

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 ("Board") of Hays County Water Control and Improvement District No. 1 ("District") met in special session on March 4, 2021 at 4:00 p.m. via Zoom video/audio conference to mitigate the spread of COVID-19 pursuant to the guidance provided by the Office of the Attorney General of the State of Texas. The meeting was open to the public by telephonic conference. The roll was called of the members of the Board of Directors ("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 via Zoom video and/or audio conferencing and were present at the commencement of the special session. Additionally participating in the Zoom videoconference were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Kristi Hester, Jesse Kennis and Teri Martin of Inframark, the District's general management and operations contractor, Lauren Barzilla with CMA Engineering ("CMA"), the District's engineers, Chris Lane of SAMCO Capital Markets, Inc. ("SAMCO"), the District's financial advisor and Vicki Hahn, paralegal with Winstead PC.

Matt Kutac explained a few guidelines for the video and telephonic conference meeting regarding a request that each Board member confirm their name prior to making any motion or voting on such matters to insure that the public record of the meeting would be heard and accurately recorded. Notification to the public was given that the meeting was being recorded. The meeting was then called to order, and evidence was presented that public notice of such meeting had been given as required by law.

1. Matt Kutac confirmed that no members of the public had signed up for public comment in advance of the meeting. He further called for public communications and comments from any person, including any persons tied in the meeting via audio. There being no person participating in the meeting who wished to address the Board under this item, the Board proceeded to the next item of business.

2. Jesse Kennis from Inframark gave a presentation regarding current operations and the status of District facilities after recent winter storm event. He began by describing the conditions that resulted in an overflow at the WWTP. In particular, Inframark's operator was not able to access the WWTP site for 2 days due to the winter storm event. As a result, even though flows to the WWTP dramatically exceeded average flows (approximately 600,000 gpd compared to an average of 377,000 gpd) due to faucets dripping and overall increased residential water usage, Inframark was unable to clean membrane filters, which ultimately fouled. In addition, intermittent power loss caused generators to cycle on and off, which detrimentally affected the functions of certain components. He also stated that wastewater transport trucks were not an option because road conditions prevented them from operating during the winter storm. Mr. Kennis reported that the overflow had been stopped, that he had concluded that it did not reach Bear Creek, and that all TCEQ and media notifications had been completed. Mr.

Kennis added that the WWTP is 95% back to normal operation as of today, and freeze damage has been repaired except for the sludge waste pump which has been sent out for repair.

It was also noted that the PUA asked Inframark to shut the water off for a couple of days due to leaking in the service line on Crampton Cove. There was a brief boil water notice in a portion of the District, but it was concluded by the end of the week.

It was also discussed that there are several trees down throughout the District. It was noted that in the Pecan Park area, people can barely get around one downed tree. Ms. Hester has already spoken to Josh Fort at WLE and they are going to handle the clean-up at Pecan Creek immediately. The cost and timeline for clean-up was discussed. It was estimated that it would take two to three crews at a cost of approximately \$1,500 a day for a total of 2 or 3 more days to clean up. It was mentioned that Inframark and the Customer Care Committee had set up a tree limb drop-off and put out dumpsters for the storm debris, but some residents have been using the dumpsters for "spring cleaning" instead of for storm debris as was intended.

Upon a motion by Director Kelly, seconded by Director Robison and unanimously carried, the Board authorized the removal of the tree limb drop-off and dumpster to the end of the day on Friday, March 5<sup>th</sup>. Ms. Hester will notify the residents by sending e-mails, posting on Facebook and also sending to the HOA.

Director Botts wanted to give credit to the Inframark employees for their hard work and noted that although there were issues during the winter storm, the Inframark employees worked really hard. Ms. Hester thanked him for his comments and will relay the thanks to the Inframark employees.

The Board then asked if the District's insurance policy will pay for any of the storm damage. Mr. Kutac will review the policy to see if the freeze damage would be included or excluded and noted that the policy limit was in excess of \$12,000,000.00 and the deductible was \$25,000.00.

Director Dally questioned whether the approximately \$340,000.00 in remaining surplus funds from the District's last bond issue could be used for repairs. Mr. Kutac responded that there is a provision allowing for repair and rehabilitation of certain facilities that were previously constructed and funded through reimbursements approved by the TCEQ.

The discussion returned to the downed trees and upon a motion by Director Dally, seconded by Director Lucas and unanimously approved, the Board authorized Inframark to proceed with the cleanup of debris (including tree limbs and dumpsters) with the cost not to exceed \$7,500.00.

Director Botts then asked Mr. Kennis a series of questions related to the fuel for WWTP site generators.

3. Upon a motion by Director Lucas, seconded by Director Botts and unanimously carried, the Board retired, along with Matt Kutac to Executive Session to discuss Inframark's report at 4:42 p.m.

4. The Board reconvened in public session at 5:24 p.m. Mr. Kutac reported that no action was taken by the Board in Executive Session.

Upon motion by Director Kelly, seconded by Director Botts and unanimously carried, the Board authorized the Infrastructure Committee to review Item 2 of the Agenda in more detail and work with Mr. Kutac and Ms. Barzilla to implement a plan to better address future emergencies at the WWTP. Ms. Hester will set up the Infrastructure Committee meeting for Tuesday, March 9<sup>th</sup> at 2:00 p.m.

5. With respect to Governor Abbott's declaration that he was opening up Texas, Director Robison requested that the regular Board Meeting set for March 11<sup>th</sup> be held in person. Director Botts

and Director Dally agreed with Director Lucas dissenting. After this discussion, it was determined that the Board Members would meet at the Belterra Centre on March 11<sup>th</sup>. The public could attend in person as well, but a dial-in number would still be provided. Some consultants to the District would attend in person while others would attend via teleconference.

There being no further business to conduct, Director Botts moved that the meeting be adjourned, which motion was seconded by Director Lucas and unanimously approved, and the Board adjourned at 5:34 p.m. until further call.

APPROVED AND ADOPTED the 11<sup>th</sup> day of March, 2021.

  
Daniel B. Robison, Secretary

