

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

HAYS COUNTY WATER CONTROL AND 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 regular session, open to the public, at Belterra Centre, 151 Trinity Hills Drive, Austin, Texas, the District’s office within the District, for the purposes stated herein, on February 8, 2024 at 4:00 p.m. 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 participated in the meeting and were present at the commencement of the meeting. Also present at the meeting were Matt Kutac of the Law Offices of Matthew B. Kutac, PLLC, Vicki Hahn, paralegal with Winstead PC, Lonnie Wright, Beth Wright, Chris Sanchez and Sally Gomez of Municipal Operations and Consulting, LLC (“MOC”), the operations and management contractor for the District, Lauren Barzilla of Burgess & Niple, the District’s engineers, Allen Douthitt of Bott & Douthitt, the District’s bookkeeper, Andrea Burgard with Maxwell Locke & Ritter (“MLR”), the District’s auditor. In addition, members of the public included Marsha Hove from the Belterra Community Association (“BCA”), George Baker and Walter Almon.

1. Public Comment: Mr. Kutac reviewed the following rules for public comment; (i) comments are limited to 3 minutes per person; and (ii) the Board cannot dialog or take any actions during public comment and is limited to statements of fact, recitation of current policy, clarifying questions and requesting that items be added to a future Agenda. Mr. Kutac called for public comment.

Mr. Baker mentioned that the pond is not functioning and has not been working for a while. He noted that the ducks are contributing to the poor condition of the pond. He also

mentioned that there are too many turtles in the pond as well. The Board thanked Mr. Baker for his comments.

2. Consent Item: The Board reviewed the Minutes of the January 11, 2024 Regular Meeting. Upon motion by Director Lucas, seconded by Director Dally, and unanimously carried, the Board approved such Board Minutes.

3. Landscaping Report:

a) Landscaping Report: Mr. Trevino was unable to attend the Board meeting. In his absence, Ms. Wright reviewed the landscaping report with the Board.

The Board noted that the trails looked pretty good.

The Board reviewed the Sunscape Proposals for repairs.

Mr. Wright mentioned that the line by Trinity Hills supplying the reuse line has a leak near the pond. There will be no reclaimed irrigation along Trinity Hills until it is repaired. This repair needs to be prioritized. The cost will probably be around \$5,000 to repair. It will be more costly because the break is near the pond and it will cause extra work.

The Board then discussed that the valve repairs are normally under \$2,500 to repair so it is under MOC's authority to approve the proposals. MOC replied that since there were four proposals and the sum was greater than the MOC repair authorization, they felt it should be brought to the Board.

b) Action Items/Landscaping:

- i) Upon motion by Director Botts, seconded by Director Kelly and unanimously carried, the Board approved Proposal No. 28565 for \$3,188.21 to repair the mainline along Belterra Drive.
- ii) Upon motion by Director Kelly, seconded by Director Dally and unanimously carried, the Board approved Proposal No. 28582 for \$1,201.99 to repair the line break underneath the sidewalk at the corner of Belterra Drive and Aspen Hill.
- iii) Upon motion by Director Kelly, seconded by Director Dally and unanimously carried, the Board approved Proposal No. 28581 for \$1,116.71 to replace a malfunctioning valve in Controller (9) Zone 10.
- iv) Upon motion by Director Robison, seconded by Director Lucas and unanimously carried, the Board approved Proposal No. 28580 for \$1,349.49 to replace a malfunctioning valve at the Amenity Center Controller (12) Zone 20.
- v) Upon motion by Director Kelly, seconded by Director Dally and unanimously carried, the Board approved repairing the leak in the reuse line near the pond for a cost not to exceed \$7,500.00.

To avoid Ms. Burgard's having to attend the entire Board meeting, the Board asked her to present the audit report for FYE 2023 (see Section 6(b) below for the report).

4. Management and Operations Items: Ms. Wright reviewed MOC's Management Report.

Management: Ms. Wright presented the T.F. Harper & Associates quote for the drinking fountains and the trash cans. She reminded the Board that they wanted to put trashcans by the Belterra Centre and by the main pond, but reported that the costs came back very high. The Board discussed that in addition to the trash cans being so expensive, someone has to keep up with emptying them. They discussed that if they use an MOC employee to empty the trash cans, the time spent emptying the trash cans would be deducted from his 40-hour week. Ms. Wright recommends just moving forward with the water fountains.

The Board stated that the monument sign on Nutty Brown on the Trinity Hills side has a lot of mold on it. The Board requested that MOC get it cleaned. Ms. Wright replied that she would like to see it so she knows exactly which sign it is and she will take care of it. Director Lucas stated that he will take a picture of it and send it to her.

