

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS
June 9, 2022

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 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 June 9, 2022 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

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. Also present at the workshop were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Missy Roberts, Zach Willeford and Jesse Black of Inframark, LLC, the District's general management and operations contractor, Robby Callegari of Burgess & Niple (formerly CMA Engineering, Inc.), the District's engineers, Vicki Hahn, paralegal with Winstead PC, Nick Seger, Hank Wilson and Jessie Trevino 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. Kay Olsen of Inframark attended via Zoom conferencing.

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 Reports: Ms. Olsen presented Inframark's General Manager's Report ("GM Report"). Ms. Olsen updated the Board with respect to operational matters concerning the District's wastewater treatment plant ("WWTP") and 210 Re-Use Irrigation System. A copy of the General Manager's Summary Report is attached as Exhibit "A".

During her report, Ms. Olsen noted that the controller cards for the Rainbird are on back order. The issue is that everyone is changing to 5G service. The Board does not need to take any action while the controller cards are on back order. Inframark is manually operating the system.

Ms. Olsen informed the Board that Mr. Willeford is moving to Dallas and that Jesse Black will be taking his place. Mr. Black provided his background and noted that he is in the process of transferring his licenses from Arizona to Texas. He was a Grade 4 for Wastewater in Arizona and a Grade 3 in Water. He would like to have an AB license here in Texas. If for any reason, Texas drops his licensing a level, he will work to increase it to an AB.

Ms. Olsen then discussed the pothole in Crampton Cove that developed over a wastewater line and required emergency repair. She reviewed pictures of the road and related excavation. Director Botts reminded Ms. Olsen that the Board is supposed to be notified of any emergencies within 24 hours. In the future, Ms. Olsen should notify Mr. Kutac and then he can notify the Board. He also noted that no one on the Board was notified before this meeting. Mr. Kutac noted that the District must notify the county to coordinate the repair. A discussion then took place regarding whose responsibility it was to make the permanent repair, the District's or the county's.

Ms. Olsen noted that the security for the Google Drive has been updated and all unauthorized people have been removed.

Director Kelly then questioned the levels in the effluent holding tank at the wastewater treatment plant. Mr. Willeford explained that he has increased storage in the tank in preparation for the possibility of a drought.

Director Dally noted that he inspected the ponds and the work looks good. Ms. Olsen stated that Martin, a new employee at Inframark, cleaned the ponds and did a fantastic job. It was noted that Inframark cleans the inside of the pond and Sunscape mows around the top of the pond. Director Dally questioned who is responsible for the Slope. The Board is leaving it up to Inframark and Sunscape to determine who should bear the responsibility of maintaining the slope, Inframark or Sunscape.

Director Botts then asked if a portable generator for the Lift Stations has been ordered. He is concerned with power outages due to the extreme heat. Mr. Willeford stated that he will have a quote before he moves. The Board discussed stocking up on diesel. Mr. Willeford noted that they can rent a 1,000-gallon tank for diesel. He will check to see how much it costs to fuel. He noted that the District is only responsible for the diesel that it uses. The company will take any unused diesel back and refund the money for the unused diesel. Mr. Willeford also noted that during the snow storm, the generators were run for 4 or 5 days and did not run out of diesel. With another 1,000 gallons, it would run the generators for an additional 10 days.

2. Financial Report: The Board called on Allen Douthitt of Bott & Douthitt to present the Accounting Report dated June 9, 2022. 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 BancorpSouth Operating Account: \$350,000.00
 - From BancorpSouth Operating Account to BancorpSouth Manager's Account: \$11,000.00

- From TexPool Tax Account to TexPool Operating Account:
\$11,867.40
 - From TexPool Tax Account to TexPool Debt Service Account:
\$20,000.00
- b) The month of April 2022 came in ahead of plan by \$87,000. Favorable revenues made up \$22,000, favorable expenditures made up \$65,000;
 - c) Year-to-date the District is ahead of plan by \$654,000.
 - d) April 2022 charges to the Joint Maintenance CAP came in at \$0. Year-to-date actual charges are \$55,000 less than the monthly billings to date.
 - e) April 2022 charges to the General Maintenance CAP came in at \$0. Year-to-date actual charges are \$95,000 less than the monthly billings to date.
 - f) Fiscal year 2022 tax collection rate of 97.99%.

