

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS
August 12, 2021

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 August 12, 2021, 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

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, Andy Barrett with Andy Barrett & Associates, PLLC, Kristi Hester, the District’s general management and operations contractor, Chris Lane of SAMCO Capital Markets, Inc. (“SAMCO”), the District’s financial advisor and Vicki Hahn, paralegal with Winstead PC. In addition, Allen Douthitt of Bott & Douthitt, the District’s bookkeeper, attended the meeting by telephone.

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. Hester reviewed Inframark's General Manager's Report ("GM Report"). Ms. Hester reviewed and updated the Board with respect to operational matters concerning the District's wastewater treatment plant ("WWTP") and 210 Re-Use Irrigation System. The following is a summary of activities Ms. Hester reviewed with the Board:

1) **Wastewater Treatment Plant:**

- a) All facilities are in compliance for the Month of July;
- b) Daily average flows are 368,000 gallons a day, 69% capacity;
- c) A few minor repairs completed, nothing significant; and
- d) On June 29th, Inframark scheduled WW Transport to remove several loads from the clarifier to reduce solids. The July process control data has improved.

2) **Collection System:** Completed first round of grease trap inspections. Three sites failed and they corrected the problems within the cure period.

3) **Drainage/Ponds:**

- a) Infrastructure Committee reviewed Commercial East Pond 15; and
- b) Some minor work is scheduled to be done during dry weather conditions.

4) **Parks – Trails:**

- a) Graffiti removal from Pecan Park - we have also found a few other areas with graffiti;
- b) Held Joint Committee meeting to discuss upcoming trail survey; and
- c) Included on the Google Drive is the proposed new trail map and survey questions.

5) **Customer Care Committee:**

- a) Reviewed Touchstone Scope; and
- b) Discussion on October Public Meeting.

6) **Facility Committee:** Inframark will be scheduling a committee meeting soon to review estimates received on the security system and center design.

Director Dally mentioned that the Infrastructure Committee took a trip to the WWTP. He noticed that there have been several operators assigned to the WWTP of late and questioned the turnover rate. Ms. Hester stated that Jeremy is the Plant Operator. He has been at Inframark for six months. Glen is his assistant and Zack is the Operations Manager who answers to Jess Kennis. Per Ms. Hester, there are more people involved due to the organization of Inframark's operations staff, as opposed to turn-over. The Directors again discussed holding a Board Meeting at the WWTP. Ms. Hester suggested meeting at the WWTP at the end of September or the beginning of October when Mr. Kennis is back from deployment with the National Guard.

Director Botts discussed that the Facilities Committee will meet to discuss work on the Belterra Centre including sound deadening and placing cameras around the exterior of the Centre. They will also discuss repairing the damaged awning.

Ms. Hester mentioned the future trail that Hays County WCID No. 2 ("Hays County No. 2") would like to add to their District. It was noted that many residents on Mendocino do not want the trail to go through the greenbelt behind their homes, so Hays County No. 2 would like to put

out a survey to get more community input on whether the trail project should be pursued further. Approximately 20 homes out of 2,000 homes in Hays County No. 2's district would be affected by the trail extension if it were to move forward. There will be six questions on the survey.

Ms. Hester then mentioned the Airco proposal to replace the AC/HVAC system. This is the system by the control unit, which has to stay cool in order to work correctly.

Ms. Hester went on to discuss WLE's irrigation report and their proposals for irrigation repairs which will be discussed with WLE later in the meeting.