Ms. Wright mentioned that she met with the WTCPUA to discuss the Boil Water Notice issue so that everyone can get on the same page in the event there is another Boil Water Notice in the future. It was a good meeting.

The Board requested that Ms. Hove from the BCA be invited to the Joint Management Committee on February 27th.

Operations: Mr. Wright presented the Operations Report. He noted that they are still looking at possible solutions for odor control.

He mentioned that he received a quote from Alterman to repair the remaining issues at the STP from the lightning strike. TML would like to close this claim by February 15th.

- a) FEMA/TDEM: It was reported that the total claim for the damaged park equipment will be \$32,000, and FEMA/TDEM will reimburse the District approximately \$24,000. The reimbursement money will be deposited into the District's bank account, in the future, with no notice.
- b) Belterra Center: No update was given.
- c) Insurance Policies: Ms. Wright is working on getting quotes for insurance.

Standing Items:

- d) Customer Service: No action was taken by the Board.
- e) Non-Compliance with Rules and Service Requirements: Ms. Wright noted that the resident recently fined for unauthorized greenbelt use paid the \$2,500 fine.

The Board discussed that another resident cut trees, mostly cedars, in the greenbelt area behind their house. They did not damage any infrastructure, but the resident clearly violated the District's rules. The Board wants to be consistent and fair to all of the residents. It was noted that, when asked, the resident admitted to MOC that they cut the trees down. MOC has informed the resident that they were facing a possible fine.

- f) Customer Communications: No action was taken by the Board.
- g) District Facilities: See below.
- h) Action Items/Management and Operations:
 - i) Upon motion by Director Kelly, seconded by Director Robison and unanimously carried, the Board approved purchasing only the water fountains set forth in T.F. Harper's Quote dated February 1, 2024.
 - ii) Upon motion by Director Robison, seconded by Director Lucas and unanimously carried, the Board authorized the issuance of a \$2,500 fine to the resident at 240 Monarch.
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 - iv) Upon motion by Director Lucas, seconded by Director Dally and unanimously carried, the Board accepted the Management and Operations' Report.

Public Comment was re-opened at 5:00 p.m.

Mr. Baker provided brief comments regarding the proposed TxDot 290 expansion. In response, the Board then moved to item 5(e) of the agenda (see below for the discussion). After this discussion, the Board returned to the posted order of the agenda.

- 5. Engineering and Development Items: Ms. Barzilla of Burgess & Niple reviewed the General Engineering Report and the WWTP and 210 Reuse Irrigation Engineering Report.

During her report Ms. Barzilla requested that the Board approve the Water Line Easement for Unit 2 – Belterra 1B-2 Condominium and the approval of the Partial Release of Easement for Unit 2 – Belterra 1B-2 Condominium.

Ms. Barzilla asked the Board if they have any objection to her removing the Hays 1 Water Tracking and the Wastewater Summary from her report. These reports will be moved to MOC's General Management and Operations Report. The Board agreed to the request.

- a) Drip Irrigation Facilities: Ms. Barzilla informed the Board that Proscapes has completed the Drip Skid and Drip Field Repair. She is recommending approval of Pay Application to Proscapes for \$35,495.00 for the repairs. Ms. Barzilla also reviewed the Proscapes Pay Application for the valve repairs for \$25,760.00. She

reminded the Board that due to the length of time that the drip field were not operated, which was unknown to the Board, Proscapes predicts that there will be additional issues.

- b) Well Permit: Ms. Barzilla will check the status and see if the permit has been renewed.
- c) Reclaimed Water Fire Hydrant: The Board asked Ms. Barzilla to attend the upcoming Joint Management Committee to discuss locations for the fire hydrants.
- d) Potential Water System Improvement Project: Ms. Barzilla informed the Board that the bulk of the water model is completed. She will continue to work on the model.
- e) TXDOT US 290 Project: Ms. Barzilla presented the TxDOT 290 project map and the changes that will potentially impact the District. The main impact would be that a overpass is planned at the Belterra Entrance on 290. The TxDOT plan would take some of the District's 210 irrigation area for the expansion. The Board discussed alternative areas to use as 210 irrigation area. Ms. Barzilla mentioned that she has a map of the 210 irrigation area and would like the Board to review it to see if there are any potential 210 irrigation areas, that she is currently unaware of, that could be utilized.
- f) HOA Pickleball Court Project: Ms. Barzilla informed the Board that she has received plans this week for the Pickleball Court but she has not reviewed the plans yet. She needs guidance regarding the drainage calculations and water quality required. Ms. Hove does not think that Sport Court can provide that type of information. Mr. Kutac informed Ms. Hove that the District needs to look at the drainage and water quality and confirm that they have the capacity for additional impervious. Mr. Kutac clarified that the District will review these aspects of the project, but it will not be responsible for BCA compliance or giving advice on what is required by state and local law. The District can help the BCA by waiving the review deposit for the engineer's review of the Pickleball Court plans, but that is the extent of the help they can provide. Mr. Kutac re-iterated that the HOA will be responsible for determining and complying with state and local law as well as for any required submissions to the City of Dripping Springs and to the TCEQ. Ms. Barzilla stated that she will review the Pickleball Court plans but she cannot do the drainage calculations or water quality report. She can only review the calculations provided to her by the BCA. Mr. Kutac clarified that he is not giving the BCA legal advice on how to proceed after Ms. Barzilla reviews the plans.
- g) Action items/Engineering:
 - i) Upon motion by Director Botts, seconded by Director Lucas and unanimously carried, the Board approved the Water Line Easement for Unit 2 – Belterra 1B-2- Condominium contingent upon completion of the project and the repairs passing inspection.

