

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS

THE STATE OF TEXAS §
COUNTY OF HAYS §
HAYS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 §

The Board of Directors (the “Board”) of Hays County Water Control and Improvement District No. 2 (sometimes referred to herein as the “District”) met in Regular Session, on January 18, 2024 at 5:45 p.m. at the Belterra Centre, 151 Trinity Hills Drive, Austin, Texas and the roll was called to-wit:

Samantha E. Bethke	President
Lynn J. Lee	Vice President
Sean McGillicuddy	Secretary
William Carroll Kelly IV	Treasurer/Assistant Secretary
Chris Kopperud	Assistant Secretary

All members of the Board were present at the commencement of the meeting except Director McGillicuddy. The record shall reflect that all Board members present voted on all matters that came before the Board. Also present were Matt Kutac of the Law Office of Matthew B. Kutac PLLC, Vicki Hahn, paralegal, with Winstead PC, Lonnie Wright, Beth Wright, John Taylor and Chris Sanchez of Municipal Operations and Consulting, LLC, the operations and management contractor for the District, Chris Lane of Samco Capital Markets, Inc., the District’s Financial Advisor, Allen Douthitt with Bott & Douthitt, the District’s bookkeepers and Lauren Barzilla of Burgess & Niple (“BN”), the District’s engineer and Jesse Trevino from Sunscape Landscaping, the District’s landscaper. Bill Dally and Anthony Valderas also attended portions of the Board meeting.

1. PUBLIC COMMENT: Mr. Kutac called for public communications and comment. Hearing none, the Board proceeded to the next item on the agenda.
2. MEETING MINUTES: The Board reviewed the Minutes from the December 21, 2023 Regular Board Meeting. Upon motion by Director Lee, seconded by Director Kopperud and unanimously carried, the Board approved such Minutes.
3. FINANCIAL:
 - a) Audit Update: Mr. Douthitt noted that the bookkeeper from his office that handles the day to day District transactions has been out of the office due to illness. As a result, Bott & Douthitt is behind in getting the necessary financial records to Maxwell Locke & Ritter for the audit. February 12, 2024 is the deadline for filing the audit with the TCEQ, and he is

hoping to get the records to Jimmy Romell as soon as possible. The Board requested a special Board meeting on February 8, 2024 to review and approve the audit for FYE 2023.

- b) Accounting Report: Mr. Douthitt reviewed Bott & Douthitt's Accounting Report dated January 18, 2024 with the Board, which included a review of the Cash Activity Report and expenditures to be approved at the Board Meeting that same day. Such Cash Activity Report included director and vendor payments, fund transfers and the Financial Statements for November 30, 2023 for review and approval by the Board.

- c) Administrative and Action Items:

Upon motion by Director Kopperud seconded by Director Lee and unanimously carried, the Board accepted the Accounting Report and approved all disbursements and transfers set forth in the Accounting Report.

4. LANDSCAPING:

- (a) Sunscape Report: Mr. Trevino reviewed the Landscaping Report. He noted that he prepared the Irrigation Summary and after that walkthrough he noticed that in the 100 acre reclaimed irrigation area, there are some valves that are not working. He needs to determine what repairs need to be done. He also noted that there are some invoices for work completed in September that had not been sent to the District for payment until now.

Director Bethke asked Mr. Trevino to ensure that, during a freeze, no irrigation runs onto the sidewalk or street. Mr. Trevino responded that there was a malfunction during the recent freeze. Sunscape turned off the irrigation remotely and it did not work. In the future, Sunscape will turn off the irrigation manually.

- (b) Trail Maintenance: No action was taken by the Board.

5. ENGINEERING:

- a) WWTP Joint Facility Report: Ms. Barzilla reviewed the Joint Facility Report.

Ms. Barzilla noted that Proscapes has run into some issues with wiring in their evaluation of the drip fields. Proscapes needs to do temporary fixes in order to continue testing the system. They have asked for an additional \$2,000 to complete the testing and furnish the proposal for the downstream repairs needed. She mentioned that HCWCID No. 1 has already approved the \$2,000.

- b) District Report: Ms. Barzilla reviewed the District Engineering Report.

Ms. Barzilla noted that the Gabion Wall bids are due February 1st. She will bring her recommendation for award to the next meeting.

