

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 19, 2023 at 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. 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, Kay Olsen of Inframark, the District's general management and operations contractor, Allen Douthitt with Bott & Douthitt, the District's bookkeepers, Chris Lane of SAMCO Capital Markets, Inc. ("SAMCO"), the District's financial advisor and Lauren Barzilla of Burgess & Niple ("BN"), the District's engineers, Kevin Gilmartin from Maxwell, Locke & Ritter ("MLR") and Chris McDonnell from CPM attended the meeting. In addition, Andy Barrett of Andy Barrett & Associates, PLLC participated via telephone conference. Members of the public attending the meeting included Sidney Gutierrez and Sarah and Jeff Maurer.

1. PUBLIC COMMENT: Mr. Kutac 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. MEETING MINUTES: The Board reviewed the Minutes from the December 15, 2022 Regular Board Meeting, and upon motion by Director Kelly, seconded by Director Lee and unanimously carried, the Board approved the Minutes from such Board Meeting.

Let the record reflect that Mr. Gutierrez entered the Board Meeting.

3. FINANCIAL:

- a) Audit Report: The Board recognized Kevin Gilmartin of MLR who confirmed that the Directors had received draft copies of the Financial Statements and Supplemental Information for the year ended September 30, 2022 and Independent Auditors Report

("Financial Statements"). Mr. Gilman reviewed such materials in detail with the Board, along with accompanying correspondence directed to the Board, including a routine management representation letter. Mr. Gilmartin noted that the audit was a clean audit. Following a full review of such materials and motion by Director Lee, seconded by Director Kopperud and unanimously carried, the Board approved such Financial Statements and Supplemental Information and Independent Auditors' Report as presented, and acknowledged receipt of the management representation letter and internal control letter. The motion carried with it the Board's authorization for the final report and management letter with the TCEQ, and filing of the final report with the State Comptroller's Office and for filing with the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access ("EMMA") system.

- b) Accounting Report: Mr. Douthitt reviewed Bott & Douthitt's Accounting Report dated January 19, 2023 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, 2022 for review and approval by the Board. With respect to transfers, Mr. Douthitt noted that the following transfers needed approval:

Approve director and vendor payments.

Approve transfers as follows:

- Approve funds transfer from BancorpSouth Operating Account to TexPool Operating Account: \$450,000.00
- Approve funds transfer from TexPool Operating to BancorpSouth Manager's Account: 10,000.00
- Approve funds transfer from TexPool Tax Account to TexPool Operating Account: \$880,412.71
- Approve funds transfer from TexPool Tax Account to TexPool Debt Service Account: \$2,000,000.00
- Approve funds transfer from TexPool Operating Account to Hays County WCID No. 1 TexPool Operating Account: \$59,403.88
- Approve funds transfer from TexPool Operating Account to BancorpSouth Manager's Account (January 11, 2023): \$39,999.80

- c) Administrative Items: No action was taken by the Board.

Upon motion by Director Lee, seconded by Director Kopperud and unanimously carried, the Board approved the above-referenced Accounting Report, and authorized all disbursements and transfers set forth therein.

Mr. Kutac re-opened public comment to allow Mr. Gutierrez to speak. Mr. Gutierrez noted that he lives in the Pinnacle area and questioned why no vegetative screening has been installed. He also noted that he was told his home would not be receiving vegetative screening and he questioned why since he is very close to the new trail and his home is highly visible from the trail. Mr. Gutierrez also asked about the proposed playground status. Mr. Kutac reviewed the District's public comment policy which only allows the Board to listen to the public comments but they cannot discuss, deliberate or take action during public comment, but may take action later during the meeting if the subject is included under an Agenda item. Mr. Kutac did note that the Board decided to postpone planting the tree/shrubs to ensure the trees/shrubs viability. Director Bethke mentioned that the Board has taken no action with respect to the proposed playground at this time. Mr. Kutac called for addition public comment. Hearing none, the Public Comment was closed and the Board proceeded to the next item on the Agenda.