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 - v) Upon motion by Director Lucas, seconded by Director Botts and unanimously carried, the Board accepted the Engineering Report.
6. Financial Report: Mr. Douthitt reviewed the February 8, 2024 Accounting Report and related disbursements, including the Monthly Financials, Cash Activity Report, Cash/Investment Activity Report, Monthly Tax Collection Report, Budget Comparison, Check Register and wires, Bond Reporting and Budgets and other financial reporting.
- a) Administrative: No action was taken by the Board.
 - b) Audit for FYE 2023: The Board recognized Andrea Burgard of MLR who confirmed that the Directors had received draft copies of the Financial Statements and Supplemental Information for the year ended September 30, 2023 and the Independent Auditors Report (“Financial Statements”). Ms. Burgard reviewed such materials in detail with the Board, along with accompanying correspondence directed to the Board, including a routine management representation letter. Ms. Burgard noted that the audit was a clean audit. It was noted that the Financial Committee reviewed the audit. Following a full review of such materials and motion by Director Kelly, seconded by Director Lucas and unanimously carried, the Board approved such Financial Statements and Supplemental Information and Independent Auditors’ Report as presented, and acknowledged receipt of the management representation letter. The motion carried with it the Board’s authorization to file the final report with the TCEQ, State Comptroller’s Office and the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (“EMMA”) system.
 - c) Series 2020 Arbitrage Rebate Report: The Board reviewed the Arbitrage Rebate Calculations dated January 19, 2024 for the Interim Computation Period of August 11, 2020 to August 11, 2023 compiled by Arbitrage Compliance Specialists, Inc.
 - d) Approval of Accounting Report: Upon a motion by Director Lucas, seconded by Director Dally, the Board approved the Accounting Report and the related disbursements, transfers and bond payments

e) Action Items/Financial:

- i) Upon motion by Director Lucas, seconded by Director Dally and unanimously carried, the Board acknowledged receipt of the Series 2020 Arbitrage Rebate Report.

7. Administrative, Legal and New Business:

- a) Director Election: No update was given.
- b) Membrane Claim: To be discussed in Executive Session.
- c) HOA Pre-Approved Contractors: The Board reviewed the draft letter Mr. Kutac plans to send to the HOA requesting acknowledgement of the District's rules and regulations by HOA pre-approved contractors.
- d) Belterra Centre/Polling Location: Director Dally noted that the committee reviewed the current Resolution Adopting Policy for Use of the Belterra Centre as a polling location for future elections. The committee has no changes to recommend to the current policy. They are happy with the current policy.

8. Water Supply Agreements: No update was given.

9. District Calendar and Schedule: The Board's next meeting is tentatively scheduled for March 14, 2024.

10. Executive Session: Upon motion by Director Botts seconded by Director Kelly and unanimously carried, the Board adjourned to executive session at 5:44 p.m. to consult with legal counsel regarding Item 7(b) on the posted meeting notice. The Board reconvened at 6:12 p.m. and it was noted that no action was taken during executive session.

Upon motion by Director Botts, seconded by Director Kelly and unanimously carried, the Board authorized counsel to proceed with sending a demand letter to Kubota and discussing settlement with Inframark as discussed in Executive Session. In addition, the Board authorized counsel to work with the Finance Committee to pursue or resolve the issue.

11. Adjournment. Upon motion by Director Dally seconded by Director Lucas and unanimously carried, the Board adjourned until further call.

APPROVED AND ADOPTED on the 14th day of March 2024.



