

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 (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, for the purposes stated herein, on August 31, 2023 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

All members of the Board participated in the meeting and were present at the commencement of the meeting except Rick Lucas who arrived shortly after the meeting started. Also present at the meeting were Matt Kutac of the Law Offices of Matthew B. Kutac, PLLC, Lonnie Wright, Beth Wright, Chris Sanchez and Sally Gomez of Municipal Operations and Consulting, LLC ("MOC"), the operations and management contractor for the District, Vicki Hahn, paralegal with Winstead PC, Chris Lane of Samco Capital, the District's Financial Advisor and Allen Douthitt of Bott & Douthitt, the District's bookkeeper. In addition, members of the public included Samantha Bethke and Lynn Lee of Hays County WCID No. 2, Dan O'Brien and George Baker.

1. Public Comment: The President suspended the 3 minutes rule if members of the public wanted to address the Board. The President called for public communications and comments. Hearing none, the Public Comment session was closed and the Board proceeded to the next item of business.
2. Budget: Discussed later in the meeting.
3. Interlocal Cooperative Agreement with Law Enforcement: Director Botts mentioned to the Board that the Joint Management Committee met and discussed the pros and cons of switching law enforcement patrol services from the Constable's Office to the Sheriff's Department for the districts. Director Botts recognized Samantha Bethke, the President of HCWCID No. 2 and member of the Joint Management Committee. Ms. Bethke discussed the 3 main goals that

both districts would like to see: (i) a presence by law enforcement; (ii) a less predictable patrol schedule; and (iii) weekend and night patrolling on a consistent basis. She noted that the current agreement with the Constable falls short of those goals. The Constable's schedule is predictable and nights and weekend schedules rarely happen. She also mentioned that the Districts are required by contract to pay for the officer's time even while he is on vacation and or in training and if the Districts move to the Sheriff's Department, they will no longer have to pay for vacations and training and will have more money to pay for more patrols. She believes that the Districts will be able to get a varied schedule by contracting with the Sheriff's Deputies for patrol services. She then noted that the Sheriff's Department patrolled on an ad hoc basis during the month of August and the Sheriff's Department has already filled the ad hoc shifts for September and October, so she does not believe there will be an issue with filling all of the ad hoc shifts.

Let the record reflect that Director Lucas arrived at the meeting.

Ms. Bethke noted that the Districts have not been happy with the Constable's Office for a while and even though they ask to have more variation in the schedules, it rarely happens. Director Robison expressed his concern that the Sheriff's Department has not been able to fill the SRO positions, but it was noted that the SRO positions are full time positions and is a different type of work. The Deputies are more inclined to take these contracted ad hoc shifts because it supplements their ordinary pay as employees of the Sheriff's Office.

The Board then discussed liability. Mr. Kutac mentioned that the Districts have a greater exposure to liability without a contract with the Sheriff's Office, and although the Districts each have appropriate TML coverage in place, there is no guarantee that the Districts would not incur some type of liability in the event of an incident involving law enforcement. He explained that the Sheriff's Office had recently expressed a willingness to enter into a contract, but that negotiation and execution would take some time.

The Board then discussed how payment to the Deputies would work with Mr. Douthitt. Per Ms. Bethke, Irene at the Sheriff's Department will coordinate the billing. The vehicle fees will be paid directly to the Sheriff's Department and the payment for the ad hoc shifts will be paid directly to the Deputies. Dan O'Brien, a resident of the District and former judge in Hays County, was permitted to address the Board. He noted that if the Districts requested that the Deputies issue specific types of tickets (i.e., speeding, parking, etc.) or otherwise direct or instruct them, then the Deputies could be considered employees of the Districts. He suggested letting them schedule patrols within the 24/7 timeframe and let them determine how what enforcement actions to take. Mr. Kutac noted the existing contract with the Constable expressly stated that the Districts could not direct or instruct officers, and that he sent the same form of contract to the Sheriff's Department for consideration. The Board returned to the discussion regarding the logistics of how the Deputies would be paid. Director Botts stated, with respect to Director Robison's concern that the Sheriff's Department does not have the manpower to cover the ad hoc shifts, that he called High Pointe, who uses the Sheriff's Department and they confirmed that they have had no issues with the Sheriff's Department filling the shifts.

Upon motion by Director Lucas, seconded by Director Botts with Director Robison opposed, the Board authorized Mr. Kutac to send a letter to the Constable's Office terminating the contract on September 1, 2023 effective as of September 30, 2023.



4. Sherriff's Patrol Services: Upon motion by Director Botts, seconded by Director Lucas and unanimously carried, the Board authorized contracting with the Sheriff's Department to provide law enforcement patrol services to the Districts.

The Board asked Mr. Douthitt to determine a plan for payment. The Board also asked that each Deputy sign an agreement for the rate of pay. The Board asked Ms. Wright to have a conversation with Chief Gutierrez and Irene regarding the payment issue and have them put in writing how they would like to handle. The Board also asked Mr. Kutac to draft a Memorandum of Understanding.

5. Belterra Centre Holiday Decorations: Upon motion by Director Botts, seconded by Director Kelly and unanimously carried, the Board approved allowing MOC to decorate the Belterra Centre for various holidays as long as she does not use public funds or include religious displays.

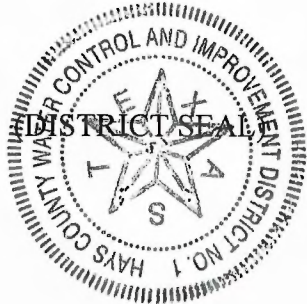
Budget: Mr. Kutac reminded the Board that he sent an e-mail to all of the Directors with respect to the membrane failures at the WWTP, and noted that it will obviously have an impact on the proposed budget. He reminded the Board that this issue just came up and is not on the Agenda to discuss and cannot be discussed other than with respect to how this will affect the budget. There will be no discussion of what or who caused the issue with the membranes. That will have to be discussed at a future meeting. The Board then reviewed the budget in detail. It was noted that Sunscape asked to add \$176,000 to the budget because they have a couple of proposals with respect to removal of some trees, ornamental pruning filling the bed on the Hwy 290 entrance. The Board noted that it will need Mr. Wright and Mr. Douthitt's input on the budget before the end of next week. The Board discussed the need to fund the reclaimed water fire protection project. Director Robison suggested having another professional rate study done for the District. Director Dally questioned if the District is charging enough for commercial users. The Board decided to revisit the rate study in the future. The Board then requested that Mr. Douthitt include \$400,000 for the membranes in either this year's budget or next years to replace the membranes.


6. Executive Session: No Executive Session was required.
7. Action Items from Executive Session: Not applicable.

The Board discussed scheduling a special Board meeting on September 6, 2023 at 4:30 p.m. to discuss the Drought Contingency Plan and the Hays Trinity Groundwater permit renewal. They asked that Ms. Wright offer the 4 businesses using potable water for irrigation the opportunity to convert to reclaimed water at their cost. The Board's next regularly scheduled meeting will be on September 14, 2023.

8. 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 14<sup>th</sup> day of September 2023.



  
Daniel B. Robison, Secretary