

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS
May 20, 2021

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 20th day of May, 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, Vicki Hahn, paralegal 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.

1. Matt Kutac confirmed that there were some members of the public who 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.

The Board recognized Patrick Hughes of 376 Naples to speak. Mr. Hughes had three comments with respect to extending the Naples sidewalks:

- (a) Mr. Hughes believes that the District is trying to address a traffic issue caused by parents lining up for school pickups and drop-offs. The parents are using Kinlock as a school pick up area instead of the official school pick-up area. Mr. Hughes believes this is a safety

issue because parents are blocking the fire hydrants, etc. He believes the school should address this issue, not the District;

- (b) Mr. Hughes' second issue is the cost. He is familiar with projects where a new sidewalk was installed on slanted terrain. He stated that projects like this require grading the sidewalk, stabilizing the ground and landscaping around the new sidewalk. In addition, the sidewalk must be ADA compliant. He noted that this project would be very expensive and he is opposed to the costs for this project when he feels this issue should be resolved by the school, not the District. He also feels that picking up and dropping off of kids on this street is a security issues because of traffic congestion, pedestrians crossing the street, etc.
- (c) Mr. Hughes's third issue is the area is currently greenspace and there is already a littering problem. He stated that kids go there to smoke and drink. He noted that he believes with the grade of the sidewalk, skateboarding would also become an issue.

Prior to Mr. Hughes speaking, Director Harris noted there was another member of the public that wanted to speak but she was unable to get the phone number to work. In response, it was mentioned that other members of the public did not have an issue with the phone number and were able to get on the call.

Mr. Kutac called for any other members of the public that wished to speak but hearing no response, public comment was closed and the Board proceeded to the next item of business.

2. The Board reviewed the Minutes from the April 15, 2021 Regular Board Meeting. Following a review thereof, upon motion by Director McGillicuddy, seconded by Director Kelly and unanimously carried, the Board approved said Minutes.

3. The Board recognized Allen Douthitt who presented Bott & Douthitt's Accounting Report dated May 20, 2021, which included a review of the Cash Activity Report Including Subsequent Activity through May 20, 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 March 31, 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) \$7,500.00 from the BancorpSouth Operating Account to the BancorpSouth Managers Account; and (ii) \$209,704.34 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.

Actions:

Later in the Meeting, when it was determined that the Board may not meet at its regularly scheduled time in June, Mr. Douthitt requested approval of a transfer of funds from the managers account to pay the PUA fees for May in order to avoid a late fee.

Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board approved the transfer of funds to pay the PUA fees for May.

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

4. The Board recognized Johnny McDonnell from WLE. Mr. McDonnell informed the Board that after 9 years of working with the District, he was moving to Florida. He voiced his faith that Mr. Fort would do a great job for the District. Josh Fort with WLE then reviewed the monthly WLE Landscaping Service Report, provided in advance to Inframark. In Mr. Fort's report, he reported:

- **Limb Cleanup:** Mr. Fort presented a map that marked the areas that still required limb cleaned up. He noted that he presented a proposal dated May 13, 2021 to Hays County No. 1 to finish the limb cleanup and that they voted to move forward. He also noted that the invoice for such cleanup cost would be split between Hays County No. 1 and the District. The Board discussed other areas, not marked on Mr. Fort's map, that still need cleanup and Mr. Fort agreed to get them cleaned up.
- **Lantana:** Mr. Fort reported that the seasonable color is going in next week. He apologized to the Board for his lack of communication regarding the delay and explained that the delay was due to sourcing quality flowers for a reasonable price.

Action Items:

- (a) Ms. Hester stated that WLE prepared an Irrigation Inspection Report in March and submitted a Work Order Proposal to make repairs of \$3,599.75 to make repairs. This is over Inframark's \$2,500 authorization so Board consideration is necessary. Upon motion by Director Kelly, seconded by Director Harris and unanimously carried, the Board approved WLE's Work Order Proposal to make repairs set forth in WLE's Irrigation Inspection Report dated March 11, 2021.
- (b) Upon motion by Director Kelly, seconded by Director Harris and unanimously carried, the Board approved WLE's proposal dated May 13, 2021 for \$5,845.50 to finish cleaning up tree limbs damaged by the winter storm.

5. Lauren Barzilla of CMA presented CMA's monthly Joint Wastewater Treatment Plant ("WWTP") and 210 Reuse Irrigation engineering report, a summary of her report is as follows:

- I. **Potential action items for the meeting:** Approval to solicit bids for the Belterra EQ Tank Blower Replacement Project;
- II. **Drum Screen Replacement:** CMA is waiting for the stairs to be fabricated and delivered. This is expected to happen in May. The contractor expects to be ready for Final Completion at the June Board Meeting;
- III. **EQ Tank Blower Replacement:**
 - (a) Project design is complete;
 - (b) Recommend approvals to solicit bids;
 - (c) The blowers and piping modifications have been ordered by Inframark, however the manufacturer does not know when they will be delivered due to shipping delays as a result of the recent winter storm. We are also waiting on the electrical engineer to finish their design, before we start working on construction plans and contract documents; and

(d) EQ Tank Rehab and Diffuser Installation by Inframark: Project is complete.