4. LANDSCAPING: Jesse Trevino from Sunscape Landscaping was unable to attend the meeting. His written report contained in the General Manager's written report is as follows:

- i) The full-service turf maintenance of the high visibility areas was performed three times, 11/30/22, 12/14/2022 and 12/22/2022.
- ii) Work Order 113375 for tree removal at 300 Sand Hill was completed.
- iii) Work Order 24638 for trail screening is tentatively scheduled for 2/27/ 2023.
- iv) Trail maintenance: Starting 1/17/23 – the existing decomposed granite ("DG") trail will be replenished with fresh DG. Rutted areas will be filled in and smoothed. Encroaching limbs will be cutback to allow easier passage.
- v) Monthly mowing in the red area (mainly trimming along fence line was performed from 12/5/23 to 12/7/23.

5. ENGINEERING:

a) WWTP Joint Facility Report: Ms. Barzilla presented CMA's monthly Joint Wastewater Treatment Plant ("WWTP") and 210 Reuse Irrigation engineering report. A summary of the report is as follows:

- 1) Potential action items for the meeting:
  - A) Approval of the proposal to proceed with lining the 8" and 12" Treated Effluent line.
- 2) Treated Effluent Fire Hydrant:
  - A) Discuss options for replacement/rehab of lines.
  - B) Hear presentation from CMP Pipeline Representative.
  - C) Recommend proceeding with lining of the 8" and 12" Treated Effluent line, the proposal is on the Google Drive.



- 3) Wastewater Summary:
- A) Average Daily Wastewater Usage (October 2022) = 345,000 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.

The Board compared the costs and benefits of replacing the 8" and 12" inch irrigation lines versus using pipe liner to repair the pipes. The Board also discussed that replacement of the pipes would cost approximately \$570,000 plus 10-15% for unforeseen issues. Ms. Barzilla noted that engineering fees of approximately \$100,000 to inspect the work would be added to that total for construction phase services. The Board also discussed the anticipated pressure increase with replacement versus pipe liner.

The Board recognized Mr. McDonnell from CPM, who introduced himself as the Central Texas Regional Manager at CPM. Mr. McDonnell then gave a history of the company and its history with pipe liners. He reviewed his presentation on the process of pulling the liner through the pipe. He said that the first thing CPM will do is CCTV the pipe before they pull the liner. The length of the pipe to be repaired is 2900 feet. He noted that the pipe-liner is a greener option than replacement in that there are 145 pipes, 145 joints which would have to be removed and hauled away whereas with the pipe-liner, those pipes and joints remain in place. He stated that the pipe-liner is pliable and has the ability to move with the pipes as the ground shifts. CPM projects that the pipe-liner has a 40-50-year service life but he did note that CPM only gives a 5-year material warranty. He also explained that even though there is a little loss in the diameter of the pipe, the pressure normally stays the same or increases. He noted that 699psi is the burst pressure for the liner. Ms. Barzilla interjected that the TCEQ requires testing at specific pressure. Mr. McDonnell noted that CPM is NSF certified and they have had no problems with the TCEQ. He went on to explain that to install the pipe liner, there will be four fittings total, 2 for the 8" pipe and 2 for the 12" pipe. Director Bethke noted that the PVC will continue to deteriorate and questioned what could happen with the pipe-liner. Mr. McDonnell stated that as long as the pipe keeps its structural integrity, the pipe-liner will move with the pipe and will continue to function. If the pipe loses its structure integrity, then the broken section would have to be replaced and new pipe-liner installed in that new portion of pipe. Mr. McDonnell also noted that the pipe-liner has a 3% contraction/expansion ability and noted that the pressure would have to increase to 600psi before the pipe-liner would break. Mr. Kutac mentioned that public bidding for this project is not required because CPM is a sole source provider of the Bullet Liner under consideration. Ms. Barzilla stated that she would recommend the pipe-liner and also noted that HCWCID No. 1 has already voted to approve repairs using the pipe-liner.