Mr. Douthitt mentioned that work to remove the Inframark maintenance cap is ongoing. Per Ms. Olsen, Inframark is hoping to having the Inframark amendment by next week.

3. Committee Reports, Recommendations and Assignments:

- a) Facilities Committee: No updates.
- b) Infrastructure Committee: No updates.
- c) Customer Care Committee: No updates.
- d) Parks Committee: No updates.

4. Landscape Report: Jesse Trevino with Sunscape reported:

- a) The full-service turf maintenance of the high visibility areas was performed four times in the month of May;
- b) Full-service bed detail was performed three times in May, monthly mowing in the Level 2 Areas is ongoing with the next round scheduled to start on June 13th;
- c) Sunscape removed the trees from the pond area;
- d) Gabion was cleared of all debris;
- e) The Aspin Hills Sign and Sod Replacement projects were scheduled to start on June 14, 2022;
- f) The Drip Irrigation Fields were mowed April 23, 2022. The next mowing will be scheduled; and
- g) Trail Maintenance/Raking, Filling Ruts and Spraying Weeds occurred on May 5, 2022.

During the landscaping report, the changes in ownership and organizational structure with respect to Sunscape Landscaping were discussed. It was noted that Nick Seger is now a co-owner of Sunscape Landscaping. The Board expressed its displeasure that Mr. Wilson did not inform them of the change. Mr. Wilson assured the Board that he and Mr. Seger own the majority of the company and will continue to provide the same level of services it did when Mr. Wilson was the sole owner. The Board asked that if there are any future ownership or structural changes to please notify the Board in advance.

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. All directors present when votes were taken voted on all matters unless an abstention is set out in any such item.

5. 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 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. Hearing none, the Board proceeded to the next item on the Agenda.

6. Consent Items:

a) Minutes: The Board of Directors reviewed the Minutes from the May 12, 2022 Regular Meeting; and

b) Accounting Report: The June 9, 2022 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 Minutes, the Accounting Report and related disbursements, were approved.

7. Reports: No additional reports were given.

8. Engineering and Development Items: Mr. Callegari of Burgess & Niple noted that Lauren Barzilla was on vacation and then he presented the **General Engineering Report** as follows:

I. Potential action items for the meeting: None.

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 - none
- d) There are no grease traps currently under review; and
- e) Water LUE determination review – Pad T.

III. Commercial Water Usage Tracking: The Commercial Water Usage Summary is attached to the engineering report in the Board Packet.

IV. Lot 3G-1: Construction Updates:

- a) Construction Updates:
 - i) The public waterline has been completed and returned to service; and
 - ii) Project completion is scheduled for September 29, 2023.

V. **Pad ZZ:** Pre-construction meeting was held, and they have started clearing the mulch from the lot.

VI. **Pad T:** Starting the connection to the existing wastewater system.

VII. **District Water Tracking:**

- a) Approximate Max Daily Usage for April 2022 = 620,000 gpd; and
- b) Maximum allowed = 1,221,120 gpd.

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

I. **Potential action items for the meeting:** none.

II. **EQ Tank Blower Replacement:** The Board can review the construction schedule on the Google Drive.

III. **100 Acre 210 Warranty Items:**

- a) Brightview remains unresponsive with respect to removal of temporary irrigation and erosion control measures installed during construction of the 210 expansion project; and
- b) Sunscape is in the process of putting together a proposal to remove the silt fence and the temporary irrigation. This estimate will be reviewed with the Infrastructure Committee in June.

IV. **Wastewater Summary:**

- a) Average Daily Wastewater Usage (April 2022) = 353,000 gpd***corrected from May's General Manager Report
- 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

The Board questioned whether it should be worried about the amount of water being used by the commercial users. Mr. Kutac advised the Board the water usage should not be a concern until the customers are consistently over the maximum usage set forth in their contract. This is because the permitted usage for each connection were estimates, and that as long as the commercial use remains under the total permitted use under the contract for commercial service, there should not be any unexpected demand on the Districts' systems. It was noted that the total commercial usage remained under the contractual maximum quantity for service to the commercial area. The discussion then moved to Chase Bank and the history behind how their water usage was determined in the contract. Mr. Kutac suggested that the only way to address the Chase Bank situation would be to approach them about the irrigation meter, and if necessary disconnect service to the irrigation meter. He noted that Ms. Hester of Inframark had spoken to Chase when she was still at Inframark but Chase never responded.