Daniel Robison

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Daniel Robison

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All members of the Board participated in the meeting and were present at the commencement of the meeting. Also present at the meeting were Matt Kutac of the Law Offices of Matthew B. Kutac, PLLC, Vicki Hahn, paralegal with Winstead PC, Lonnie Wright, Beth Wright, Chris Sanchez and Sally Gomez of Municipal Operations and Consulting, LLC (“MOC”), the operations and management contractor for the District, Lauren Barzilla of Burgess & Niple, the District’s engineers, Allen Douthitt of Bott & Douthitt, the District’s bookkeeper, Andrea Burgard with Maxwell Locke & Ritter (“MLR”), the District’s auditor. In addition, members of the public included Marsha Hove from the Belterra Community Association (“BCA”), George Baker and Walter Almon.

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- b) Belterra Center: No update was given.
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Standing Items:

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The Board discussed that another resident cut trees, mostly cedars, in the greenbelt area behind their house. They did not damage any infrastructure, but the resident clearly violated the District's rules. The Board wants to be consistent and fair to all of the residents. It was noted that, when asked, the resident admitted to MOC that they cut the trees down. MOC has informed the resident that they were facing a possible fine.

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Public Comment was re-opened at 5:00 p.m.

Mr. Baker provided brief comments regarding the proposed TxDot 290 expansion. In response, the Board then moved to item 5(e) of the agenda (see below for the discussion). After this discussion, the Board returned to the posted order of the agenda.

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During her report Ms. Barzilla requested that the Board approve the Water Line Easement for Unit 2 – Belterra 1B-2 Condominium and the approval of the Partial Release of Easement for Unit 2 – Belterra 1B-2 Condominium.

Ms. Barzilla asked the Board if they have any objection to her removing the Hays 1 Water Tracking and the Wastewater Summary from her report. These reports will be moved to MOC's General Management and Operations Report. The Board agreed to the request.

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reminded the Board that due to the length of time that the drip field were not operated, which was unknown to the Board, Proscapes predicts that there will be additional issues.

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- d) Potential Water System Improvement Project: Ms. Barzilla informed the Board that the bulk of the water model is completed. She will continue to work on the model.
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 - i) Upon motion by Director Botts, seconded by Director Lucas and unanimously carried, the Board approved the Water Line Easement for Unit 2 – Belterra 1B-2- Condominium contingent upon completion of the project and the repairs passing inspection.

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6. Financial Report: Mr. Douthitt reviewed the February 8, 2024 Accounting Report and related disbursements, including the Monthly Financials, Cash Activity Report, Cash/Investment Activity Report, Monthly Tax Collection Report, Budget Comparison, Check Register and wires, Bond Reporting and Budgets and other financial reporting.
- a) Administrative: No action was taken by the Board.
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 - c) Series 2020 Arbitrage Rebate Report: The Board reviewed the Arbitrage Rebate Calculations dated January 19, 2024 for the Interim Computation Period of August 11, 2020 to August 11, 2023 compiled by Arbitrage Compliance Specialists, Inc.
 - d) Approval of Accounting Report: Upon a motion by Director Lucas, seconded by Director Dally, the Board approved the Accounting Report and the related disbursements, transfers and bond payments

e) Action Items/Financial:

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7. Administrative, Legal and New Business:

- a) Director Election: No update was given.
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8. Water Supply Agreements: No update was given.

9. District Calendar and Schedule: The Board's next meeting is tentatively scheduled for March 14, 2024.

10. Executive Session: Upon motion by Director Botts seconded by Director Kelly and unanimously carried, the Board adjourned to executive session at 5:44 p.m. to consult with legal counsel regarding Item 7(b) on the posted meeting notice. The Board reconvened at 6:12 p.m. and it was noted that no action was taken during executive session.

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11. Adjournment. Upon motion by Director Dally seconded by Director Lucas and unanimously carried, the Board adjourned until further call.

APPROVED AND ADOPTED on the 14th day of March 2024.



Daniel Robison
Daniel Robison, Secretary

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

THE STATE OF TEXAS §

COUNTY OF HAYS §

HAYS COUNTY WATER CONTROL AND 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 regular session, open to the public, at Belterra Centre, 151 Trinity Hills Drive, Austin, Texas, the District’s office within the District, for the purposes stated herein, on February 8, 2024 at 4:00 p.m. 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 participated in the meeting and were present at the commencement of the meeting. Also present at the meeting were Matt Kutac of the Law Offices of Matthew B. Kutac, PLLC, Vicki Hahn, paralegal with Winstead PC, Lonnie Wright, Beth Wright, Chris Sanchez and Sally Gomez of Municipal Operations and Consulting, LLC (“MOC”), the operations and management contractor for the District, Lauren Barzilla of Burgess & Niple, the District’s engineers, Allen Douthitt of Bott & Douthitt, the District’s bookkeeper, Andrea Burgard with Maxwell Locke & Ritter (“MLR”), the District’s auditor. In addition, members of the public included Marsha Hove from the Belterra Community Association (“BCA”), George Baker and Walter Almon.

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