- b) District Report: Ms. Barzilla then moved on to Burgess & Niple's general District Engineering Report. A summary of the report is as follows:

- 1) Potential action items for the meeting: Approval of Hays 2 Trail Extension Pay Change Order No. 2 for a deduction of \$1,988.
- 2) Trail Extension Project:
  - A) The project is close to completion. A walk through was completed with the

contractor with minor items being added to the punch list. The punch list is on the Google Drive.

- B) Recommend approval of Change Order No. 2 for a deduction of \$1,988. The Change Order can be found on the Google Drive.

3) Hays 2 Water Tracking:

- A) Approximate Max Daily Usage (November 2022) = 632,000 gpd.
- B) Max allowed = 1,137,024.

Director Bethke mentioned that the trail near Encanto has water over it. She believes that the irrigation heads may not have been moved yet. Ms. Barzilla responded that Sunscape will handle moving the irrigation heads.

Action Items:

- a) Upon motion by Director McGillicuddy, seconded by Director Kelly and unanimously carried, the Board approved CPM's proposal to install the pipe-liner.
- b) Upon motion by Director McGillicuddy, seconded by Director Bethke and unanimously carried, the Board approved Change Order No. 2 for Myers Concrete in the amount of \$5,662.
- c) Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board approved Sunscape's vegetative screening proposal for Area 1 for \$9,216.72 and for Area 2 for \$13,973.87 for a total of \$23,190.61. The Board asked Ms. Olsen to inform Sunscape of the approval.

The Board took no action on the trail presentation.

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

6. MANAGEMENT AND OPERATIONS: Ms. Olsen reviewed Inframark's General Manager's Report, and in particular, the executive summary memorandum dated December 15, 2022. Ms. Olsen gave the following updates:

- a) Zach Johnson's Eagle Scout Project: Inframark is coordinating with Mr. Johnson to determine a date in January to dig the post holes for his sign project.
- b) General Manager's Report: The General Manager's Report is attached as Exhibit "A".

Ms. Olsen noted that Inframark has accepted the drip skid repair proposal and will pay the \$30,000 for repairs.

Ms. Olsen mentioned that playground mulch was installed in both parks. However, the contractor did not fill mulch up to the sticker line because he said the District is only required to fill the playground mulch to 6" in height. The Board discussed the pros and cons of filling the mulch up to the stickers.

- c) Ongoing Projects:

- i) No action was taken by the Board.
- ii) No action was taken by the Board.
- d) Action Items:
  - i) Upon motion by Director McGillicuddy, seconded by Director Bethke and unanimously carried, the Board authorized Ms. Olsen to have the contractor add playground mulch up to the sticker line but limited the authorization not to exceed \$2,000.

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

7. Administrative and Legal:

- a) Water Contract Items: When questioned, Ms. Barzilla noted that there is not any comment from the PUA regarding the pressure issues. The Board asked Ms. Barzilla to contact the PUA engineer to discuss the pressure issue and report back.
- b) Water Conservation and Drought Contingency Plan: Mr. Kutac noted that he needs to discuss the Drought Contingency Plan with Ms. Barzilla.
- c) Legal Matters:
  - i) Inframark Amendment: No action was taken by the Board.
  - ii) Alternative Operations: To be discussed during Executive Session.
  - iii) Drip Skid Repairs: Ms. Olsen discussed in her General Manager's Report.
  - iv) Litigation Matter: To be discussed during Executive Session with litigation counsel, who will attend via telephone conference.
- d) Calendaring: The next Board meeting will be February 16, 2023.

8. Executive Session: Upon motion by Director McGillicuddy, seconded by Director Bethke and unanimously carried, the Board retired along with Mr. Kutac at 7:33 p.m. to Executive Session to discuss Item No's 7(c)(ii), 7(c)(iii) and 7(c)(iv) of the posted Agenda for the meeting. Upon motion by Director Bethke seconded by Director Kelly and unanimously carried, the Board reconvened the public session at 8:20 p.m.

