

**Second Amended
Williamson County and Hutto Education Foundation
Solid Waste Fee Funding Policy**

On January 11, 2011, the Williamson County Commissioners Court adopted the Williamson County and Hutto Education Foundation Solid Waste Fee Funding Policy ("Policy") and thereafter amended the Policy pursuant to a First Amended Williamson County and Hutto Education Foundation Solid Waste Fee Funding Policy ("First Amendment") dated effective December 18, 2012. The purpose of the Policy, as amended, is to provide guidelines and regulations to the Hutto Education Foundation relating to the Solid Waste Fee Account established by Williamson County through collections of fees at the Williamson County Landfill. The Williamson County Commissioners Court hereby amends the Policy and all prior amendments and supplants them with this Second Amendment to Williamson County and Hutto Education Foundation Solid Waste Fee Funding Policy.

FUNDING POLICY

1. Hutto ISD Solid Waste Fee Distribution

- a) The Hutto Education Foundation shall receive the fees designated for the Hutto ISD.
 - I. Up to One Percent (1%), or no less than \$20,000, of the Solid Waste Fees collected each year shall be transferred to the Hutto Education Foundation annually at the discretion of the Williamson County Commissioners Court.
 - II. Each year, the Hutto Education Foundation shall deposit Twenty Five Percent (25%) or a minimum of Twenty Thousand Dollars (\$20,000) of the Solid Waste Fees received (the "Minimum Annual Investment Amount") in an endowment (the "Endowment Fund"). The Minimum Annual Investment Amount must be deposited each year into the Endowment Fund until the Endowment Fund balance amounts to Five Hundred Thousand Dollars (\$500,000).
 - III. The Board of Trustees of the Hutto Education Foundation may compose an "Endowment Committee" or appoint an entity that shall have financial expertise to manage, hold and/or own the Endowment Fund for the benefit of the Hutto Education Foundation. In the event the Hutto Education Foundation appoints an entity other than itself to hold and/or own the Endowment Fund for the benefit of the Hutto Education Foundation, the Hutto Education Foundation and such entity must enter into an agreement that contains adequate controls necessary to accomplish the intent of this Policy.
 - IV. The Endowment Fund shall be kept in a separate account and shall not be commingled with any other Hutto Education Foundation monies or funds maintained by the Hutto Education Foundation. The Hutto Education Foundation or its designee shall invest the funds of the Endowment Fund using the "Endowment Investment Policy" put in place by the Hutto Education Foundation Endowment Committee and Trustee in order to obtain a maximum amount of return.
 - V. In no event shall the principal balance of the Endowment Fund be reduced to an amount that is less than Five Hundred Thousand Dollars (\$500,000) once the balance of the Endowment Fund is built up to Five Hundred Thousand Dollars (\$500,000) (the "Minimum Fund Balance"). At the discretion of the Williamson County Commissioners Court and the Hutto Education Foundation, the Minimum Fund Balance (\$500,000) of the Endowment Fund may be increased.
 - VI. Any portion of funds that are received in excess of the Minimum Annual Investment Amount may be distributed throughout Hutto ISD in direct services that assist student learning including teacher training, purchase of classroom and library materials, technology, college and technical training scholarships, and equipment; and/or

deposited into the Endowment Fund.

- VII. Once the Minimum Fund Balance (\$500,000) is attained, any principal that is in excess of the Minimum Fund Balance (\$500,000) and any interest earned on such fund may be used for higher education of high school students, which shall include, but not be limited to two year, four year and technical education programs. Any principal exceeding the Minimum Fund Balance (\$500,000) and any interest earned on such funds are intended for the sole purpose of providing higher education opportunities for Hutto ISD students.
 - VIII. Up to a maximum of five percent (5%) of the funds that are collected in excess of the Minimum Annual Investment Amount can be used for administrative work of the Hutto Education Foundation.
 - IX. Upon prior notice and consent of the Williamson County Commissioners Court, up to ten percent (10%) of the funds that are collected in excess of the "Minimum Annual Investment Amount" may be used to provide higher education opportunities for Hutto ISD graduates payable directly to a higher education center in Education Service Center Regions XII and X.
 - X. The funds are not available for and shall not be used for on-going maintenance, construction or remodeling of any type of facilities or property without prior approval from the Williamson County Commissioners Court.
 - XI. Annually, the Hutto Education Foundation must provide a presentation and submit a report to the Williamson County Commissioners Court that includes the following:
 - A report on the Endowment Fund, which includes the end of year balance, the annual amount invested, interest made on the Endowment Fund, and amounts of return on any investments.
 - A report on how the previous funds were used and any goals, benchmarks or accomplishments that were met because of the funds.
 - XII. As set forth under Section 1.(a)(V.) above, the Minimum Fund Balance of the Endowment Fund shall never be reduced to an amount that is less than Five Hundred Thousand Dollars (\$500,000) once the balance of the Endowment Fund is built up to Five Hundred Thousand Dollars (\$500,000). The Minimum Fund Balance is the first benchmark in a continual process to build the Endowment Fund. The Williamson County Commissioners Court and Hutto Education Foundation agree to continually abide by the Solid Waste Funding Policy in order to grow the Endowment Fund. In order to achieve such growth, the Hutto Education Foundation, through the support of the Williamson County Commissioners Court, will work to grow the Endowment Fund by an additional minimum amount of \$200,000 every 10 years.
- b) The Williamson County Commissioners Court shall have the right, at any time, to suspend or deny any future transfers of any of the Solid Waste Fees to a particular organization should the Williamson County Commissioners Court determine that such organization is not using the fees in the manner that was approved by the Williamson County Commissioners Court or in any manner that violates any term or condition of this Policy.

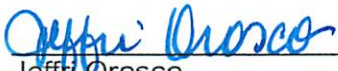
This Second Amended Williamson County and Hutto Education Foundation Solid Waste Fee Funding Policy was considered and approved in a duly called Regular Session of the Commissioners' Court of Williamson County, Texas and shall be effective as of the date of the last party's signature below. The following parties hereby acknowledge the terms of said First Amended Williamson County and Hutto Education Foundation Solid Waste Fee Funding Policy and hereby agree to comply with them:

Williamson County, Texas


Bill Gravell,
Williamson County Judge

Date: September 17, 2019

Hutto Education Foundation


Jeff Orosco,
Endowment Committee Chair,
Hutto Education Foundation

Date: September 5, 2019


Terrie Doggett
Board President
Hutto Education Foundation

Date: September 5, 2019