The Board then discussed the status of installation of the EQ blowers at the wastewater treatment plant and Mr. Willeford explained that the wiring needs to be installed before the blowers can be connected to the SCADA system. Even after the blowers are connected to the SCADA system the blowers will need some fine tuning. He noted that it is in Alterman's contract to connect the blowers to the SCADA System. He also mentioned that Ms. Barzilla and Alterman were coordinating the work on the blowers and that Inframark's only responsibility was to buy the blowers. Per Mr. Callegari, it was Ms. Hester's responsibility to supervise the work. It was then questioned whether Stan Noelke needs to connect the SCADA System.

Ms. Olsen noted that the SCADA system is not proprietary to Mr. Noelke and that the work can be done by someone else. Director Botts requested that Ms. Olsen, Ms. Barzilla and Mr. Kutac meet and come up with a game plan to get the fan blowers up and running and connected to the SCADA System, sooner rather than later.

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

9. Financial Items:

- a) Over 65 Exemption: Director Dally stated that the Finance Committee recommended an increase for the over 65 exemption from \$20,000 to \$30,000. Upon motion by Director Lucas seconded by Director Dally and unanimously carried, the Board approved the increase.
- b) Homestead Exemption: Director Dally stated that the Finance Committee recommended an increase for the Homestead Exemption from 7% to 10%. Upon motion by Director Dally, seconded by Director Lucas and unanimously carried, the Board approved an increase to 10%.
- c) Order Adopting Residential Homestead Exemptions: Upon motion by Director Lucas, seconded by Director Dally and unanimously carried, the Board approved an Order Adopting Residential Homestead Exemptions reflecting the foregoing exemptions and authorized its filing with the County.
- d) No action was required for administrative bookkeeping items.
- e) With respect to preliminary budgetary matters, it was noted that the committees need to determine what projects they would like to add to the upcoming budget.

10. Management and Operations Items: With regard to Item No. 10(a), 10(b) and 10(c), on the posted agenda for the meeting, upon motion by Director Kelly seconded by Director Lucas and unanimously carried, the Board retired, along with Matt Kutac to Executive Session at 5:43 p.m.

Following the Executive Session, the Board reconvened in public session at 6:11 p.m. No action was taken by the Board with respect to any item during Executive Session. With respect to Item No. 10(b), upon motion by Director Botts seconded by Director Kelly and unanimously carried, the Board authorized Mr. Kutac and the Management Committee to reach out to Inframark and other potential service providers to discuss contract proposals for operations and management. With respect to Item No. 10(c), upon motion by Director Kelly, seconded by Director Lucas and unanimously carried, the Board authorized Mr. Kutac to request a 3% discount (per month) from Sunscape Landscaping for the landscaping and irrigation contract.

Standing Items:

- a) Director Lucas requested an aging report on the water and wastewater;
- b) No action taken by the Board.
- c) No action taken by the Board;
- d) No action taken by the Board;

- e) It was noted that the newsletter is being distributed;
- f) No action taken by the Board; and
- g) Upon motion by Director Lucas, seconded by Director Kelly, and unanimously carried, the Board authorized Director Botts to form a joint committee with Director McGillicuddy from HCWCID No. 2 to review the issues with the SCADA system. Director Botts asked Ms. Olsen to set up a time for him and Director McGillicuddy to meet with Charles Fiero to discuss the SCADA system and that time is of the essence.

Upon motion by Director Lucas, seconded by Director Dally and unanimously carried, the Board approved the monthly General Manager's Report.

11. Rules, Policies, Agreements and Compliance Requirements:

- (a) No action was taken by the Board;
- (b) Mr. Kutac reviewed the proposed Amended Service Rate Order. He noted that he moved the \$75.00 grease trap inspection fee to a more prominent location and changed a few references from the LCRA to the PUA. Upon motion by Director Dally seconded by Director Botts and unanimously carried, the Board adopted the Amended Service Rate Order; and
- (c) Director Botts noted that he invited Chris from the HOA to attend the meeting to discuss the HOA recreational facility easement but she did not come.