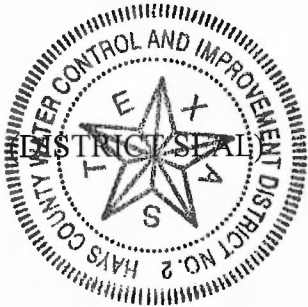
With respect to item 7(c)(iii), upon motion by Director McGillicuddy, seconded by Director Bethke and unanimously carried, the Board authorized acceptance of Inframark's proposal to pay the District \$30,000 to settle the drip skid repair issue.

With respect to item 7(c)(iii), upon motion by Director McGillicuddy, seconded by Director Lee and unanimously carried, the Board directed Mr. Kutac and the District's litigation counsel to discuss

settlement with Mr. Savron, and authorized settlement within the parameters discussed 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 McGillicuddy and unanimously approved. The Board adjourned until further call.

APPROVED AND ADOPTED on the 16<sup>th</sup> day of February 2023.



  
Sean McGillicuddy, Secretary



EXHIBIT "A"

**Memorandum for: Hays WCID No. 2 Board of Directors**

**From: Kay Olsen**

**Date: 1/19/23**

**Subject: General Manager's Executive Summary**

**4. LANDSCAPING REPORT** – Sunscape Dec Landscaping Report attached

**6. MANAGEMENT AND OPERATIONS REPORT** since the 12/15/22 Board Meeting

**6a) Zach Johnson's Eagle Project** (update) – Zach's broken arm has healed and Inframark is coordinating a date in January to help him dig post holes

**6b) Manager's Report**

**I. Dec freeze**

- A. WWTP processed 590K gallons of influent and 500K of effluent from 12/23-12/24; GST and off-spec tanks cannot be used for influent overflow; *influent EQ basin* was operating in "level" mode but was 1 foot from top of the basin so WWTS hauled 2 tankers in Dec. And needed to haul 4 more trucks in Jan because sludge boxes don't dry as fast in colder weather/ can't waste fast enough to keep up; Inframark and B&N will confer on possible solutions.
- B. WWTP had a few minor breaks but nothing major
- C. Portions of Belterra experienced low pressure or no water; WTCPUA had transducer problems but their Head Operator confirmed installation of 3 booster pumps on the county line feeding Belterra and there were reports of immediate pressure improvement; No PUA BWNs issued for Belterra
- D. Sunscape followed freeze procedures outlined in their contract; irrigated in 100-acres but not in areas where water could freeze on the street; water to main irrigation system was turned off remotely so spots with unwanted irrigation were addressed manually; Sunscape and Inframark coordinate on GST levels daily
- E. Residents were advised to reduce usage, especially to offset dripping faucets, via eBlast, and posts to District .org website and 2 Facebook pages with attorney-approved language

**II. Wastewater Treatment Plant**

- A. All wastewater treatment samples in compliance with permit for December. Total flows of 11.5M gallons; daily average flows of 372,000 gpd at 74% WWTP capacity
- B. Membrane Condition Assessment and other membrane projects – postponed for now in favor of larger, more critical projects

**III. Distribution System and Billing**

- A. Water Accountability 95% for December
- B. AMI conversion project (update) –
  - 1. Discovered more poly lids are needed, will order in Jan or request Board approval if \$2,500+
  - 2. Missy working with Badger and Inframark Billing re endpoint communication issues
  - 3. 204 Eye on Water sign ups (vs. 186 in Dec); will email resident instructions after issues resolved
- C. 26 Delinquent Letters mailed; 16 Red Tags hung; 4 Disconnects scheduled

**IV. Collection System / Lift Stations**

- A. LS5 shade structure (update) – Kay securing alternate quote; Multivolt PO cancelled/rescinded
- B. 10/31/22 Lift Station 6 overflow (update) – UD Report and WO attached; Inframark Compliance will 'cc Kay henceforth