IV. **Belterra Wastewater Treatment Plant Weir Overflow:** Design is underway, and the structural engineer has the information needed to move forward with their portion of the design.

V. **Wastewater Summary:**

- (a) Average Daily Wastewater Usage (March 2021) = 315,000 gpd; and
- (b) 75% of Permitted Capacity = 375,000 gpd;

Ms. Barzilla mentioned that the District is at 75% of the permitted capacity. If the District is at 75% for three consecutive months, the District must advise the TCEQ. If the District is at 90% capacity for three consecutive months, the District would have to notify the TCEQ and assure them that the District will not reach 100% capacity.

Ms. Barzilla discussed the sidewalk extension project and informed the Board that CMA is putting together plans for the trail and needs to get direction from the Board. Director Bethke stated that after looking at the survey, it appears only 40-50% of the families will use the trail. She noted that 16 families were opposed to the trail and 1 family likes it as a dirt trail. In light of the survey, Director Bethke recommends that the Board take no action. Director Kelly agreed. Director Kelly suggested that the school could do something. It was noted that even though it is slick, people will still use this path even if it remains dirt. Also, it was mentioned that a black Toyota SUV is driving up this trail. It was suggested that the Board plant flowers or place boulders in this location to prohibit its use by vehicles. Ms. Hester mentioned that she spoke to the Sheriff's office about the SUV and they are keeping an eye out for it. A discussion then ensued regarding spending the funds allotted for this project on other priority items. Ultimately, the Board decided not to pursue the Naples sidewalk extension.

Action:

Lauren Barzilla recommended approval of the following item:

- Approval to Solicit Bids for the Belterra EQ Tank Blower Replacement Project.

Upon motion by Director Bethke, seconded by Director Harris and unanimously carried, the Board approved CMA's proposal to solicit bids for the Belterra EQ Tank Blower Replacement Project.

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; and
- (b) Discuss results of the public input for the Naples Lane sidewalk extension.

IV. Section 20-1, 20-2 and 21-2 Warranty: Warranty items have been completed.

7. Ms. Hester reviewed Inframark's General Manager's Report, and in particular, the executive summary memorandum dated May 20, 2021. Ms. Hester gave the following updates:

- **Wastewater Treatment Plant:**
 - a) All facilities are in compliance for the Month of April;
 - b) Daily average flows are 342,000 gallons a day, 68% capacity;
 - c) The EQ Tank Rehab is complete;
 - d) In the process of cleaning all basins - June schedule to pull and inspect membrane filters;
 - e) Repaired blower on MBR aeration basin;
 - f) Pulled and cleaned all 3 transfer pumps;
 - g) Monthly generator preventive maintenance completed - replaced batteries;
 - h) Annual electrical preventive maintenance completed;
 - i) Annual infrared inspection is scheduled for this month; and
 - j) 6 month preventative maintenance vibration tests on all rotating equipment.
- **Re-Use Water System - Drip System:** Full inspection of all zones is underway.
- **Distribution System – Billing:**
 - a) 712 AMI meters installed, 72 users are on the portal;
 - b) Water accountability in line at 94%; and
 - c) We had 4 disconnections with one still disconnected and owing \$1,147.98.
- **Collection System:**
 - a) 6 Month preventive maintenance vibration tests on all rotating equipment at lift stations;
 - b) Annual infrared inspection is scheduled for this month for all lift stations;
 - c) Pulled pumps due to high run times at Drennan - cleaned and reinstalled;
 - d) Cleared blockage in sewer main line behind Merion and Harris; and
 - e) 279 Kiras had a sewer blockage on their side - roots in the line.
- **Drainage/Ponds:**
 - a) Work done at Mendocino and Estes; and
 - b) Several ponds on the schedule once weather allows.
- **Parks – Trails:**
 - a) Top off mulch at Mesa Verde and Sandhills parks; and
 - b) All kiosks have posting boards installed.
- **Construction:**
 - a) Inspections on the Fire station;
 - b) 142 builder inspections completed; and
 - c) Several issues with erosion controls during the recent rain events.

- **Customer Care Committee (“CCC”):**
 - a) Schedule meeting to discuss - Security, Touchstone, TDS and Crosswalk Request; and
 - b) Results of Naples sidewalk survey.
- **Infrastructure Committee:** Meeting scheduled June 2nd at 1:00 p.m. regarding re-use, joint facilities projects.
- **Other:**
 - a) The Belterra Centre opened May 17th and is accepting customers;
 - b) Hays County request for ADA ramps for pedestrian crosswalks; and
 - c) Newsletter to go out next week.

During her report, Ms. Hester mentioned that in June, Inframark will check the basins to ensure there are no issues. Also, the CIP intervals are getting better. It is now taking three weeks before cleaning is required. Ms. Hester also mentioned that Inframark is sending the newsletter out next month and they are hoping to bump up portal usage on the AMI meters. Ms. Hester confirmed that she ordered the AMI meters but they are on backorder. Director Bethke questioned if the District has enough AMI meters onsite for replacement purposes if needed. Ms. Hester confirmed that Inframark holds some back for such purposes.

