

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 Directors" or "Board") of Hays County Water Control and Improvement District No. 1 (sometimes referred to herein as the "District") met in regular session, which included a monthly workshop session and regular meeting, all open to the public, at Belterra Centre, 151 Trinity Hills Drive, Austin, Texas, the District's office within the District, on May 11, 2023 at 4:00 p.m. The roll was called of the members of 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

WORKSHOP SESSION 4:00 P.M.:

All members of the Board participated in the meeting and were present at the commencement of the workshop session except Director Kelly. Also present at the workshop were Matt Kutac of the Law Offices of Matthew B. Kutac, PLLC, Lonnie Wright, Beth Wright, John Taylor 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, Vicki Hahn, paralegal with Winstead PC and Jesse Trevino and Sinjon Merrick of Sunscape Landscaping, the District's landscapers. In addition, Allen Douthitt of Bott & Douthitt, the District's bookkeeper and Andy Barrett of Andy Barrett & Associates attended the meeting by telephone. Members of the public in attendance were Pat Usener with Texas Community Propane.

The purpose of the Workshop Session was to review details pertaining to the consent items and agenda items on the posted Agenda for said meeting, hear updates on committee reports, review of the monthly General Manager's Report, which report includes operations updates and a summary of activities since the last regular Board meeting and recommended action items for the regular meeting, and review of the current Accounting Report. During the workshop session, no formal action was taken, but the following matters were discussed in detail:

1. Management and Operations: Mr. Taylor reviewed MOC's Management and Operations Report and provided the following updates:

Item 5 - Mr. Taylor received a quote to calibrate the Hach Turbidity Meter for \$6,600. Director Botts informed Mr. Taylor that when it is an emergency repair, that he should proceed with the repair and then bring it to the Board for approval.

Item 6 – MOC's Evaluation Report on the WWTP is 60% complete. He hopes to have completed by the next Board Meeting.

Item 9 –Mr. Taylor went out to the site with Scott to identify issues with the SCADA system. He received a proposal for \$16,000 from Hyperion Controls. When speaking with Hyperion Controls, Mr. Taylor felt that they were extremely capable. One issue to be addressed is that the SCADA system is running on old software which will need to be upgraded at some point because it will only be supported for a few more years. He also noted that the proposal does not include hardware.

Item 16 – With respect to an evaluation of the biofilter, Mr. Taylor noted that they have found that when they take it apart and scrub it, it keeps the smells down. The biofilter looks in rough shape. Mr. Taylor thinks the WWTP smells a little better after they cleaned the biofilter. Mr. Wright noted that they would like more time to work through other issues at the WWTP and then re-evaluate the smell. It was noted that Bryan from Kubota recommends that they pull the membranes one basin at a time to clean the basins. At the time they are cleaning, they can remove rags and debris. They would then submerge the membranes in clean water, makes repairs and then reinstall the membrane. He also noted that Bryan at Kubota told him that the membranes that have been exposed to the weather could be sprayed with a mixture of Dawn detergent and water and they should be fine. Mr. Taylor opened the box of membranes and they did not look like they were in that bad of shape. He noted that it is not an emergency to do this but they would like to do it at some point.

Belterra Centre Windows - Mr. Taylor explained that he got a quote from Pella for \$12,862.31 to replace some of the damaged windows in the Belterra Centre. He noted that it is not an emergency to get the windows replaced.

Item 23 – With respect to replacing the playground equipment that was severely damaged by a tree during the ice storm, Mr. Taylor received and reviewed quotes for various playground equipment.

Curb Cut and ADA Ramp – Mr. Taylor mentioned that a resident wrote in requesting a curb and ADA ramp at Lexington and Trinity. He noted that MOC had an ADA ramp installed recently for HCWCID No. 2. It was a little different situation because the curb cut was already there but the ADA ramp was installed for less than \$5,000. Director Botts noted that he went to view the area where the resident wants the ADA ramp and it seems like it should have a curb cut and ADA ramp.

