

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 Special Session, on the 4th day of February, 2021, by Zoom video/audio conference to mitigate the spread of COVID-19 pursuant to the Proclamations issued by the Governor of the State of Texas and guidance provided by the Office of the Attorney General of the State of Texas, and the roll was called of the members of the Board of Directors, (herein referred to as the “Board”) to-wit:

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

All members of the Board were present via zoom video conferencing for the commencement of the meeting except Director Lee who joined shortly after the Board Meeting began. All members voted on all matters to come before the Board. Also present via Zoom video/audio conferencing were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Andy Barrett with Andy Barrett & Associates, PLLC, Kristi Hester of Inframark, the District’s general management and operations contractor, Jimmy Romell with Maxwell, Locke & Ritter LLP, Chris Lane with SAMCO Capital Markets, Inc. (“SAMCO”), the District’s financial advisor. Allen Douthitt of Bott & Douthitt PLLC (“Bott & Douthitt”), the District’s bookkeeper, Judy McAngus and Vicki Hahn, paralegals with Winstead PC.

Matt Kutac explained a few guidelines for the telephonic conference meeting regarding a request that each Board member confirm their name prior to making any motion or voting on such matters to insure that the public record of the meeting would be heard and accurately recorded. Notification to the public was given that the meeting was being recorded. The meeting was then called to order, and evidence was presented that public notice of such meeting had been given as required by law.

1. Matt Kutac confirmed that no members of the public had signed up for public comment in advance of the meeting by submitting an email. He further called for public communications and comments from any person, including any persons tied in the meeting via audio. Mr. Kutac asked if there was any other person participating in the meeting who wished to address the Board under this item, and hearing no response, the Board proceeded to the next item of business.

2. The Board recognized Jimmy Romell of MLR who confirmed that the Directors had received draft copies of the Financial Statements and Supplemental Information for the year ended September 30, 2020 and Independent Auditors Report (“Financial Statements”). Mr. Romell reviewed such materials in detail with the Board, along with accompanying correspondence directed to the Board, including a routine management representation letter. Mr. Romell also reviewed a letter regarding a

deficiency in internal controls identified in connection with the misappropriation of funds by the District's prior bookkeeper, an employee of Inframark. Mr. Romell noted that the audit was a clean audit. He reviewed certain new auditing standards imposed in the past year and reviewed the footnotes and relevant portions of the audit in detail with the Board. Following a full review of such materials and motion by Director Harris, seconded by Director Kelly 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, it being noted that the recommendations contained in such internal control letter therein had been previously adopted by the Board of Directors on December 20, 2020. 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. Director Kelly inquired as to whether it was necessary to include a clarification of the Board's prior adoption of such recommendations. Mr. Romell confirmed that the inclusion of such a statement was not necessary but is discretionary and that he could add a statement to that effect.

3. Mr. Kutac notified the Board that he had recently received word that the Belterra HOA would be performing work on a mail kiosk within the District. He noted that the agenda did not include an item for discussion or action with respect to such matter, as it had not been brought to his attention until earlier on the date of the meeting. Although the Board was not able to discuss or take action on such matter, he and Ms. Hester wanted to make the Board aware of the activities, and Ms. Hester provided a brief description.

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

APPROVED AND ADOPTED this 18<sup>th</sup> day of February, 2021.



  
Sean McGillicuddy, Secretary