## **V. Reuse and Drip System**

### **A. Sunscape**

1. Dec Irrigation Reports for both Districts, including Exec Summary, on Google Drive
2. \$7,494.63 proposal for 210 repairs attached and approved by Hays WCID 1
3. \$13,159.35 proposal to install flush valves attached and approved by Hays WCID 1
  - a. labor to flush lines would be minimal after valve installation complete
  - b. Preventative Maintenance since it would reduce debris in system; new valves are \$3K each
4. Rainbird system upgrades (sensors, valves, software, etc.) – proposal forthcoming

### **B. Drip field repairs (update)**

1. Drip Skid 1 has been operated consistently to run irrigation in other parts of Belterra; only Drip Skid 2 has not been operating to irrigate the drip fields; both skids need repair/maintenance work now; Hays 1 Board voted to contract with Burgess & Niple for repair of both drip skids
2. Hays 1 proposing Inframark pay \$30K for full and complete release of all repairs

## **VI. Parks, Trails & Landscaping/Committee**

### **A. Mockingbird Trail expansion**

1. Sunscape removing unauthorized signs
2. Sunscape generating quote to add this area to the maintenance contract

### **B. Park equipment (updates)**

1. Five Anova park benches and three 32-gallon trash cans with lids
  - a. Board approved \$26,753.51 TF Harper quote in Dec; vendor given NTP
  - b. Locations determined by Parks Committee on 1/13
2. Six Wabash Valley picnic table seats
  - a. Board approved NTE \$5K in Dec for purchase and installation
  - b. Kay spoke with Playground Solutions 12/15, 12/20, 1/6 and 1/16
3. ADA Water fountain for Mesa Verde Park
  - a. Have quotes from TF Harper and KMI Sports but decision postponed until other equipment installed
  - b. Location determined by Parks Committee and Inframark can install under Base Fee
4. Mulch replenishment for Mesa Verde and Sand Hills – Fun Abounds will complete this week; told twice to fill to line

### **C. Annual Sidewalk Survey (update) – Myers anticipates starting construction this week, week of 1/16**

### **D. Graffiti (update)**

1. Time Machine now pre-scheduled for monthly visits
2. Addressed in Jan: Harris tunnel and Mesa Verde Park, bench and slide

## **VII. Customer Care/Committee**

### **A. Merion Drive greenbelt**

1. Pool construction access – request denied
2. Deer feeders and boulder – 13 homeowners emailed with policies and removal deadline of 1/15; Summer checking status

### **B. Brush Pick Ups**

1. Winter Pick Up, weeks of 1/16 & 1/23 – residents notified via eBlast, Facebook, and website
2. Late Feb Pick up – TDS wouldn't schedule until after 1/1; Ceejay trying to confirm

### **C. Community Newsletter (update) – distributed via eBlast Fri 1/13**

## **6ci) Resident request for ADA-compliant curb cut at 200 Venice Cove**

- Myers anticipates starting construction this week, week of 1/16
- Inframark will inform Venice Cove residents of construction/schedule

**6cii) Pond maintenance**

- A. Aquatic Features Estes Pond Report attached
- B. Inframark Pond Reports – Dec Reports attached
- C. Pond audit (update) – Summer re-collecting field data; Sunscape and Inframark C&D already maintaining

**Current Items Requiring Board Approval: none**

Vendor	Amount	Budgeted	Description	Work Order #

**7ci) Inframark Agreement Amendments**

- Inframark Accounting agrees with the reconciliations submitted by the District Accountant for monthly Base Fees and Maintenance Cap removal; processing checks now
- Kay coordinating Inframark's response to 12/16 Staffing and Pricing Request; hoping to submit the week of 1/17 (1/16 is MLK Day and an Inframark holiday)
- Agreement Amendments for Hays 01, 1J, and 02 fully executed; removed Maintenance Caps, reduced irrigation scope, and updated Personnel Charts