

MINUTES OF THE MEETING  
OF THE  
BOARD OF DIRECTORS

THE STATE OF TEXAS §  
COUNTY OF HAYS §  
HAYS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 §

The Board of Directors (the “Board”) of Hays County Water Control and Improvement District No. 2 (sometimes referred to herein as the “District”) met in Regular Session, on November 16, 2023 at 5:45 p.m. at the Belterra Centre, 151 Trinity Hills Drive, Austin, Texas and the roll was called to-wit:

Samantha E. Bethke	President
Lynn J. Lee	Vice President
Sean McGillicuddy	Secretary
William Carroll Kelly IV	Treasurer/Assistant Secretary
Chris Kopperud	Assistant Secretary

All members of the Board were present at the commencement of the meeting except Director McGillicuddy. The record shall reflect that all Board members present voted on all matters that came before the Board. Also present were Matt Kutac of the Law Office of Matthew B. Kutac PLLC, Vicki Hahn, paralegal, with Winstead PC, John Taylor, Chris Sanchez and Sally Gomez of Municipal Operations and Consulting, LLC, the operations and management contractor for the District, Chris Lane of Samco Capital Markets, Inc., the District’s Financial Advisor, Allen Douthitt with Bott & Douthitt, the District’s bookkeepers, Lauren Barzilla of Burgess & Niple (“BN”), the District’s engineer and Jesse Trevino with Sunscape Landscaping, the District’s landscaper.

1. PUBLIC COMMENT: Mr. Kutac called for public comment. Hearing none, the Board proceeded to the next item on the agenda.
2. MEETING MINUTES: The Board reviewed the Minutes from the October 29, 2023 Regular Board Meeting. Upon motion by Director Kopperud, seconded by Director Lee and unanimously carried, the Board approved such Minutes.
3. FINANCIAL:
  - a) Accounting Report: Mr. Douthitt reviewed Bott & Douthitt’s Accounting Report dated November 16, 2023 with the Board, which included a review of the Cash Activity Report and expenditures to be approved at the Board Meeting that same day. Such Cash Activity Report included director and vendor payments, fund transfers and the Financial Statements for September 30, 2023 for review and approval by the Board.

b) Administrative and Action Items:

Upon motion by Director Lee, seconded by Director Kelly and unanimously carried, the Board accepted the Accounting Report and approved all disbursements and transfers set forth in the Accounting Report. In addition, the Board authorized the addition of a check to Director Lee for the per diem for this meeting which was inadvertently left out of the report. Later in the meeting, Mr. Douthitt realized that payment to Mr. Kutac was inadvertently left off the disbursement list. Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board authorized disbursing a check to Mr. Kutac.

4. LANDSCAPING:

- (a) Sunscape Report: Mr. Trevino informed the Board that he will be changing out the Frizzle Sizzle plants because the deer are eating them. He will replant with snap dragons. The Board confirmed that snapdragons are acceptable to them. With respect to the staging area, Sunscape seeded with rye before the erosion matting. In the spring, there will be prairie blend. The Pinnacle bed is constructed, planted and completed. He noted that with respect to mowing, Sunscape is mowing bi-monthly for winter. The Angelina Trail head is covered with temporary matting. Per John Taylor, the matting will stay and, in the spring, if it is not decayed, they will trim and cut it.
- (b) Trail Maintenance: No action was taken by the Board.

5. ENGINEERING:

- a) WWTP Joint Facility Report: Ms. Barzilla mentioned that the meter replacement was completed at the WWTP so the next step is to connect the 12" and 8" lines at the school.

With respect to the Drip Skid repair, Ms. Barzilla noted that once the damage caused by the lightning strike is repaired, the contractor will move forward with the 2<sup>nd</sup> Drip Skid repair. She mentioned that the contractor's original estimate was \$2,000 but he would like to revise his estimate not to exceed \$4800. She pointed out that HCWCID No. 1 approved this increase at their last meeting.

- b) With respect to the water tank infrastructure, Ms. Barzilla recommended approval of Task Order 77 for the Water Storage Site Modeling and Opinion of Probable Cost for the additional water infrastructure. Ms. Barzilla went on to explain that the Task Order is for the following:
- i) Creating water models to size water storage facilities for an average day scenario and provide OPC's for the following scenarios. The scope will also include preliminary site layouts for each of the below scenarios:
- One water storage site for Hays County WCID Nos. 1 and 2 assuming there is no supply from WTCPUA for a period of four days.
  - One water storage site for Hays County WCID Nos. 1 and 2 assuming there is a limited supply from WTCPUA. The purpose of this scenario would be to size the

water storage tanks to offset the difference in flow between the Districts' peak and the low supply from WTCPUA.

- Two water storage sites, one for each District, assuming there is no supply from WTCPUA for a period of four days.
- Two water plant storage, one for each District, assuming there is a limited supply from WTCPUA. The purpose of this scenario would be to size the water storage tanks to offset the difference in flow between the Districts' peak and the low supply from WTCPUA.

Ms. Barzilla explained that if the WTCPUA has a Boil Water Notice, the District is currently required to issue a Boil Water Notice. If the District uses its own water infrastructure during a period when the WTCPUA has a Boil Water Notice, the District can potentially avoid the Boil Water Notice for a period of days commensurate with the size of the storage facilities. The Board questioned whether having the water tank would help with the pressure in the District and Ms. Barzilla confirmed that it should.

- c) District Report: Ms. Barzilla discussed two options with respect to the trail drainage issues including a drainage swale. Director Bethke recommended holding off on the swale drainage project at the moment. The Board requested that Ms. Barzilla solicit three bids for a swale drain proposal, including Sunscape, and to present those bids to the Board.

