of completion for the streets in Section 18A and that, therefore, TCEQ rules required a guaranty from the developer to ensure the completion of the streets. He, accordingly, recommended that the Board approve the Street Construction Agreement attached as **Exhibit “R”**, which, if needed, would authorize the District to withhold an amount of funds from the developer’s reimbursement proceeds sufficient to complete the streets. He indicated that such an agreement was commonly referred to as a “holdback agreement”. Mr. Bartram also recommended that, in the interim, the Board engage the District’s auditor to prepare a report on reimbursable costs for the 2026 bonds, as required by applicable law prior to reimbursement of the developer, and authorize the existing Urgent Matters Subcommittee to act on any and all matters related to the bonds that may be lawfully taken by a subcommittee in order to have a backup plan in the event of any meeting quorum issues. Ms. Smith asked that the Board also approve a resolution requesting an updated assessed valuation from the appraisal district to help her prepare the offering documents with the latest information. At this time, Ms. Olson directed the Board’s attention to the engagement letter with her firm attached as **Exhibit “S”** for the preparation of a report on reimbursable costs for

the 2026 bonds. She noted that the estimated fee range was \$12,000 to \$14,000, which she characterized as comparable to the fee for the District's last bond issue. After discussion, upon motion by Director Johnson and second by Director Rossig, the Board voted unanimously as follows: (i) to adopt the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds attached as **Exhibit "T"**; (ii) to authorize notice of the filing of the bond application to be sent to the City of Manor as and when required by the District's "consent agreement" with the City; (iii) to approve the Street Construction Agreement, as presented; (iv) to approve the engagement letter with McCall Gibson Swedlund Barfoot Ellis PLLC for the preparation of a report on reimbursable costs for the bonds; (v) to approve the Resolution Requesting Updated Appraised Value attached as **Exhibit "U"**; and (vi) to authorize the Board's Urgent Matters Subcommittee to act on any and all matters related to the bonds that may be lawfully taken by a subcommittee.

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; that EPCOR's new water booster station was now on line; and that he was working at the Master District level to resolve the persisting water discoloration complaints within the community. He stated that the additional core samples of the Master District's 24" water line had been completed and that the condition of the pipe in those locations was similar to the original "coupons" – *i.e.*, the integrity of the pipe itself was sound but that the inside of the pipe had not been coated and, thus, the iron and manganese were leaching out. He indicated that "ice pigging", which he likened to a colonoscopy of the water line, was the recommended next step and that JHA had been directed by the Master District to prepare a proposal for preparation of the bidding documents. He stated that ice pigging the entire Master District water line would take 27 days and cost approximately \$525,000. He added that, although ice pigging would not require water service to be shut down, it would cause water discoloration and that, therefore, a public relations campaign was recommended before work commenced. The Board generally agreed. Director Hudson stated that transparency was important; and Director Roberts suggested that community meetings be scheduled. Director Rossig asked what the longevity of the ice pigging would be, and Mr. Hendrix estimated five to seven years. Director Roberts asked if Metro Water Systems, Inc. ("Metro"), the wholesale water provider, was experiencing similar water discoloration issues. Mr. Hendrix stated that Metro was not seeing the same problem because Metro's pipeline was made of concrete, not ductile iron.

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 had performed very well through the recent freezing weather and was in compliance with the discharge permit, that the 1.0 mgd expansion was nearing final completion, and that the engineering work on the 1.5 mgd expansion had reached the 90% design milestone.

Mr. Bartram next reported that the Master District was contemplating the issuance of Master District bonds to fund the 1.5 mgd wastewater treatment plant expansion, as evidenced by the Notice of Intent to Issue Bonds to the Participant Districts attached as **Exhibit "V"**; and he recommended that the Board confirm receipt of such notice under the Master District Contract. After discussion, upon motion by Director Rossig and second by Director Roberts, the Board voted unanimously to confirm receipt of the Master District's notice of intent to issue bonds pursuant to the letter attached as **Exhibit "W"**.

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, had been paved and that vertical home construction was expected to begin soon, pending installation of the electrical transformers.

Mr. Bartram next recognized Director Johnson for a report on website design and management. Director Johnson reported that there had been no major changes to the District's website other than routine postings. He also reported that he had verified that the current website template was in compliance with the Americans with Disabilities Act regulations applicable to governmental websites.

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 "X"** and reviewed the latest water usage, water accountability, connection, billing, and delinquent accounts reports. He reported that water loss was still unreportable because the new master meter had malfunctioned and would need to be replaced. He added that a Badger master meter had been ordered and that the plan was to connect the new Badger meter to the Master District's AMI/smart meter system. Mr. Hendrix also indicated that he had discussed with Metro the effect that the two failed master meters would have on the Master District's take-or-pay water purchase obligations for the current wholesale water contract year and that Metro had agreed that, because of limited growth within the system over the last year, this year's take-or-pay limit would not be exceeded and that there would be no change in the take-or-pay obligations for next year. He next reported 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; and 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.

Mr. Hendrix next called the Board's attention to the "NOTICE OF INTENT TO SUE" email attached as **Exhibit "Y"** and explained that a customer in another district managed by Crossroads, who was upset about a delinquent utility bill, was threatening to sue Crossroads' other clients in an effort to highlight alleged regulatory non-compliance and harassment. Mr. Hendrix stated that Crossroads had verified that the individual in question was not a resident or customer of the District and that her assertions did not affect the District directly. Mr. Bartram recommended that the District not respond to the email at this time. The Board concurred.