Director Botts asked Mr. Wright to provide a preliminary assessment of the WWTP a rating for when they received it and for now. Mr. Wright thought that MOC had already improved the WWTP operations, but he noted that they have only been on the job for one month and

have more work to do. He also mentioned that the prior management company was cleaning the membranes with bleach two times a week when they should only be doing it once a week. Kubota recommended bleaching less often which should decrease the costs for the District for chemicals. Director Robison then asked if Mr. Wright thought the District needed to look at other sludge options. Mr. Wright responded that they need more time to assess the situation. He believes that if they get the solids in the right balance, other options may not be needed. He also noted that it takes time for the solids to decrease. He believes he will know more in 60-90 days because that is how long it will probably take to bring the solids into the balance.

The Board then discussed the SCADA system again. Mr. Taylor noted that Inframark purchased software for the SCADA system but did not subscribe to software updates.

Director Botts then noted that he thinks it is time for the Infrastructure Committee to start working with MOC and the Joint Infrastructure will only meet quarterly from this point on.

Mr. Wright mentioned that Kubota would like to use the WWTP as a place to bring their customers to show off the Kubota membranes and Mr. Wright would also like to be able to show it to potential customers after completing some additional improvements.

Mr. Taylor noted that each generator has a scan code that MOC has put on it. If you scan that code, it will show you the status of maintenance, repairs on that generator and the date they were completed.

2. Landscaping Report:

It was noted that Ms. Gomez has received a lot of calls and e-mails from residents complaining about mowing. Mr. Trevino acknowledged that they are behind and are playing "catch up." He also mentioned that he will be adding additional mulch because some areas were missed. He then noted that the Dallas crew that were chipping the trees have returned and are working in HCWCID No. 2 on the drip fields.

Although Mr. Trevino did not review his written report with the Board in detail, his written report is on the Google Drive as follows:

- a) The full-service maintenance was performed four times in the month of April;
- b) Full-service bed detail was performed one time in the month of April;
- c) Monthly mowing in the red areas was begun on 4/27/23 and is ongoing;
- d) Quarter mowing/wildflower was started on 4/27/23 and is ongoing;
- e) Storm Clean-up: the easement lot on Littleton Drive, removed trees located on Aspen across from Palisade, cut down and removed dead Vitex behind the Aspen Hills sign and cleaned up trees along Belterra Drive located in the center median;
- f) Mulch application on 4/23/23;
- g) Drip Fields were completed on 4/22;
- h) Trail Maintenance/Raking, Filling Ruts and Spraying Weeds was not performed;
- i) Fertilizer – Bed Fertilizer and Pre-Emergent treated on 4/11/23.

3. Financial Report: Discussed during regular Meeting.
4. Legislative Update: Given during regular Meeting
5. Committee Reports: No committee reports.

REGULAR MEETING - 5:00 P.M.

The Board convened the regular meeting at 5:00 PM. All members of the Board present remained for the regular meeting, and all consultants present for the workshop remained present for the meeting, except that Mr. Trevino and Mr. Merrick left after they completed their landscaping report. All directors present when votes were taken voted on all matters unless an abstention is set out in any such item. In addition, Andy Barrett of Andy Barrett & Associates attended the meeting by telephone.

6. Public Comment: Matt Kutac reviewed the following rules for public comment; (i) comments are limited to 3 minutes per person; and (ii) the Board cannot deliberate 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.
7. Landscaping and Irrigation: The Board continued the Landscaping discussion from the Workshop. Director Lucas mentioned that he is disappointed in the mulch and that it looked like some places didn't have any mulch and others had very little. Mr. Trevino replied that he will check and correct the issues.

Mr. Merrick noted that all of the meters are installed and all are working so they will know if there are any issues with irrigation. They can now shut the irrigation system down remotely via their laptop.

