

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 February 15, 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. 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, Chris Sanchez and Sally Gomez of Municipal Operations and Consulting, LLC, the operations and management contractor for the District, 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.

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 January 18, 2024 Regular Board Meeting. Upon motion by Director Lee, seconded by Director Bethke and unanimously carried, the Board approved such Minutes.
3. FINANCIAL:
 - a) Accounting Report: Mr. Douthitt reviewed Bott & Douthitt’s Accounting Report dated February 15, 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 December 31, 2023 for review and approval by the Board.

- b) Series 2020 Utility Bond Rebate Report: The Board reviewed the Arbitrage Rebate Calculations for the Interim Computation Period of September 22, 2020 to September 22, 2023 compiled by Arbitrage Compliance Specialists, Inc. Mr. Kutac gave a short explanation regarding the purpose of the Arbitrage Rebate Report. Upon motion by Director McGillicuddy, seconded by Director Kopperud and unanimously carried, the Board acknowledged receipt of such report.

- 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. With respect to the screening vegetation at Mockingbird Trail, Sunscape planted hollies. They are doing well and should flesh out. Everything is growing and looks good. A few sages died but Sunscape will replant.
- (b) Trail Maintenance: No action was taken by the Board.

5. ENGINEERING:

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

With respect to the Drip Skid and Drip Field Repair, Ms. Barzilla noted that Proscape completed their work last month. Ms. Barzilla recommended approval of the Pay Application to HCWCID No. 1 and they approved at the last meeting. Ms. Barzilla reminded the Board that more repairs will be needed. In addition, she mentioned that HCWCID No. 1 also authorized B&N to approve additional drip skid/drip field repairs up to \$25,000 to avoid any delays between meetings. No action is required of the Board.

Ms. Barzilla attended the TXDOT meeting regarding widening of 290. She reviewed the map from TXDOT that depicts the expansion of 290. She also noted that the expansion would not take any commercial buildings on the District's side of 290 but they are potentially taking some of the 210 irrigation area. Director Lee stated that she would recommend that the District send a letter to TXDOT regarding the irrigation and potential violations of the TCEQ permit if the District does not have enough 210 irrigation area. Mr. Kutac responded that the District may get more latitude since it is a government entity. The Board discussed the environmental aspect of widening 290, with Director Lee noting that TXDOT will be required to comply with federal environmental permitting requirements before the project is able to proceed. Mr. Kutac recommended that the District focus on the impact to the District's drainage and reclaimed water facilities. He also mentioned that, while private parties should be compensated for their property, the District will not be compensated for the loss of privately owned property within its boundaries. The District would only be compensated for impacts to or loss of property that it owns.

With respect to the Wastewater Summary, MOC will also add this summary to their report and Ms. Barzilla will remove it from her report.

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

With respect to the Gabion Wall Repair, Ms. Barzilla received bids. She is recommending awarding the contract to Dig Dug Construction. She noted that they solicited bids and did not publicly bid because the amount was expected to be below the required threshold.

With respect to water tracking, Ms. Barzilla informed the Board that MOC offered to include the water tracking in their report. It used to be in the General Manager's Report but due to concerns over data accuracy and reliability, Ms. Barzilla was asked to include the information in her report. Now that MOC is here and they are very reliable, she recommends that the water tracking summary be moved back to the General Manager's Report. Mr. Wright with MOC agreed, and the Board concurred with the change in reporting.

The Board asked Ms. Barzilla if the swale by the Pedestrian Bridge was repaired. Ms. Barzilla responded that she will follow-up with Sunscape to confirm that it was repaired.

c) Additional Action Items:

- Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board awarded the contract for the Gabion Wall Repair to Dig Dug Construction for \$76,118.00.

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

6. MANAGEMENT AND OPERATIONS:

a) Manager and Operations Report: Mr. Sanchez reviewed the Manager and Operations Report.

There are two requests for pool builds.

With respect to the fire hydrant on Saint Richie, it was leaking after the freeze but it has been repaired.

The Board discussed resurfacing the concrete pad at the picnic area at Mesa Verde Park.