At Mr. Hendrix's request, Mr. Barcellona next addressed maintenance of the District's drainage channel adjacent to the Butler tract. Mr. Barcellona directed the Board's attention to the "Travis County MUD 2 Channel Repair/Rehabilitation Overview" dated January 20, 2023 prepared by Bauerle Partners, Inc. attached as **Exhibit "Z"** and explained that the channel had been overgrown and in need of maintenance for some time. He recommended, as a first step in the rehabilitation process, that the Board engage a surveyor to perform a topographic and tree survey to establish elevations and flow lines; and, to that end, he presented the proposal from Landesign Services, Inc. attached as **Exhibit "AA"**, which he noted was in the amount of \$15,480. Mr. Hendrix noted that brush and vegetation clearing may be required in order to facilitate the survey work, and he, therefore, recommended that the Board authorize TexaScapes to perform such clearing on a time and materials basis, not to exceed \$5,000. Director Johnson asked if the owners of the Butler tract could share in the cost of rehabilitating the drainage channel. Mr. Bartram acknowledged that it was a possibility but recommended that the District first verify the location and ownership of the channel and what property it served. After

discussion, upon motion by Director Hudson and seconded by Director Johnson, the Board voted unanimously to approve the proposal from Land Design Services, Inc. for the topographic and tree survey, as presented, and to authorize TexaScapes to clear brush and vegetation within and around the channel in order to facilitate such survey on a time and materials basis at a cost not to exceed \$5,000.

Mr. Hendrix next reported that TexaScapes had identified damage to an outfall at the Southwest detention pond, which was a joint facility managed by the District for the benefit of both the District and Wilbarger Creek MUD No. 1. Mr. Fadal first reviewed the “before and after” photographs of the pond cleanup work recently authorized by the Board attached as **Exhibit “BB”**. He explained that, while performing this work, TexaScapes crews had noticed erosion and undermining of soil affecting one of the concrete pond outfalls, as reflected in the photographs included in TexaScapes Proposal for Landscape Services No. 10743 attached as **Exhibit “CC”**. Mr. Fadal summarized his recommendations to remediate the erosion and stabilize the outfall structure, which he indicated would be performed at a cost not to exceed \$8,000. Director Roberts asked if the void under the outfall could be filled with concrete. Messrs. Fadal and Barcellona acknowledged that doing so might be an option but would be a more involved and engineered (*i.e.*, expensive) solution. After discussion, upon motion by Director Rossig and second by Director Johnson, the Board voted unanimously to approve TexaScapes Proposal for Landscape Services No. 10743 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 “DD”** and recommended approval of all Director and vendor payments and fund transfers, as well as the District’s March bond payments. He next reviewed the District’s latest quarterly investment report, collateral report, tax collection report, and financial statements. He indicated that  $\pm 75\%$  of the District’s 2025 tax levy had been collected, that expenses were in check, and that the District was  $\pm \$55,700$  ahead of plan through the current reporting period. After discussion, upon motion by Director Roberts and second by Director Johnson, the Board voted unanimously to approve the Director and vendor payments, fund transfers, and bond payments, as presented.

Mr. Bartram next recognized Ms. Smith for a report from the District’s financial advisor. Ms. Smith directed the Board’s attention to the MSRB Rule G-10 and G-42 disclosure letter attached as **Exhibit “EE”**, which she indicated was an annual disclosure required under applicable federal securities laws regarding Public Finance Group’s role as a “municipal advisor” and that no action was necessary by the Board. She stated that Public Finance Group was in compliance with all applicable securities laws and had no conflicts of interest.

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 “FF”**, and first reported that no additional pay estimates had been received for ShadowGlen Phase 2, Section 18A and that ShadowGlen Phase 2, Section 18B was in design. Mr. Barcellona next reviewed the memorandum addressing the purpose of and requirement for permanent water quality controls (PWQCs) attached as **Exhibit “GG”**, and reported that the developer’s design engineer had prepared and submitted to Travis County an application for a PWQC permit for Section 18A, a copy of which is attached as **Exhibit “HH”**. Mr. Barcellona then concluded his report by indicating that the proposal for America’s Water Infrastructure Act (AWIA) compliance was not ready and would be included for consideration on a future agenda.

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 then referred the Board to the Memorandum attached as **Exhibit “II”** and explained that, pursuant to House

Bill 1500 passed during the 2025 Legislative Session, all Board members were required to complete cybersecurity training on an annual basis and that the District had to verify and report compliance to the Texas Department of Information Resources (the “DIR”) by August 31<sup>st</sup> each year. Mr. Bartram noted that the DIR had certified numerous cybersecurity training courses that could be completed independently; and he suggested that the Board consider the free 30-minute video produced by the Texas Municipal League Intergovernmental Risk Pool, which was the District’s cybersecurity insurance carrier. The Board concurred and directed Mr. Bartram to have someone in his office send a link to such video to each of the Board members so that they could complete the training requirements independently. Mr. Bartram stated that he would do so.

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 next month, the March meeting would be canceled and the April meeting would be held as scheduled on April 1<sup>st</sup>.

Mr. Bartram then asked if there was any further business to come before the Board. Director Roberts requested that information regarding the 2026 Summer CASE Conference be included in the next meeting packet. Mr. Bartram stated that he would do so.

There being no further business to come before the Board, the meeting was adjourned at 2:21 p.m.

*(Signature page follows.)*

(SEAL)



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

A handwritten signature in cursive script, appearing to read "Melissa Hudson", written over a horizontal line.

Melissa Hudson, Assistant Secretary  
Board of Directors

Date: April 1, 2026