

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 the 15th day of April, 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. It should be noted for the record that all Board members present voted on all matters that came before the Board. Also present via Zoom video/audio conferencing were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Kristi Hester of Inframark, the District’s general management and operations contractor, Chris Lane with SAMCO Capital Markets, Inc. (“SAMCO”), the District’s financial advisor, Lauren Barzilla of CMA Engineering (“CMA”), the District’s engineers, Allen Douthitt of Bott & Douthitt PLLC (“Bott & Douthitt”), the District’s bookkeeper, Judy McAngus and Vicki Hahn, paralegals with Winstead PC and Johnny McDonnell and Josh Fort of WLE, LLC, the District’s landscape service providers.

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.

Mr. Kutac and the Board acknowledged Judy McAngus’ retirement on April 30<sup>th</sup>. Mr. Kutac and the Board thanked her for her service to the District and wished her well.

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. Hearing no response, the Board proceeded to the next item of business.

2. The Board reviewed the Minutes from the March 18, 2021 Regular Board Meeting. Following a review thereof, upon motion by Director Kelly, seconded by Director Harris and unanimously carried, the Board approved said Minutes.

3. The Board recognized Allen Douthitt who presented Bott & Douthitt's Accounting Report dated April 15, 2021, which included a review of the Cash Activity Report Including Subsequent Activity through April 15, 2021 and expenditures to be approved at this Board Meeting. Such Cash Activity Report included director and vendor payments, fund transfers and the Financial Statements for February 28, 2021 for review and approval by the Board. Mr. Douthitt then gave a brief update with respect to the Cash/Investment Activity Report, the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance. During his report, Mr. Douthitt mentioned that with respect to disbursements, there is nothing out of the ordinary. With respect to transfers, Mr. Douthitt mentioned that the following transfers were made: (i) \$12,000.00 from the BancorpSouth Operating Account to the BancorpSouth Managers Account; and (ii) \$63,335.61 from TexPool Operating Account to the Hays County WCID No. 1 TexPool Operating Account for a payment to be made pursuant to the joint facilities agreement.

During his Accounting Report, Mr. Douthitt reviewed page 15 of his Report (Actual/Budget Comparison) and pointed out that even though the Report shows over \$100,000 in Income, this is due to funds received from Inframark on the last day of February, and includes Impact Fees, Tap Inspection Fees and other miscellaneous deposits collected by Inframark. This excess is in the income account because Bott & Douthitt did not have time to move the money to the appropriate accounts. Mr. Douthitt re-iterated that this money is not really revenue because it will be passed through to pay corresponding charges.

Following Mr. Douthitt's presentation, upon motion by Director Kelly, seconded by Director Harris and unanimously carried, the Board approved the above-referenced Accounting Report and disbursements.

4. Josh Fort with WLE reviewed the monthly WLE Landscaping Service Report, provided in advance to Inframark. In Mr. Fort's report, he mentioned that he had three priorities:

- **Limb Cleanup:** Mr. Fort confirmed that the initial clean-up was completed but there are still areas that remain that are not visible from the street. He noted that Hays County WCID No. 1 Board has requested a proposal for additional areas and asked if there are additional areas that the District would like to have cleaned up.

- **The Mesa Verde Proposal:** Mr. Fort showed before, during and after photos of the Mesa Verde plantings. Director Carroll asked Director Bethke if she was

happy with the work. She confirmed that it looked good and hopefully will thrive.

- **Site Audit Belterra:** Mr. Fort mentioned that they found a mainline break in the irrigation system and fixed it two days ago.

- **Lantana:** Mr. Fort presented the color choices to the Board. After a discussion, the Board decided on yellow, red and white Lantana for the spring planting.

5. Lauren Barzilla of CMA presented CMA's monthly Joint Wastewater Treatment Plant ("WWTP") and 210 Reuse Irrigation engineering report.