2. Financial Report: The Board called on Allen Douthitt of Bott & Douthitt to present the Accounting Report dated August, 2021. The following is a summary based on his report.

a) Action items for the Board:

- Approval of the director and vendor payments;
- Approval of transfer from TexPool Operating Account to BancorpSouth Operating Account (New): \$200,000.00;
- Approval of transfer from BancorpSouth Operating Account (New) to BancorpSouth Manager's Account (New): \$22,000.00;
- Approval of transfer from TexPool Operating Account to TexPool SPA Account: \$5,072.71; and
- Approval of transfer from TexPool Tax Account to TexPool Operating Account: \$16,122.95
- Approve bond payments:
 - Series 2012 \$272,313.00
 - Series 2013 \$398,485.00
 - Series 2015 \$129,128.00
 - Series 2015R \$ 4,775.00
 - Series 2016R \$548,307.00
 - Series 2016A \$306,784.00
 - Series 2017 \$ 92,072.00
 - Series 2020R \$146,837.00
 - Series 2020 \$633,592.00

- b) The month of May was ahead of plan by \$72,000 (\$32,000 favorable revenues and \$39,000 in favorable expenditures); Year-to-date the District is behind plan by \$11,000.
- c) June charges to the Joint Maintenance CAP were \$21,000. Actual charges are \$284,000 more than the monthly billings to date.
- d) June charges to the General Maintenance CAP were \$3,000. Actual charges are \$103,000 less than the monthly billings to date.
- e) Year-to-date the District has a collection rate of 98.71% on property taxes.

Director Kelly asked if the Directors should keep turning in their per diem invoices even if they have hit the limit for payment. It was determined that the per diem invoices should continue to be turned in so that the record is accurately reflected.

The Board then discussed the engineering budget for the WWTP. After noting that repair and rehabilitation costs had exceeded \$1million over the current fiscal year, Director Botts stated that the Board needed to be made aware if such costs were anticipated to continue to be incurred every ten years. The Board also discussed that budgeted projects were not getting completed due to various issues but mostly due to inability to get parts.

Director Botts mentioned the after storm report that Todd Burrer from Inframark gave at the AWBD conference. He noted that Mr. Burrer will refine the report for the District. Director Kelly then mentioned that he met someone from Triton. Triton provides similar services to Touchstone and is moving to Austin, and Director Kelly thinks the District should meet with them.

3. Committee Reports, Recommendations and Assignments:

- a) Finance Committee: The Finance Committee had no update.
- b) Infrastructure Committee: The Infrastructure looked at the ponds and they are working well.
- c) Customer Care Committee: The Customer Care Committee had no updates.
- d) Parks Committee: The Parks Committee had no updates.

Upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board adjourned at 4:57 p.m. and agreed to re-convene at 5:00 for the regular Board Meeting.

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. Lauren Barzilla with CMA Engineering, Inc., the District's engineers, and Josh Fort, with WLE, the District's landscape service provider joined the meeting. All directors present when votes were taken voted on all matters unless an abstention is set out in any such item.

4. 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.

Mr. Eaton, a resident in Belterra appeared in person and was recognized by the Board. Mr. Eaton thanked the Board for increasing the tax exemptions. After a presentation, he asked the Board to decrease the tax rate as well.

No other person spoke publicly so the Public Comment session was closed and the Board proceeded to the next item of business.

5. Consent Items:

a) Minutes: The Board of Directors reviewed the Minutes from the July 8, 2021 Regular Meeting.

b) Accounting Report: The August 12, 2021 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 Robison and unanimously carried, the Minutes from the July 8, 2021 Board Meeting and the August 12, 2021 Accounting Report and related disbursements were approved.

6. Reports: If necessary, review and discuss reports not completed during the Board Workshop Session.

Josh Fort of WLE presented the landscaping report. He discussed his two proposals, one for adding color and deer proof plants at the Belterra front entrance and one for Erosion Control at Trinity Hills. There is erosion under the concrete at Trinity Hills where it abuts the park. The Board and Mr. Fort discussed why there are dead grassy areas on Nutty Brown. The Board speculated that it is because there were too many chemicals. The Board discussed the options of installing new grass at an approximate cost of \$18,000 or hydro mulching the area (spraying the area) at a cost of approximately \$6,000. With respect to timing, regardless of which option is chosen it is better to start the projects in the fall.