12. Water Supply Agreements: Mr. Kutac noted that there are no updates with respect to the water supply agreements.

13. District Calendar and Schedule: The Board noted that the next Board meeting is scheduled for July 14, 2022.

14. Executive Session: No Executive Session was required on any other items other than those discussed above.

15. Adjournment: There being no further business to conduct, upon motion by Director Lucas, seconded by Director Botts and unanimously carried, the Board adjourned until further call.

APPROVED AND ADOPTED on the 14th day of July 2022.



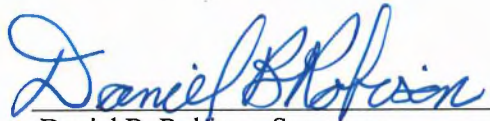

Daniel B. Robison, Secretary

EXHIBIT A



14050 Summit Dr, Ste 103
Austin, TX 78728
(T) 512.246.0498
(F) 512.716.0024
www.inframark.com

Memorandum for: Hays WCID No. 1 Board of Directors

From: Kay Olsen

Date: 6/9/22

Subject: Board Workshop, Management and Operations Report since 5/12/22

1. Wastewater Treatment Plant

- A. All facilities in compliance for May. Total flows of 11.5M gallons; daily average flows of 370,000 gpd at 74% capacity
 - i. April data (new) – WWTP capacity was 71%, not 102% as previously reported
- B. Chlorine building check valve (new) – installed new valve between grinder station and chlorine room to prevent water accumulation on the floor

2. Distribution System and Billing

- A. Water accountability for May at 90.4%
- B. AMI integration/Atlas Meters order (updates) – Additional \$5K approved last month to replace very old meters at Belterra Apartments and DSISD; ETA "Fall"
- C. Monthly collection of distribution residuals, master meter checks, and distribution system flushing (new) – completed
- D. 2021 Consumer Confidence Report (new) – attached; Inframark Compliance Dept will distribute to Customers
- E. 30 Delinquent Letters mailed; 11 Tags hung; 1 Disconnect

3. Collection System

- A. LS1 Generator
 - i. Replacement (update) – approved last month; low bidder of 3 quotes, M&C Electric, given authorization on 5/16 to order generator; ETA one year
 - ii. Portable generator for interim (update) – quote requested and forthcoming
- B. Crampton Cove sinkholes (new) – see attached pics
 - i. 171 Crampton Cove required ER, but temporary, remediation to enable resident access/egress; 149 & 159 Crampton Cove also appear to be on non-compacted soil
 - ii. Due to Contractor error or groundwater wash out; similar problems arose in same area during last freeze
 - iii. Inframark would sub out concrete work; coordinating with B&N on long term strategy
- C. Annual Electrical PM (new) – performed at ponds on Abbey Dr, Aspen Dr, Holly Ct & Pagosa Ct

4. Reuse and Drip System

- A. Tank levels
 - i. 5/1/22 – 10.4'
 - ii. 5/15/22 – 8.5'
 - iii. 5/31/22 – 16.4'
- B. Total 210 flows for May = 9.938 MGD
- C. Belterra Drive & Trinity Hills Drive (new) – completed 4" irrigation mainline excavation and repair

5. Drainage/Ponds

- A. Pond Rehabs (updates)
 - i. Holly Court – see attached pics, completed in 11 hours instead of 24
 - ii. Aspen Hills – see attached pics, completed in 16 hours instead of 24
 - iii. Crampton Cove – see attached pics, completed in 38 hours instead of 48
- B. 5/19 Pond Tour (new) – Inframark team (Phil Henderson, Charles, Zach R. & Kay) viewed all 18 ponds in Hays 1; comprehensive Pond Manual will be developed and shared
- C. Pond Reports (new) – Zach R. training with Phil Henderson to draft

6. Infrastructure Committee

- A. Pond Rehabs (updates)
 - i. DP 2A @ 242 Dorset – Inframark estimate forthcoming by next Committee meeting
- B. Irrigation system (new) –
 - i. Committee met with Sunscape on 5/20; Sin Jon developing a summer irrigation priority scheme for Committee review
- C. Asset Management Plan/Warranty Schedule – Inframark's ARS Team began work on 5/20; target completion by July for District budgeting process