Ms. Barzilla began her report by presenting a Wastewater Treatment Plant Construction Project Status for April 2021. This report will be posted on the Google Drive and will indicate project status, percentage completed and proposed completion date with respect to the construction projects below. After review of the Construction Project Status, Ms. Barzilla continued with the following report:

I. **Potential action items for the meeting:**

- a) Approval of Pay Application No. 7 for \$10,899.00 for 12" ductile iron piping and installation, miscellaneous metals and walkways and the electrical work for the Drum Screen Replacement and Site Plan Revisions;

II. **Drum Screen Replacement:**

- a) Construction updates: CMA is waiting on the fabrication and delivery of the stairs; and
- b) Recommend approval of Pay Application No. 7 – Drum Screen Replacements and Site plan Revisions for \$10,899.00; and

III. **EQ Tank Blower Replacement:**

- a) Project design is ongoing; and
- b) Construction Updates can be found on the google drive in the PDF called Ongoing Projects at the WWTP.

IV. **Belterra Wastewater Treatment Plant Weir Overflow:**

- a) Discuss scope of services; and
- b) Construction Updates can be found on the google drive in the PDF called Ongoing Projects at the WWTP.

V. **Wastewater Summary:**

- a) Average Daily Wastewater Usage (February 2021) = 512,360 gpd; and
- b) 90% of Permitted Capacity = 450,000 gpd

Lauren Barzilla recommended approval of the following item:

- a) **Approval of Pay Application No. 7 for \$10,899.00;** Upon motion by Director McGillicuddy, seconded by Director Harris and unanimously carried, the Board approved Pay Application No. 7.

During her report, Ms. Barzilla noted that she is creating a wastewater use summary chart that will be presented to the Board at all of its future monthly Board Meetings.

6. Ms. Barzilla then moved on to CMA's District Engineering Report. A summary of her report is as follows:

- I. Potential action items for meeting: None
- II. Fire Station: Completion of the entire project is expected at the end of May.
- III. Naples Sidewalk Extension and Trail Project:
  - a) The project design is ongoing.
  - b) We are waiting on direction regarding the Naples sidewalk extension. An exhibit was provided to the Parks Committee for public comment.
- IV. Section 20-1, 20-2 and 21-2 Warranty: Discuss Section 21-2 Pond 1 wall warranty items and recommendation from structural engineer.

With respect to Item IV above, the Board discussed the Mesa Verde pond and the cracks in the wall of the pond, and reviewed pictures of the wall and a google earth pdf. They voiced their concern that the two-year warranty is almost up. Ms. Barzilla explained that CC Carlton had a structural engineer look at the pond and they provided a letter report concluding that the cracks are not structural and therefore would not be covered under the structural defect warranty. The Board discussed their concerns regarding future issues with the pond. Ms. Barzilla assured them that if there are future issues, based on the report from the structural engineer, it will not be because of these cracks. She recommended clearing the warranty issue.

During last months' meeting, the Board discussed the Naples Sidewalk Extension and Trail Project and requested that a survey be sent to the residents depicting the project and asking the residents to give their opinion on the usefulness of the project. Ms. Hester noted that the survey will be sent out tomorrow with the map prepared by Ms. Barzilla. Ms. Bethke noted that she believes we should send the survey to all Belterra residents and not just this District's residents. When the map was shown on screen, a discussion followed on how to make the map easier for the residents to read. The Board requested several changes to the map, and Ms. Barzilla confirmed that she will revise the map in accordance with their instructions and get it to Ms. Hester on Monday to send out.

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

7. Ms. Hester reviewed Inframark's General Manager's Report, and in particular, the executive summary memorandum dated April 14, 2021. Ms. Hester gave the following updates:

- **Wastewater Treatment Plant:**
  - a. All facilities are in compliance for the Month of March;
  - b. Daily average flows are 315,000 gallons a day, 63% capacity;