The Board asked if the Belterra Centre has 210 irrigation because they would like to set up a controller so that they can install plants and water at the Belterra Centre. Director Botts asked that Mr. Merrick meet with Ms. Wright to discuss and then send a proposal to the Board.

8. Legislative Update: Mr. Barrett gave an update on the 2023 legislative session. He noted that most of the water legislation is focused on Municipal Management Districts. He also mentioned that, at the moment, there are no legislative bills that municipal utility districts need to be concerned about.
9. Financial Report: The Board called on Allen Douthitt of Bott & Douthitt to present the Accounting Report dated May 11, 2023. The following is a summary based on his report.

a) Action items for the Board:

- Approval of director and vendor payments.
- Approval of fund transfers:
 - From TexPool Operating Account to Cadence Bank Operating Account: \$400,000.00
 - From TexPool Operating Account to Cadence Bank Manager's Account: \$10,000.00
 - From TexPool Operating Account to TexPool SPA Account: \$14,748.65
 - From TexPool Tax Account to TexPool Operating Account: \$204,042.91
 - From TexPool Tax Operating to TexPool Debt Service Account: \$300,000.00
- Financial Highlights:
 - The month of March 2023 came in behind plan by \$1,000. Favorable revenues made up \$97,000, unfavorable expenditures made up \$98,000
 - Year-to-date the District is ahead of plan by \$269,000.
 - General and Joint Maintenance CAP's have been suspended for the new fiscal year. Inframark has agreed with our FY-2022 reconciled balances. The true-up payment has been received from Inframark.
 - Fiscal year 2023 tax collection rate of 98.06%.

Mr. Douthitt noted that the TexPool interest rate is at 5%.

Mr. Douthitt mentioned that he received two invoices from Inframark. They sent their April invoice but it was not prorated. The invoice should have been prorated because MOC took over operations mid-month.

10. Consent Items:

- a) Minutes: The Board of Directors reviewed the Minutes of the April 13, 2023 regular Board Meeting; and
- b) Accounting Report: The May 11, 2023 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.

Upon a motion by Director Lucas, seconded by Director Dally, the Board approved the Meeting Minutes. Upon motion by Director Lucas, seconded by Director Robison and unanimously carried, the Board approved the Accounting Report and related disbursements.

11. Reports: No committee reports were given during the regular meeting.
12. Engineering and Development Items: Lauren Barzilla of Burgess & Niple presented the **General Engineering Report** (during the Workshop) as follows:
 - I. Potential action items for the meeting:
 - a) Recommend approval of Crampton Cove Change Order No. 3 -\$2,474.21 (Report Item VI.A)
 - b) Recommend final acceptance of Crampton Cove (Report Item VI.B)
 - c) Recommend approval of Pay Application No. 2 -final for Crampton Cove - \$2,474.20) (Report Item VI.C)
 - II. Commercial Tract Development:
 - a) The grease trap plans that have been approved to date are: Sky Cinema, Stiles Switch BBQ, Pieous Pizza, Torchy's Tacos, Jersey Mike's, Dunkin Donuts, The League/Fork & Spoon, Simply Pho, Backspin, and Hotel.
 - b) The site plans that have been approved to date are Hat Creek, Chase Bank, Chick-fil-A, Building Y, IHOP, Belterra Multifamily, Pad S, Hotel, Pad X2, Lot 3G-1 Site Plan, Pad T and Pad ZZ.
 - c) Plans currently under review – St. David's and Lot 1B-2.
 - d) Grease traps currently under review – none.
 - e) Water LUE determination review – none.
 - III. Commercial Water Usage Tracking: The Commercial Water Usage Summary is on the Google Drive.
 - IV. Lot 3G-1: Active Adult - Construction Updates:
 - a) Items remaining to be complete are:
 - a. Leveling the water vault.
 - b. Removing wastewater reducer from public portion of the line.
 - c. Repaving around the water line tie in to the public system.
 - V. Pad ZZ: Commercial Townhomes - Construction Updates:
 - a) Public wastewater improvements remaining are the installation of the casting around the large diameter cleanout.
 - b) Public water connection has been made, but water meter connections are not complete.
 - c) Public storm sewer is complete, except for the raising of a buried manhole.
 - VI. Crampton Cove Pavement Repair:
 - a) Recommend approval of Change Order No. 3 for a deduct of \$2,474.21. The change order can be found on the google drive.
 - b) Recommend final acceptance of the project. The final completion letter can be found on the google drive.