Opening the Belterra Centre was discussed and Mr. Kutac noted that the Belterra Centre is considered a government building and therefore the Centre cannot enforce mask usage.

Director Bethke suggested that the newsletter summarize the Naples Sidewalk Extension survey and inform the residents that the Board will not be moving forward on this project due to the survey results.

Ms. Hester discussed a request to put in a crosswalk at Belterra Drive and Seneca Drive. She noted that the last time this subject came up, the Board told the residents to request that the County install the crosswalk. The Residents went to the County and they agreed to put in the Crosswalk as long as the District installs sidewalk extensions with ADA compliant curbs. Mr. Kutac informed the Board that the builders installed the original sidewalks but the District has historically maintained and installed new sidewalks. The Board then discussed the cost of the project and the safety concerns that they had regarding speeding traffic in the area and if it would be safe to put the crosswalk in such area. It was suggested that people will cross in this area regardless of whether there is a cross walk installed so it is safer to have a crosswalk than not to have one. Ms. Hester stated that she believes the project would cost under \$5,000 and that they had a similar project a few years ago and it cost approximately \$1,000 to \$3,000. Again, the safety of the crosswalk was discussed and the pros and cons of installing a stop sign versus flashing pedestrian crossing lights. Directors Bethke, Kelly and Harris are against installing a stop sign and would prefer the flashing pedestrian crossing lights.

Actions:

- (a) Upon motion by Director Bethke, seconded by Director Kelly, opposed by Directors Lee and McGillicuddy, the Board approved installing two ADA compliant ramps on Belterra Drive and Seneca Drive.
- (b) Upon motion by Director McGillicuddy, seconded by Director Lee and unanimously carried, the Board approved extending the Neltronics Agreement for SCADA support for

the WWTP for another year for \$3,500 in order to give the District time to work out the kinks in the system.

- (c) Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board approved the Fun Abounds Estimate Number 6861 to top off the mulch for \$5,462 at the Sandhills and Mesa Verde Playground.
- (d) Upon motion by Director Harris, seconded by Director Lee and unanimously carried, the Board approved the 2020 Drinking Water Quality Report in the form required.

Ms. Hester then mentioned that the annual AWBD Conference will be held in San Antonio from June 17th through June 19th. Also the CASE Conference will be held August 5th through August 9th in South Padre Island. Ms. Hester stated that she would be happy to sign the Directors up if they want to go.

Upon motion by Director Harris, seconded by Director McGillicuddy and unanimously carried, the Board approved the monthly General Manager's Report.

8. In furtherance of matters discussed in prior Board meetings with respect to services being provided by Touchstone, Director McGillicuddy mentioned that he is not happy with Touchstone. He does not feel they are not monitoring Facebook. He would like to set a Customer Care Committee meeting to discuss the issue. Ms. Hester confirmed that she will schedule the meeting.

9. Update on 2021 legislative session: Mr. Kutac stated that there is nothing to report that would impact the District at this time. He also mentioned that the bills that would allow videoconferencing to comply with the Open Meetings Act have appeared to stall so it looks like the meetings will be returning to in-person once the Governor's disaster declaration expires or is rescinded.

10. The Board reviewed the Amended Order Establishing Records Management Program and Appointing Records Management Officer. Upon motion by Director McGillicuddy, seconded by Director Kelly and unanimously carried, the Board approved such Order.

11. Ms. Lane presented the preliminary certified values, the potential tax exemptions and the cost to the District for each type of exemption. The Board discussed the different exemptions and the amounts that they would like to see implemented. Mr. Douthitt urged a little caution because once the District implements the exemptions, it cannot roll them back. However, if there are no emergencies next year (like the winter storm this year) that would cause budget concerns, the District could always increase the exemptions next year. It was noted that the highest homestead exemption in Ms. Lane's presentation is 7%. The Board discussed meeting halfway at approximately 3% to 4%, but will discuss further in next month's Board Meeting which will focus on the budget. It was also mentioned that if the Board decides on 4% the resident's taxes would not be expected to increase from last year, even with the increase in home values.

12. Water Conservation and Drought Contingency Plan. Mr. Kutac explained that it is very important that the District and the residents understand that there is a difference between the Drought Contingency Plan for the West Travis County Public Utility Agency and the Drought Contingency Plan for the District.

13. The Board discussed the proposed Joint 210 Irrigation System Plan modifications. Mr. Kutac mentioned that the last 210 Irrigation System Plan modification was in 2013, and focused upon the installation of the required 201 acres of surface irrigation. With the completion of the last 100 acres of the project in late 2019, it was now timely to update the plan to focus more on potential expansions, enhancements and maintenance.

14. 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.

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

16. Executive Session: No Executive Session was required.

17. There being no further business to conduct, Director Harris 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 24th day of June, 2021.




Sean McGillicuddy, Secretary