7. Facilities Committee

- A. SCADA system (update)
 - i. Review Report almost finished, but undergoing an extra level of internal approvals since it's the first Report we've drafted of this kind
 - ii. Mark Yentzen drafting timeline of POs & WOs; confirming Neltronic's services owed
- B. WWTP camera system (update) – completed site visit with ADT to evaluate existing equipment at gate and inside plant; quote will be given to Committee for review
- C. Welcome Centre upgrades (updates)
 - i. Parking lot cameras – ADT adjusting one camera to see west end of lot
 - ii. Parking lot lights – electrical installation scheduled for completion this week; last of masonry work will be next
 - iii. LED sign – installation complete; Kay to draft Usage Policy
 - iv. Carpeting – Kay has been delayed; will begin working with carpet installers
 - v. Pest control – new company will be hired
 - vi. Dishwasher – repair cancelled since replacement cost is comparable; pests need to be addressed before dishwasher is replaced since mice caused original issue
- D. Welcome Centre alarm system (update) –
 - i. ADT determined all connections, except 3 windows near ceiling in Board Room, are signaling but mislabeled
 - ii. One of those 3 windows likely causing issue, ADT making another service call on 6/8 to address and reconnect them to system
 - iii. System could/can still be armed in the interim

8. Parks & Trails / Committee

- A. Graffiti removal
 - i. Trinity Hills Park sidewalk (new) – see pic; removed by Time Machine ATX on 6/1
 - ii. Wellington wall and tunnel (update) – Time Machine ATX will quote; but Zach R. will remove under Base Fee if qualified
- B. Aspen Hills monument sign (update) – Approved last month, Sunscape given NTP; estimated completion late June
- C. Belterra Blvd and Trinity Hills sod replacement (update) – Approved last month, Sunscape given NTP; estimated completion late June
- D. Belterra Centre Pond (update) – Sunscape given NTP to remove 2 storm-damaged cedar trees
- E. Mowing level (new) – Sunscape raising from 2.75" to 3"; can go up to 3.5" if needed

9. Joint Customer Care Committee

- A. Security (updates)
 - i. May Constable's Security Report attached
 - ii. Hays County Sheriff's Office – Committee met with Sheriffs on 5/25; Committee scheduling internal meeting to discuss Next Steps

10. Completed Customer Requests (new)

- A. Oxford mail kiosk – lights dimmed
- B. Mesa Verde mail kiosk – light repaired
- C. 251 Kensington – Greenbelt vines cut back
- D. 100 Holly Court – strip in front of house mowed
- E. 2 dead deer removed from common areas (completed by Sunscape and Zach R.)

11. Other

- A. Google Drive (update) – have been getting “the runaround” from Google and Onix on responsibility; finally resolved permission issues; now drafting suggestions for folder reorganization for Board and Consultant review prior to implementation
- B. Light survey (new) – completed survey and addressed problems found
- C. TDS (new) – Ceejay and the HOA met with TDS on 5/24 to better understand their Operations
- D. Board Meeting Notices (new) – Wellington now added to list of posting locations
- E. Kay's days in Belterra now Wednesdays & Thursdays (reminder)
- F. Emergency contact numbers requested by Board Member (reminder):
 - a.

Subject: Regular Board Meeting

Management and Operations Items:

- 10b) Inframark Staffing – Zach W. transitioning to Inframark Dallas; Jesse Black will be his Successor
- 10h) Customer Communications, Newsletter – Ceejay almost done drafting Newsletter tailored for Hays 1

Current Items Requiring Board Approval:

Vendor	Amount	Budgeted	Description	Work Order #

Rules, Policies, Agreements and Compliance Requirements:

11a) Inframark Service Agreement Amendments

- Mark Yentzen spearheading draft Amendment with 4 revisions (removing irrigation services, adding social media services, updating personnel chart, and removing Maintenance Cap)
- Once finalized, Inframark will meet with Bott Douthitt re final Maintenance Cap true-up calculations

11c) HOA recreational facilities – HOA returned signed easement Agreement 5/31

13) Paul, Kay & Ceejay attending CASE Conference in Lake Conroe, Thurs 6/16 – Sat 6/18

Ms.