- c) Recommend approval of Pay Application No. 2 — final. The pay application can be found on the google drive.

VII. **St. David's Site Plan:**

- a) The site plan is currently being reviewed, comments were submitted, and we are awaiting the comment response.

VIII. **PEC – Distribution Upgrades Easement Request:**

- a) Discuss updates.

IX. **Lot 1B-2 Urgent Care Site Plan:**

- a) The site plan is currently being reviewed, comments were submitted, and we are awaiting the comment response.

X. **Hays 1 Water Tracking:**

- a) Approximate Max Daily Usage (March 2023) — Data is being reviewed.
- b) Max allowed = 1,221,120 gpd.

Ms. Barzilla discussed the Crampton Cove project and the deduction of the amount of Inframark's costs for Inframark's services to repair the broken pipe that Myers hit during the project. Myers stated that they would pay one-half if Inframark would pay one-half which would be \$2,474.21 each. Inframark refused. Ms. Barzilla recommends final completion of the project and to obtain final completion, recommends that the District pay the one-half of the disputed fee on behalf of Inframark.

With respect to Pad ZZ, the manhole was covered at some point during landscaping and needs to be raised. They do not know how deep it is buried. Mr. Wright stated that they have GPS equipment that should be able to find it and determine how deep it is.

Action Items:

- i) Upon motion by Director Lucas, seconded by Director Botts and unanimously carried, the Board accepted final completion of the Crampton Cove project.
- ii) Upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board approved Pay Application No. 2 for \$2,471.21 for Myers Concrete.

Ms. Barzilla then moved on to the **WWTP and 210 Reuse Irrigation Engineering Report** as follows:

I. **Potential action items for the meeting:**

- a) Approval of Offsite 12" and 8" Treated Effluent Line Repair Pay Application No. 1 — \$337,500 (Report Item III.A).

II. **Treated Effluent Fire Hydrant:**

- a) The permit is in administrative review.

III. **12" and 8" Treated Effluent Line:**

- a) Recommend approval of Pay Application No. for \$337,500.00. The pay application can be found on the google drive.
- b) The liners have been ordered and the expected delivery date is around June 15.

IV. Discuss the addition of materials on hand in the case of emergency – no update.

V. **Drip Skid Repair:** No Update

- a) The parts have been shipped and the contractor will start work on the repair as soon as the parts are delivered. The work should take 5 days.
- b) After the drip skids are repaired the contractor will test the down stream system to see what repairs are needed, and they will provide a price for these repairs.

VI. **Wastewater Summary:**

- a) Average Daily Wastewater Usage (March 2023) = Data is being reviewed.
- b) 75% of Permitted Capacity= 375,000 gpd
- c) Number of consecutive months over 75% - 0
- d) 90% of Permitted Capacity= 450,000 gpd
- e) Number of consecutive months over 90% - 0

With respect to the Treated Effluent Fire Hydrant item, Ms. Barzilla noted that they are only working on obtaining the permit. She will not proceed past that point until the Board authorizes her to proceed.

With respect to the pipe liner project, Mr. Wright stated that MOC has ground penetrating radar and could mark the utility lines. They would only bill the District for the time and materials needed and it should be under \$2,000.

Ms. Barzilla also mentioned to the Board that she will be out September and October on maternity leave.