With respect to the Gabion Wall Replacement, design is ongoing and the next step will be to get bids. Ms. Barzilla noted that due to the price of the replacement, she will need to publicly advertise for bids.

- d) Additional Action Items: No action items.

Upon motion by Director Lee, seconded by Director Kelly and unanimously carried, the Board accepted the Engineering Report.

## 6. MANAGEMENT AND OPERATIONS:

- a) Manager's Report: Mr. Taylor reviewed MOC's Management Report. Mr. Taylor reviewed the Sunscape invoices for irrigation repairs and informed the Board that Mr. Merrick is no longer with Sunscape so there will be a new irrigation person at Sunscape.

Mr. Taylor requested that the trees that have died at the WWTP be replanted. He mentioned that the HCWCID No. 1 Board has asked that the District split the cost with them. The Board discussed the number and type of tree that would be planted. The Board also discussed that their preference is not to use Leyland Cypress trees. One of the Board members previously had Leyland Cypress trees and they were not easy to take care of and eventually they all died.

The Board discussed repairing the potholes along the nature trail. The Board requested that Mr. Taylor present pictures at the next Board meeting of the potholes.

The Board asked the status of the sidewalk repairs. Mr. Sanchez replied that they have not started yet.

The Board requested that MOC check on the culverts that are getting storm debris on a regular basis.

The Board discussed that they felt the fall brush pick up was a little too early and asked that, if possible, next year the brush pick-up be in December.

The Board discussed the potential park at Pinnacle and questioned if they should start working on it. The Board has the design money in the budget but not the construction costs. The Board questioned whether they could move forward with obtaining permits but Ms. Barzilla reminded the Board that some of the permits have expiration dates so they should wait until the plans to move forward are definite. The Board decided to look at potential sites for the Pinnacle Park. The Parks Committee will work on the issue and make recommendations to the Board.

MOC noted that the Mesa Verde water fountain should get here in December.

- b) Public Hearing for Violations of District Rules: None were presented.

- c) Additional Action Items:

- Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board authorized the Sunscape irrigation invoices totaling \$4,383.24.
- Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board authorized sharing the cost of planting trees at the WWTP for a total cost of \$8,035.69 to be split between the districts, but requested that another type of tree be substituted for the Mexican Sycamores.
- Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board authorized MOC to clean up at 163 Big Horn and

11981 Mesa Verde.

- Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board authorized crediting \$250 to a customer's water bill contingent upon receiving adequate proof that the leak was repaired.

Upon motion by Director Bethke seconded by Director Lee and unanimously carried, the Board accepted the General Manager's Report.

## 7. ADMINISTRATIVE AND LEGAL:

- a) Committee Administrative Matters: The Board reviewed the draft Resolution with respect to committees and decided not to pursue revising the committees but determined that they could discuss who is on each committee. Ultimately the Board decided to defer the issue to the next Board meeting.
- b) Amended District Information Form: Ms. Hahn reviewed the Amended District Information Form with the Board and explained that it had been amended to include the new tax rate set by the District as well as updating the Notice to Purchaser with new requirements as set forth in HB 2815 enacted during the 88th Legislative Session.

Upon motion by Director Kelly, seconded by Director Kopperud and unanimously carried, the Board approved the Amended District Information form.

- c) Water Contract Items: Mr. Kutac informed the Board that he wrote a letter to the WTCPUA to inform them that the District was having water pressure issues. The WTCPUA responded that they would like to meet. Mr. Kutac is working on scheduling a date for that meeting, probably on December 12<sup>th</sup> or December 13<sup>th</sup>. In addition, Mr. Kutac stated that he has asked the WTCPUA to switch the District back to the old pressure plane. He will update the Board at the next Board meeting.
- d) Water Conservation and Drought Contingency Plan: No action was taken by the Board
- e) Legal Matters:
  - i) Potential Engagement of Litigation Counsel: Mr. Kutac noted that he has not heard an official response from Kubota with respect to the membrane warranty claim. He informed the Board that if the Districts are interested in pursuing a claim, he recommends that they retain litigation counsel to investigate the matter and send a demand letter to Kubota if appropriate. Mr. Kutac then mentioned that HCWCID No. 1 has approved hiring Mr. Lackey to review this potential claim with litigation fees not to exceed \$5,000.

Upon motion by Director Kelly, seconded by Director Lee and unanimously carried, the Board approved an initial litigation review of a potential claim with respect to the membranes.

ii) General Legal Matters: No action taken by the Board.

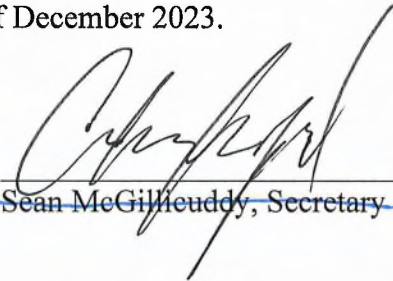
f) Calendaring: The Board determined that the next regular Board meeting will tentatively be December 21, 2023.

8. EXECUTIVE SESSION: With regard to Item Nos. 7(a) and 7(e)(i) of the posted agenda for the meeting, the Board retired, along with Matt Kutac to Executive Session at 7:27 p.m.

Following such Executive Session the Board reconvened in public session at 7:48 p.m. No action was taken by the Board during Executive Session.

9. ADJOURNMENT: There being no further business to conduct, Director Kopperud moved that the meeting be adjourned, which motion was seconded by Director Lee and unanimously approved. The Board adjourned until further call.

APPROVED AND ADOPTED on the 21st day of December 2023.

  
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~~Sean McGillicuddy, Secretary~~