The Board discussed that there is only one flagpole at the San Saba monument but no flagpoles at any of the other monuments. This flagpole was left by one of the builders when they were selling houses in the District. The Board would like to see consistency and discussed either taking that flagpole down or putting flagpoles up at the other entrances. The Board also discussed that it would save the HOA from having to put the flag up and down every day. The Board requested that MOC check on the cost to remove that flagpole.

Director Bethke updated the Board with respect to the survey for the potential new park. She mentioned that the Parks Committee will take a closer look at the survey results and get back to the Board. With respect to that survey the results are:

- 330 people responded.
- 77% would like to have the new park.
- 62% would like an active park vs 20% for a passive park.
- 39% would like a natural park while 43% preferred both a natural and traditional park.
- 85% would like to have a short trail connecting the park to the Mockingbird Trail.
- The majority requested that the park be designed for a wider age-range vs just for young children.

Director Bethke requested that the Parks Committee be authorized to meet with a contractor regarding the concept plan.

b) Public Hearing for Violations of District Rules: No hearings were required.

c) Additional Action Items:

- Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board approved the Fun Abounds Estimate No. 10688 for \$11,627.00 for three regular tables and one table that is ADA compliant at Mesa Verde Park.
- Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board approved the Fun Abounds Estimate No. 10689 for \$7,250.00 for concrete repair at the picnic area at Mesa Verde Park, however, upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, in addition, the Board also authorized MOC to work with Fun Abounds for a cost not to exceed an additional cost of \$2,750 to explore other options for the concrete floor at the picnic area that would give it a longer life.
- Upon motion by Director Kopperud, seconded by Director McGillicuddy and unanimously carried, the Board authorized the Parks Committee to meet with a contractor to discuss and possibly obtain a park concept proposal.

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

7. ADMINISTRATIVE AND LEGAL:

- a) Election Matters: Mr. Kutac informed the Board that, as of today, no applications for a place on the ballot for the Director Election have been received and unless applications are received prior to the deadline, the current Directors are running unopposed.
- b) Water Contract Items: No update.

- c) Water Conservation and Drought Contingency Plan: Mr. Kutac informed the Board that the WTCPUA has put an item on the agenda for their next meeting to revise their Drought Contingency Plan. The Board discussed the possible changes the LCRA could make. The Board mentioned that they need to discuss the Drought Contingency Plan with the HOA because the HOA requires that each residence must have a specific number of trees, specific types of plants and well-kept lawns. The watering requirements for residents could therefore be inconsistent with the Drought Contingency Plan. The Board thinks that it would be a good idea to discuss with the HOA so that the residents can follow the Drought Contingency Plan without violating HOA requirements.
 - d) Legal Matters:
 - i) Membrane Claim: To be discussed in Executive Session.
 - ii) Inframark Records: To be discussed in Executive Session.
 - iii) Third Party Rate Study: The Board noted that they have not had a Rate Study prepared by a third party since 2015. Mr. Kutac noted that the District's rates are generally lower than other surrounding providers. Mr. Kutac will discuss this issue with HCWCID No. 1 so that the Districts' rates can stay consistent and he will bring this matter back to the Board next month.
 - iv) No action was taken by the Board.
 - e) Calendaring: The Board determined that the next regular Board meeting will tentatively be March 21, 2024.
8. EXECUTIVE SESSION: With regard to Item No. 7(d)(i) and 7(d)(ii) on the posted agenda for the meeting, upon motion by Director McGillicuddy, seconded by Director Kopperud on and unanimously carried, the Board retired, along with Mr. Kutac to Executive Session at 6:51 p.m.

Following such Executive Session, upon motion by Director McGillicuddy, seconded by Director Bethke and unanimously carried, the Board reconvened in public session at 7:17 p.m. No action was taken by the Board during Executive Session.

Upon motion by Director McGillicuddy, seconded by Director Lee and unanimously carried, the Board authorized the District's attorney to work with the Finance Committee to resolve the Kubota membrane warranty claim and the Inframark payment matters.

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 21st day of March 2024.




Sean McGillicuddy, Secretary