- c. Scheduling cleaning of MBR basin this Month;
  - d. EQ Rehab last items to complete are the handrails and catwalk schedule completion is April 16, 2021;
  - e. EQ Tank blowers and piping have been delivered;
  - f. Damages to facilities due to winter storm are below insurance deductible. Damages are estimated at \$4,200.00; and
  - g. Repaired air header that was causing noise.
- **Re-Use Water System - Drip System:**
    - a. Tank level is back down to 6 feet;
    - b. Full inspection of all fields and control system scheduled in May; and
    - c. Turned off 210 irrigation behind Mendocino due to saturation.
- **Distribution System – Billing:**
    - a. 666 AMI meters installed, 44 users are on the portal. 190 AMI meters installed in March;
    - b. To complete the AMI project this year we would need 200 more meters and 500 endpoints;
    - c. Estimate for materials to complete the AMI project is \$95,000 for meters and \$25,000 for installation;
    - d. Ordered endpoints for master meters so that we can retrieve reads remotely on "Eye on Water"; and
    - e. Next month we will include in our report the reads for water flows daily.
- **Collection System:**
    - a. PM completed on pumps and motors at all lift stations;
    - b. PM completed on generators at all lift stations;
    - c. Pulled pumps at LS 5 Catalina replaced cables;
    - d. Looking at possible infiltration issues in section 21 - LS 6 pump run times high during rain events; and
    - e. 270 Kiras Ct customer reported backup. Found blockage on customer side.
- **Drainage/Ponds:**
    - a. Cleaned inlet out gabion walls on Estes Pond;
    - b. Section 21 ponds have been cleaned;
    - c. Cleaned inlets along Belterra Dr to Sawyer; and
    - d. Several others are scheduled for May.
- **Parks – Trails:**
    - a. WLE working on down trees and pick up in the greenbelt; and
    - b. Survey for sidewalk extension at Belterra Dr to school.

- **Construction:**
  - a. 182 CSI builder inspections completed in March; and
  - b. Several violations on erosion control - fines sent.
- **Customer Care Committee (“CCC”):**
  - a. Meet to review water relief from winter storm - determined no action required; and
  - b. Scheduling next meeting to review security and touchstone.
- **Infrastructure Committee:** Hays Co. WCID No. 1 met on site to discuss the overflow options.

During Ms. Hester’s report regarding completion of installation of all AMI meters, she mentioned that \$120,000 would be needed to complete the AMI project this year. Ms. Hester noted we are coming up on the summer months, which is when the residents question the accuracy of their water usage. She noted that Inframark still has the staff from Houston available and now would be a great time to complete the installation of the AMI meters, especially considering that the price for the installation materials has increased by \$5 since the winter storm and prices are expected to continue to increase.

Upon motion by Director Bethke, seconded by Director Harris and unanimously carried, the Board authorized Inframark to buy and install the necessary AMI meters to complete this project.

Director Bethke then asked if WLE is going to give the Board a proposal for more winter storm damage clean-up at the next board meeting. Ms. Hester noted that she will ask WLE for a proposal.

Ms. Hester informed the Board that the District has a new representative at TDS that she would like to introduce to the Board.

Upon motion by Director Harris, seconded by Director Lee and unanimously carried, the Board accepted the General Manager’s Report.

8. In furtherance of matters discussed in prior Board meetings with respect to services being provided by Touchstone, the Customer Care Committee did not have an update on this issue.

9. The Board then discussed the decision by the Customer Care Committees of Hays County No. 1 and No. 2 not to issue a credit to the customers impacted by the winter storm. It was noted that if any resident suffered damages during the winter storm, the District’s policy is to offer relief on a case-by-case basis. Director McGillicuddy requested that Inframark send a message to the residents reminding them of this policy. Ms. Hester confirmed that she would get the message out.

10. Update on 2021 legislative session: Mr. Barrett stated that there is nothing to report that would impact the District and that the PUA bill that he was concerned about is not moving so it should not present any future issue for the District.

11. Mr. Kutac confirmed that all filing requirements regarding SB625 for Special Purpose District filings have been met for 2021.

12. Mr. Kutac confirmed that he reviewed the Order Designating Offices Outside the District and it includes the CMA offices, the Belterra Recreation Center and the Rooster Springs Elementary School designated as meeting places.

13. Mr. Kutac stated that there is nothing new to report with respect to water supply with LCRA and water service through West Travis County PUA.

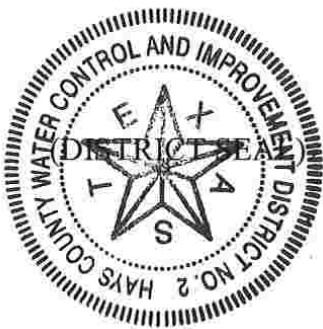
14. Committee Meetings: Ms. Hester stated that she will schedule upcoming committee meetings.

Director Bethke questioned whether the District's budget is stable enough to consider an "over 65 tax exemption." It was determined that this would be discussed at a future budget meeting.

15. Executive Session: No Executive Session was required.

16. 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 on the 20th day of May, 2021.



  
Sean McGillicuddy, Secretary