With respect to the water model efforts, the Board discussed the timing for the completion of the water model and timing of potentially connecting a limited number of customers in the District to the higher-pressure plane. Ms. Barzilla responded that the first water model

should be completed by March. The Board then discussed that they would also like to continue investigating the potential water storage project in order to put the District in the best possible position to avoid Boil Water Notices when the WTCPUA issues a Boil Water Notice. also It was also asked if MOC gets advance notice of a Boil Water Notice and Mr. Wright responded that they do not. They are notified at the same time the residents are notified. Mr. Taylor mentioned that the District did not lose pressure during the last WTCPUA issued Boil Water Notice, and if the District had had its own water tank, it would not have been subject to the Boil Water Notice issued by the WTCPUA. It was noted that the WTCPUA excluded some areas from the Boil Water Notice but identified Belterra specifically in their communication. It was also noted that MOC received multiple customer calls during the period of the Boil Water Notice.

c) Additional Action Items:

- Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board authorized the engineer to solicit bids for the trail drainage issues discussed during Ms. Barzilla's presentation of her report.
- Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board approved Task Order 31 for Burgess & Niple to render engineering services with respect to connecting certain customers to the higher-pressure plane.

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

6. MANAGEMENT AND OPERATIONS:

- a) Manager's Report: Ms. Wright reviewed the General Manager's Report. She apologized to the Board for the confusion during the Boil Water Notice stating that the door tags had "GBRA" instead of "WTCPUA" on them and that caused some confusion. She also noted that the e-mail and texts to the residents regarding the Boil Water Notice had the correct information on them.

Ms. Wright discussed the request from the HOA to purchase and put signs up to have trail users go around the Cove. The Board discussed whether having signs would help because there are already signs at the trail, but people continue going that way anyway.

The Board discussed that they have been unable to find replacement seats for the tables in the park. The Board would like for Ms. Wright to see if she can find options for four tables with 3 seats, where the 4th seat would normally be, it would be left empty to comply with ADA requirements.

It was noted that the Customer Care Committee is re-evaluating the Touchstone Services.

Director Bethke informed the Board that the draft survey with respect to the potential new park has been completed. She recommends checking with HCWCID No. 1 to see if they are comfortable with the District soliciting feedback from the whole community. The Board requested that the HCWCID No. 1 and the District's survey results be submitted separately so they know how each district responded. A customer care meeting will be scheduled eventually to discuss.

Operation's Report: Mr. Taylor reviewed the Operations' Report. He noted that with respect to the lightning strike, they received a bid from Hyperion but they felt that the bid was too high. They have asked Hyperion to revise their bid and they have also asked Alterman to submit a competing bid. He noted that TML is getting anxious to clear this claim off of their records.

Mr. Taylor informed the Board that MOC has identified a qualified applicant for the operator position at the WWTP and are hoping to get someone hired soon.

- b) Public Hearing for Violations of District Rules: No hearings were required.
- c) Additional Action Items:
 - Upon motion by Director Kopperud, seconded by Director Kelly and unanimously carried, the Board authorized the HOA, at their expense, to place signs in the Cove with arrows showing that trail users should go around the Cove. Such authorization is contingent upon the District's approval of the signs, including both the language on the signs and the location of the signs.

Upon motion by Director Kelly seconded by Director Kopperud and unanimously carried, the Board accepted the General Manager's Report.

7. ADMINISTRATIVE AND LEGAL:

- a) Election Matters: No update.
- b) Water Contract Items: No update.
- c) Water Conservation and Drought Contingency Plan: Mr. Kutac noted that he will check in March to see if the LCRA revised their Drought Contingency Plan and will get back to the Board.
- d) Legal Matters:
 - i) Membrane Claim: To be discussed in Executive Session.
 - ii) Resolution to Support "No Parking" Signs: The Board discussed and reviewed the Resolution in Support of Proposed No Parking Signs Near Rooster Springs Elementary School. Upon motion by Director Kopperud seconded by Director Kelly and unanimously carried, the Board approved such Resolution.
 - iii) Inframark Records: The Board discussed the status of receipt of the District records from Inframark. Mr. Kutac noted that the District has received all records with the exception of the lead-copper reports.

iv) Additional Legal Matters: No action was taken by the Board.

e) Calendaring: The Board determined that the next regular Board meeting will tentatively be February 8, 2024.

8. EXECUTIVE SESSION: With regard to Item No. 7(d)(i) on the posted agenda for the meeting, upon motion by Director Kopperud, seconded by Director Bethke on and unanimously carried, the Board retired, along with Matt Kutac to Executive Session at 6:56 p.m.

Following such Executive Session the Board reconvened in public session at 7:12 p.m. No action was taken by the Board during Executive Session.

9. ADJOURNMENT: There being no further business to conduct, Director Kopperud moved that the meeting be adjourned, which motion was seconded by Director Kelly and unanimously approved. The Board adjourned until further call.

APPROVED AND ADOPTED on the 15th day of February 2024.


Sean McGillicuddy, Secretary

(DISTRICT SEAL)

