

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

HAYS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1 §

The Board of Directors (the "Board") of Hays County Water Control and Improvement District No. 1 (sometimes referred to herein as the "District") met in special session, open to the public, at Belterra Centre, 151 Trinity Hills Drive, Austin, Texas, the District's office within the District, on February 6, 2020, and the roll was called of the members of the Board of Directors, (herein referred to as the "Board") to-wit:

Douglas L. Botts	President
Paul Kelly	Vice President
Daniel B. Robison	Secretary
Bill Dally	Treasurer/Asst. Secretary
Rick Lucas	Assistant Secretary

All members of the Board as listed above were present at the commencement of the meeting. All directors present voted on all such items. Also present were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Judy McAngus, paralegal with Winstead PC, Chris Lane with SAMCO Capital Markets, Inc. ("SAMCO"), the District's financial advisor, Lisa Adkins of Inframark, the District's general management and operations contractor, Lauren Barzilla with CMA Engineering, Inc. ("CMA"), engineers for the District, and Jimmy Romell of Maxwell Locke & Ritter LLP ("MLR"), auditor for the District.

The meeting was called to order, and evidence was presented that public notice of such meeting had been given as required by law

1. Director Botts called for public comments, hearing none, the Board moved to its next agenda item.

2. The Board recognized Jimmy Rommel of MLR who confirmed that the Directors had received draft copies of the Financial Statements and Supplemental Information for the year ended September 30, 2019 and Independent Auditors Report ("Financial Statements"). Mr. Romell reviewed such materials in detail with the Board, along with accompanying correspondence directed to the Board. Mr. Rommel noted that the audit was a clean audit. He reviewed certain new auditing standards imposed in the past year and reviewed the footnotes and relevant portions of the audit in detail with the Board. The Board discussed and received confirmations from Chris Lane that she felt the reserves reported in the Financial Statements are adequate and a safe level to fund contingencies that might be reasonably anticipated. Following

a full review of such materials and motion by Director Dally, seconded by Director Lucas and unanimously carried, the Board approved such Financial Statements and Supplemental Information and Independent Auditors' Report and accompanying management report as presented, acknowledged receipt of the management representation letter utilized in the preparation of such reports, and authorized the filing of the final report with the TCEQ and with Alan Petrov of Johnson Petrov LLP, disclosure counsel for the District, for filing with the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access ("EMMA") system. In addition, Judy McAngus noted that in compliance with recent legislation, she would also be uploading and filing the final audit on the State Comptroller's website. Additionally with respect to the Board's existing policy relating to postings on the joint District and Hays County Water Control and Improvement District No. 2 ("HCWCID No. 2") website and recently enacted legislation, Ms. McAngus noted that Inframark would need to post the final audit on the website.

3. The Board next reviewed an engagement letter from Maxwell Locke & Ritter LLP with regard to the preparation of an Agreed Upon Procedures Report ("AUP") in connection with reimbursements that will be funded with the proceeds of the District's Series 2020 Unlimited Tax Utility Bonds. Following a review and motion by director Dally, seconded by Director Robison and unanimously carried, the Board approved such engagement letter, a copy of which is attached hereto as **EXHIBIT "A"**.

4. Lauren Barzilla next reviewed a listing of a Summary of Costs to be included in the District's Bond Application Report No. 9, a copy of which is attached hereto as **EXHIBIT "B"**. It was noted that Chris Lane and Matt Kutac had met with the Finance Committee members of the Board, Directors Dally and Lucas, following the last regular Board meeting to review the proposed summary in detail, it being noted that they concurred with the Summary of Costs. Mr. Kutac noted that he had recommended to the Board at its January meeting, that following the Finance Committee's thorough review of such summary, if there were no additional questions from the committee, he would forward the final Summary of Costs on to both LH Belterra LLC and ERG Belterra, Ltd. for their concurrence and approval of such costs and certain related details regarding proposed reimbursements to such parties as set out in the January 22, 2020 Letter Agreement, a copy of which is attached hereto as **EXHIBIT "C"**. Mr. Kutac noted that he had not yet received formal responses or signatures to the Letter Agreement but was hopeful that he would be able to secure both parties execution with regard to such letter agreement and, if so, a fully executed copy would be attached as the referenced Exhibit "C".

5. The Board next reviewed a proposed form of Order Authorizing Application for Approval of Project and Ninth Bond Issue by the Texas Commission on Environmental Quality and Requesting Waivers and following a full discussion and motion by Director Kelly, seconded by Director Robison and unanimously carried, the Board approved the Order and authorized its execution and subsequent inclusion in the formal bond application to the TCEQ once the aforementioned Letter Agreement had been fully executed. A copy of said Order is attached hereto as **EXHIBIT "D"**.

6. It was note that the bond application in conjunction with the sale of the District's Series 2020 Unlimited Tax Utility Bonds ("Series 2020 Bonds") would be filed on an expedited basis (60 day approval time line) with the TCEQ and that as such, it would be timely to authorize the preparation of a proposed Preliminary Official Statement. Upon motion by Director Kelly, seconded by Director Robison and unanimously carried, the Board authorized the District's



financial advisor and other consultants to begin the preparation of the Preliminary Official Statement in connection with the District's Series 2020 Bonds.

7. The Board reviewed matters relating to the upcoming May 2, 2020, directors election, it being noted that to date three (3) candidate applications had been filed for the three (3) open positions on the Board. Following a full discussion, upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board adopted an Order Calling Directors Election, a copy of which is attached hereto as **EXHIBIT "E"**. It was discussed that Hays County was now a vote center county (meaning that the voters within the District would be able to cast their vote at any county early voting location and any county regular election day polling place designated for use by Hays County in the May 2, 2020 election). In addition and as relates to such election, upon motion by Director Lucas, seconded by Director Robison and unanimously carried, the Board jointly approved a proposed form of Contract for Election Services ("Contract") with the District and the Hays County Elections Administrator and a separate Joint Election Agreement between Hays County and the Local Political Subdivision (the District), copies as are attached collectively as **EXHIBIT "F"**. It was noted that pursuant to the Order, notice was to be provided pursuant to the current law and would be posted on the District's website prior to the commencement of early voting in such election. It was further noted that the posting would include a listing of the final polling locations and details as to dates and times of voting at such locations.

8. With respect to possible action regarding recent correspondence received from the West Travis County Public Utility Agency ("WTCPUA"), the Board discussed a draft response letter that had been prepared by Matt Kutac with information provided by both Lauren Barzilla and Kristi Hester and reviewed by Andy Barrett and confirmed their concurrence with such proposed response. It was noted that the letter would be finalized early next week and would be forwarded out to the WTCPUA and its attorney.


9. With regard to item 8 on the posted agenda for the meeting, upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board retired, along with Matt Kutac and Andy Barrett to Executive Session at 5:40 p.m.

10. Following such Executive Session and upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board reconvened in public session at 5:56 p.m.

There being no further business to conduct, Director Botts moved that the meeting be adjourned, which motion was seconded by Director Robison and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED this 12<sup>th</sup> day of March, 2020.



  
Daniel B. Robison, Secretary