7. Engineering and Development Items: Lauren Barzilla of CMA presented the **General Engineering Report** as follows:

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

- a) Approval of Pad X Task Order No. 62, Amendment No. 2 for \$8,000;
- b) Recommend final acceptance of Pad X; and
- c) Recommend approval of Partial Assignment and Assumption of Non-Standard Retail.

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 X
- c) Plans currently under review - Lot 3G-l Site Plan;
- d) There are no grease traps currently under review; and
- e) Water LUE determination review - Pad X.

III. **Pad X:**

- a) Approval of Task Order No. 62, Amendment No. 2 is a non-reimbursable developer expense.
- b) Final acceptance of Pad X; and

- c) Approval of the Non-Standard Retail Water and Wastewater Services Agreement.

IV. **Lot 3G-I:** The Site plan has been submitted and is currently under review.

V. **Commercial Warranty Items:**

- a) East Pond updates - complete; and
- b) Temporary Stabilization Updates - complete.

VI. **Commercial Water Usage Tracking:** the Commercial Water Usage Summary is available for the Board to review.

With respect to Item III above, Ms. Barzilla explained that Pad X is close to final. The contractor is asking for conditional approval based on completing the punch list. This would be a conditional approval so if they do not complete the punch list, they will not receive final approval.

With respect to Task Order No. 62, Amendment No. 2, it is for an additional \$8,000 for a total of \$36,000. Ms. Barzilla mentioned that the developer pays this cost in full. It is a non-reimbursable cost. Ms. Barzilla noted that part of the reason an amendment is necessary is due to contractor's issues ordering materials for the storm sewer line. Ms. Barzilla also mentioned that it takes more time to approve an apartment complex than a Chick-fil-a due to the size difference which accounts for the additional cost. She explained that no one knows how expensive engineering review and inspection costs for a project will be until the plans are submitted for review.

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 for solicitation of bids for the Belterra WWTP Weir Overflow; and
- b) Approval of Task Order 67, Amendment No. 1 – For Belterra Wastewater Treatment Plan Overflow for \$9,000.

II. **EQ Tank Blower Replacement:** Design Updates are available to the Board.

III. **Belterra Wastewater Treatment Plant Weir Overflow:**

- a) Design Updates are available to the Board.
- b) Discuss solicitation of bids and get approval, if desired; and
- c) Approval of Task Order No. 67, Amendment No. 1 to add development of contract and bid documents.

IV. **Wastewater Summary:**

- a) Average Daily Wastewater Usage (June 2021) = 368,000 gpd
- 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

Wastewater Treatment Plant Project Status - August 2021				
Project	Status	Budget Amount	Amount Billed	Project Status
Drum Screen Replacement Project - CMA Task Order 60	100%	\$ -	\$ 680,233.00	Project was complete June 2021
EQ Blower Replacement - CMA Task Order 65	5%	\$ 125,000.00	\$ 28,093.31	Contract documents have been received, and are under review. The Notice to Proceed will be issued as soon as the contract documents are reviewed.
Weir Overflow Design - CMA Task Order 67	0%	\$ 80,000.00	\$ 24,400.75	Waiting for approval from the Board to solicit bids
EQ Tank Rehab and Diffuser Installation - Inframark	100%	\$ 25,000.00	\$ 360,174.00	Project was complete June 2021
Replacement of Dissolved Oxygen meters at the EQ Tank and the MBR - Inframark	0%	\$ 36,000.00	\$ -	No progress
Drip Field Inspection - Inframark	0%	\$ 20,000.00	\$ -	Inspections are ongoing.

Ms. Barzilla noted that she met with the Infrastructure Committee to discuss the Weir Overflow project and the committee would like to move forward with soliciting bids.