Action Items:

- a) **CPM Agreement:** Upon motion by Director Botts, seconded by Director Lucas and unanimously carried, the Board approved Pay Application No. 1 to CPM for \$337,500.00 for the pipe liner.

Upon motion by Director Botts, seconded by Director Lucas and unanimously carried, the Board accepted the Engineer's Report.

13. **Management and Operations:** Mr. Johnson continued with his report. He noted that 3 mixers were authorized. Inframark ordered the three mixers but MOC can only account for 2 mixers. They can't find the third mixer. All of the mixers are working right now but they do not have a spare.

Mr. Taylor also mentioned that Mr. Siller has turned up the air a little on the basin.

Mr. Sanchez noted that he tried to contact ADT for the security cameras but hasn't been able to get in touch with them. He then reached out to True Protections and they sent a quote. He will continue to try to contact ADT.

- a) The Board discussed the ice storm damage clean-up progress. During the discussion, it was noted that the drip fields and the 210 irrigation areas need to be mowed as soon as possible. Director Botts reviewed an e-mail from Terrain giving a status update, noting the following:
 - i) Terrain has fulfilled 81 of the 100 day contract leaving 19 days left on the contract starting June 1st.
 - ii) Area 53: currently active and we are trying to be wrapped up in this area by the end of May.
 - iii) Estimated timelines to clean up areas 45,54,38 and 39 are as follows.
 - iv) Area 45: This is a difficult field to cleanup similar to area 53 where we are currently working. Rough estimate would be 30 days.
 - v) Area 54: Rough estimate of 20-25 days.
 - vi) Area 38: Rough estimate of 15-20 days.
 - vii) Area 39: Rough estimate of 15-20 days.
 - viii) The above are rough estimates due to the fact that they are trimming trees in tall vegetation and the accessibility is slowing them down.

Director Botts stated that the Board would need to consider authorizing further expenditure in order to get the irrigation areas cleared and back to normal operation.

- b) Director Lucas noted that he and Director Kelly met to discuss their concerns regarding the spring landscaping service. He would like to recommend that the District consider another landscaping company, noting that the bulk of the complaints the District is receiving is due to landscaping. Director Lucas also does not believe the District is getting the service that is stated in the contract. He is concerned that they may be cutting back due to inflation. He would like to recommend that they Board consider bringing Urban Dirt and Terrain back in to discuss landscaping but noted that HCWCID No. 2 is not ready to make a change. Director Robison mentioned that he thinks the District should have a discussion with Sunscape and let them know that they need to provide the services in the contract in a manner acceptable to the District and then give them time to make the change. Director Robison is not happy with the flowers at the entrances and Director Botts mentioned that the Belterra Centre is part of Sunscape's contract but it is not landscaped. Director Botts stated that he spoke to Mr. Seger at Sunscape and mentioned that they are not happy with the job Sunscape is doing. Director Dally noted that the irrigation system is separate from the landscaping agreement and the District needs to determine if they are happy with that agreement. Director Botts asked MOC to look at the irrigation system and see what shape it is in.

- c) Ms. Wright spoke to Stephanie at TDS regarding extending the agreement with no CPI. She asked for pictures of issues that TDS is having so that there is no confusion by the residents over what will be picked up and what will not.

Action Items:

