

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS
August 25, 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 special session open to the public, at Belterra Centre, 151 Trinity Hills Drive, Austin, Texas, the District’s office within the District, on August 25, 2021 at 4:00 p.m., 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

All members of the Board were present at Belterra Centre for the commencement of the meeting except for Director Botts. Also present in person were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Kristi Hester of Inframark, the District’s general management and operations contractor and Allen Douthitt of Bott & Douthitt PLLC (“Bott & Douthitt”), the District’s bookkeeper.

1. No members of the public were present;
2. The Board reviewed the proposed engagement letter with Maxwell Locke & Ritter LLP with regard to the preparation of the District’s audit for its fiscal year ending September 30, 2021. Upon motion by Director Dally, seconded by Director Lucas and unanimously carried, the Board approved the engagement of Maxwell Locke & Ritter and authorized signature of the engagement letter.
3. Allen Douthitt presented the draft operating budget for the Board’s review. He stated that he had worked with Ms. Hester in preparing the draft budget. The Board began its review by focusing on proposed expenditures in the upcoming year.

After an inquiry by Director Lucas, it was discussed that \$15,000 would be added to the budget for installation of curb cuts to accommodate crosswalks being installed by the County at the intersection of Nutty Brown Road and Trinity Hills.

Director Kelly inquired about the status of the current irrigation and landscape RFPs, noting that the pricing for those services will be increasing by at least some amount upon selection of new contractors. After a thorough discussion, the Board directed Mr. Douthitt to increase the amount of landscape services to accommodate potential selection of a different contractor. The Board agreed that \$400,000 for landscape and \$200,000 for irrigation services should be inserted as placeholders instead of the current estimates for such services.

Director Dally discussed the use of park funds to improve existing parks, as the District does not anticipate building any additional park or recreational facilities. He suggested retaining a planner to coordinate a more comprehensive, strategic plan in enhancing and improving parks and common areas. Director Kelly also suggested that the Board look at clearing overgrown areas. The Board engaged in a thorough discussion concerning common area landscapes and parks. Ms. Hester suggested that the parks committee work with the parks committee for WCID2 to come up with a plan that could potentially be implemented over a 3-5 year period. The Board requested that \$10,000 be added to the budget for retention of a landscape architect.

Director Lucas inquired about the bridge near Trinity Hills park. After discussion, the Board directed Mr. Douthitt to add \$5,000 for said project. In addition, Director Lucas mentioned that the grass at Trinity Hills needs to be addressed, and that an amount for such item should be added to the budget.

Mr. Douthitt continued with review of the draft budget, highlighting costs anticipated with respect to collection system and detention pond maintenance. Ms. Hester explained that the District's pond maintenance contractor, Aquatic Features, recommended treatments three times per year for the pond located in the Belterra Village area, and one additional water quality pond that drain as quickly as the others. Ms. Hester stated that the treatments will help reduce growth of algae and plant materials, and recommended that such item will be added to the budget for pond maintenance in the amount of \$10,000.

There was further discussion concerning whether the remaining AMR meters will be installed prior to the end of the fiscal year. Ms. Hester stated that timing for installation depends on when the meters are delivered, and that shipments are currently delayed due to a microchip shortage. Mr. Douthitt stated that if the meters were not delivered on time, the costs thereof will be moved to the budget for the next fiscal year.

The Board also discussed the possibility of revamping all generators for lift stations and plants to run on natural gas or propane. Ms. Hester suggested \$50,000 for emergency preparedness projects. It was noted that Todd Burrer of Inframark is still working on an after-action plan for the Board's consideration.

Mr. Douthitt next reviewed potential joint facilities expenditures. He noted that the EQ Blower installation project cost is stated at \$260,000, and he reviewed several projects that will be moved from the budget for the current year to the next fiscal year. He also noted the drip field repair budget. Mr. Douthitt reminded the Board that the PUA base rate fee had increased, and the budget had been adjusted accordingly.

In reviewing budgeted revenues, it was noted that commercial sales tax revenues would not be as high as they have in the past because the District would now be paying half of such revenues to the developer in accordance with the reimbursement agreement.

After a thorough review, it was noted that Mr. Douthitt would update the draft budget in accordance with the Board's discussion. No action was taken.

4. Executive Session: No executive session was required.
5. Adjournment: There being no further business to conduct, upon motion by Director Kelly, seconded by Director Lucas and unanimously carried, the Board adjourned until further call.

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




Daniel B. Robison, Secretary