Action Items for Engineering:

- a) Upon motion by Director Botts, seconded by Director Dally and unanimously carried, the Board authorized conditional approval of Pad X;
- b) After discussion, upon motion by Director Botts, seconded by Director Robison and unanimously carried, the Board authorized approval of Task Order No. 62, Amendment No. 2. For \$8,000;
- c) Upon motion by Director Kelly, seconded by Director Robison and unanimously carried, the Board approved the Partial Assignment and Assumption of Non-Standard Retail Water and Wastewater Services Agreement;
- d) Upon motion by Director Kelly, seconded by Director Robison and unanimously carried, the Board approved solicitation of bids on the Weir project;
- e) Upon motion by Director Dally, seconded by Director Robison and unanimously carried, the Board approved Task Order No. 67, Amendment No. 1 for an additional \$9,000 to cover CMA's costs for development of contract and bid documents.

8. Financial Items: The Board discussed the following:

- (a) Proposed Operating and Debt Service Budget: A special Board Meeting will be scheduled to discuss the proposed budgets.
- (b) Chris Lane of Samco presented the certified 2021 tax data from Hays Central Appraisal District and reviewed the tax rate worksheet and recommendation on proposed tax rate.
- (c) The Board reviewed the proposed Notice of Public Hearing on Tax Rate. Upon motion by Director Botts, seconded by Director Kelly and unanimously carried, the Board approved the proposed Notice and authorized publication.

- (d) With respect to the proposed Maxwell, Locke & Ritter LLP Engagement Letter, this topic will be discussed at the special budget meeting in August.
- (e) No updates with respect to administrative booking items.
- (f) No update with respect to delinquent commercial review and inspection deposits.

9. Management and Operations Items:

(a) Emergency Response Plan and After Action Plan was discussed earlier in the meeting and Ms. Hester confirmed that Inframark is still working on the Plans;

(b) Authorization of recommended expenditures and actions related to improvement, repair, maintenance, operation and use of District facilities and property, and such routine management and operational matters as are recommended for action:

(i) Upon motion by Director Kelly, seconded by Director Kelly and unanimously carried, the Board authorized the expenditure of up to \$5,000 to obtain a spare pump motor for the pond fountain;

(ii) Upon motion by Director Kelly, seconded by Director Botts and unanimously carried, the Board approved the expenditure of \$6,751 to replace the AC/HVAC system;

(iii) Upon motion by Director Botts, seconded by Director Dally and unanimously carried, the Board decided to table WLE's proposal for the Entrance and for re-seeding and/or sodding the dead grass.

(iv) Upon motion by Director Botts, seconded by Director Robison, the Board authorized Inframark to get another estimate for the re-sodding and authorized Inframark to proceed with the best bid, not to exceed an expenditure of \$6,000.

(v) Upon motion by Director Lucas, seconded by Director Kelly and unanimously carried, the Board approved the monthly Engineer's Report.

(vi) Upon motion by Director Kelly, seconded by Director Robison and unanimously carried, the Board approved the monthly General Manager's Report.

10. Rules, Policies, Agreements and Compliance Requirements:

(a) Upon motion by Director Dally, seconded by Director Lucas and unanimously carried, the Board adopted the Resolution Adopting the Amended Joint 210 Irrigation System Plan.

(b) The Board discussed the proposals for landscaping and irrigation services and after a full discussion about the received bids not being responsive to the RFP and deciding if the Board would like to interview the bidders, it was determined that Director Kelly and Director Botts will review the RFPs and will determine top two or three candidates for the full Board to interview.

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

12. District Calendar and Schedule: Ms. Hester confirmed that she will schedule all necessary committee meetings. A special meeting of the Board will be scheduled for August 25th to discuss the proposed budget. The regular workshop and meeting will be scheduled for September 9, 2021. A special meeting of the Board will be scheduled for September 16th to discuss the RFPs for landscaping and irrigation services.

13. Executive Session: No executive session was required.

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

APPROVED AND ADOPTED on the 9th day of September 2021.




Daniel B. Robison, Secretary