- i) Upon motion by Director Robison, seconded by Director Botts and unanimously carried, the Board approved the Hyperion International Technologies quote for SCADA for a cost of \$16,360.00.
- ii) With respect to the PSI quote for a permeate pump at a cost of \$935.00, the Board took no action.
- iii) Upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board authorized the replacements of the Belterra Welcome Center windows with a cost not to exceed \$12,862.31 and also asked that MOC look into using solid panes.
- iv) Upon motion by Director Robison, seconded by Director Lucas and unanimously carried, the Board approved YSI's proposal for a DO meter for wastewater plant operations for a cost of \$3,348.75.
- v) Upon motion by Director Dally, seconded by Director Robison and unanimously carried, the Board approved installation of handrails at the Belterra Centre but decided to only install handrails on one side of each set of stairs so the price should be approximately one-half of the quote of \$11,100, plus installation.
- vi) With respect to Envirogen Technologies' quote for evaluation of biofilter for a cost of \$6,900, the Board took no action and requested that MOC bring back to the Board in 60 days for consideration.
- vii) Upon motion by Director Botts, seconded by Director Lucas and unanimously carried, the Board approved True Protection Lights' proposal to put lights at the entrance and to the right of the gate at the wastewater plant for a cost of \$8,300.
- viii) With respect to the Pecan Park pump replacement. Director Botts asked that Mr. Taylor bring a proposal to the next Board meeting.
- ix) Upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board approved Norwesco's proposal for 141 Inch Wide 4995 Gallon Plastic Vertical Water Storage Tank to test membranes for a cost of \$5,647.40.
- x) EI2 quote to pull membranes and test. (Waiting on final quote)
- xi) Upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board approved installation of additional security cameras at Belterra Welcome Center and wastewater treatment plant for a cost not to exceed \$14,000.
- xii) With respect to the Playground equipment quote the Board asked the Parks Committee to review and bring a recommendation to the Board at next month's Board meeting.
- xiii) Upon motion by Director Robison, seconded by Director Botts and unanimously carried, the Board approval to PM the Hach Turbidity Meters at the WWTP for approximately \$6,602.

- xiv) With respect to adding the curb cut and ADA Ramp at Lexington and Trinity, upon motion by Director Lucas, seconded by Director Botts and unanimously carried, the Board authorized installation at a cost not to exceed \$7,000.
- xv) With respect to reimbursement for ice storm damage, upon motion by Director Botts, seconded by Director Lucas and unanimously carried, the Board authorized MOC, Mr. Kutac and Directors Botts and Robison to start the application process.
- xvi) With respect to ice storm damage, upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board authorized expenditure of up to \$100,000 for the additional remaining cleanup of irrigation areas, which included approval of up to \$14,000 for roll-off boxes.

Standing Items:

- d) No action by the Board;
- e) No action by the Board;
- f) Director Dally mentioned that there were four wheelers in the greenbelt area and suggested that the District look into signs and alternatives to block entrance;
- g) No action by the Board;
- h) No action by the Board;
- i) See Action Items listed above;
- j) Upon motion by Director Lucas seconded by Director Robison and unanimously carried, the Board approved the Management and Operations Report.

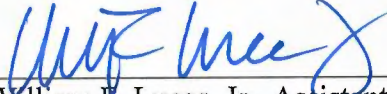
14. Administrative and Legal Items:

- a) Mr. Kutac reviewed the Amended Order Establishing Records Management Program and Appointing Records Management Officer and explained that he is recommending that the records retention match what is suggested by the Texas State Library. Upon motion by Director Dally seconded by Director Botts and unanimously carried, the Board adopted the Amended Order Establishing Records Management Program and Appointing Records Management Officer.
- b) Mr. Kutac reviewed the proposed Amended Service Rate Order. He noted that he clarified items related to pool and greenbelt deposits, drought surcharges, water averaging, etc. Upon motion by Director Botts seconded by Director Robison and unanimously carried, the Board adopted the Amended Service Rate Order.

- c) No action by the Board.
 - d) Mr. Kutac stated that he will work on amending the Sunscape and MOC agreements to revise responsibility for mowing in the pond areas.
 - e) No new updates on the upcoming conferences and registration for same.
15. Water Supply Agreements: No update.
16. District Calendar and Schedule: The regular Board Meeting for June will be June 8, 2023 at 4:00 p.m.
17. Executive Session: No Executive Session was required.
18. Adjournment. Upon motion by Director Lucas, seconded by Director Botts and unanimously carried, the Board adjourned until further call.

APPROVED AND ADOPTED on the 8th day of June 2023.





William F. Lucas, Jr., Assistant Secretary