

MINUTES OF THE MEETING  
OF THE  
BOARD OF DIRECTORS  
June 16, 2022

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 June 16, 2022 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 except Director McGillicuddy. 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, Missy Roberts and Jessie Black of Inframark, the District's general management and operations contractor, Lauren Barzilla of Burgess & Niple ("BN"), the District's engineers, Jesse Trevino of Sunscape Landscaping ("Sunscape"), the District's landscaper, and Vicki Hahn, paralegal, with Winstead PC. In addition, Allen Douthitt of Bott & Douthitt PLLC ("Bott & Douthitt"), the District's bookkeeping firm and Andy Barrett of Andy Barrett & Associates, PLLC participated via telephone conference.

1. PUBLIC COMMENT: Mr. Kutac called for public communications and comments from any person and reviewed the following rules for public comment; (i) comments are limited to 3 minutes per person; and (ii) the Board cannot dialog or take any actions during public comment and responses are limited to statements of fact, recitation of current policy, clarifying questions and requesting that items be added to a future Agenda. 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 May 19, 2022 Regular Board Meeting, and upon motion by Director Bethke, seconded by Director Kelly and unanimously carried, the Board approved the Minutes from the May 19, 2022 Board Meeting.

3. FINANCIAL:

- a) Accounting Report: The Board recognized Allen Douthitt who presented Bott & Douthitt's Accounting Report dated June 16, 2022, 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 April 30, 2022 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. With respect to transfers, Mr. Douthitt noted that the following transfers needed approval:

Approve transfers as follows:

- Approve funds transfer from TexPool Operating Account to Hays County WCID No. 1 TexPool Operating Account: \$41,244.61

Mr. Douthitt noted he has contacted J. Carmen at BrightView and requested evidence of the chemical treatments provided to the District from January 1, 2022 to March 2022. He has not received any information yet. However, he just received an e-mail from BrightView's accounting department regarding the past due amount. He called the representative in Accounts Receivable and told her that he was speaking with J. Carmen. She stated that she would help resolve the issue. The Board then discussed how to they wish to proceed with this issue. After a full discussion, upon by Director Kelly, seconded by Director Bethke and unanimously carried, the Board, if Mr. Douthitt can't work out a solution with BrightView, authorized Mr. Kutac to send a letter to BrightView setting forth the District's position with respect to services that were not rendered (i.e., punch list in the drip fields and chemical treatments) in accordance with the landscaping agreement.

- b) Administrative Items: Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board authorized Mr. Douthitt of Bott & Douthitt to add Chris Kopperud as a signer on the banking accounts.

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

- c) Budget and Tax Matters: The Financial Committee met with Mr. Douthitt and Ms. Lane to discuss the homestead exemptions.
- i) They recommend increasing the previously adopted tax exemption under Section 11.13(d) of the Texas Tax Code for individuals disabled or 65 and older from \$20,000 to \$30,000. Upon motion by Director Lee, seconded by Director Bethke and unanimously carried, the Board authorized such increase.
  - ii) They recommend increasing the previously adopted tax exemption under Section 11.13(n) of the Texas Tax Code for all individuals based on percentage of the appraised value of residence homestead from 4% to 10%. Upon motion by Director Kelly seconded by Director Lee and unanimously carried, the Board authorized such increase.

- iii) The Board reviewed the Order Adopting Residential Homestead Exemptions. Upon motion by Director Lee, seconded by Director Kelly and unanimously carried, the Board approved such Order and authorized the filing of such Order with the Hays Central Appraisal District and the Hays County Tax Collector.
- iv) Mr. Douthitt noted that he will be meeting with the Finance Committee and Ms. Olsen to discuss preliminary budgetary matters including review of vendor and consultant fees. He would like the committees to discuss projects that they would like to add to the upcoming budget.

4. LANDSCAPING: Jesse Trevino with Sunscape confirmed that the following landscaping services were performed in May:

- Full Service Turf Maintenance – 4 times
- Full Service Bed Detail – 3 times
- Monthly Mowing/Red Areas Completed – 5/25/22
- PHC – Round 2 – Fertilizer application – 5/18/22
- Spring Mulch – 5/30/22
- Trail maintenance – 5/13/22
- Quarterly Mowing – Scheduled to Start 6/21/2022

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 her report is as follows:
  - I. Potential action items for the meeting: No action items
  - II. EQ Tank Blower Replacement:
    - a) Construction updates can be found on the Google drive.
  - III. 100 Acre 210 Warranty Items:
    - a) Brightview remains unresponsive.
    - b) Sunscape is in the process of putting together a proposal to remove the silt fence and the temporary irrigation. This estimate will be reviewed with the Infrastructure Committee in June.
  - IV. Wastewater Summary:
    - a) Average Daily Wastewater Usage (April 2022) = 353,000 gpd (corrected from May’s General Manager Report)
    - 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



A summary of the ongoing WWTP projects was presented as follows:

<b>Wastewater Treatment Plant Project Status - June 2022</b>				
<b>Project</b>	<b>Status</b>	<b>Budget Amount</b>	<b>Amount Billed</b>	<b>Project Status</b>
Drum Screen Replacement Project - CMA Task Order 60	100%	\$125,000.00	\$ 191,901.16	Change Order No. 3 added an additional 45 days to the schedule. The project should be completed by the end of June. Materials have been ordered and received, site work is planned to restart during the week of May 30 <sup>th</sup> .
Weir Overflow - CMA Task Order 67	0%	\$ 80,000.00	\$ 26,502.50	On hold
Replacement of Dissolved Oxygen meters at the EQ Tank and the MBR - Inframark	0%	\$ 36,000.00	\$ 25,944.00	The DO meters have been purchased and will be installed once the EQ Blowers are replaced.
Drip Field Inspection - Inframark	0%	\$ 20,000.00	\$ -	On hold

Per Ms. Barzilla, the EQ Tank project was supposed to be completed but due to a contractor error, they are still waiting for some parts. The parts are expected take approximately 4 weeks to deliver. She also mentioned that she had a conversation with Inframark and they are now on the same page with who is taking responsibility for the EQ Tank project.

Ms. Barzilla noted that she received a proposal from Sunscape to remove the silt fence and the temporary irrigation for approximately \$15,000.

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

- I. Potential action items for meeting: None.
- II. Trail Extension Project:
  - a) Project is being advertised: bids are due June 30.
- III. Discuss Hays County Acceptance of Section 19A and 19B:
  - a) Inframark is going to provide a ballpark estimate for the Board to decide next steps.
- IV. Hays 2 Water Tracking:
  - a) Approximate Max Daily Usage (April 2022) = 825,000 gpd

b) Max allowed = 1,137.024 gpd

c) Action Items: None.

With respect to Hays County's Acceptance of Section 19A and 19B, Ms. Barzilla received an estimate of \$85,000 to correct the issue. The acceptance of Section 19A and 19B is so old, Ms. Barzilla would have to go back to the county to determine the history and status. Per Mr. Kutac, the Board will discuss this issue in Executive Session.

Upon motion by Director Kelly, seconded by Director Lee and unanimously carried, the Board accepted the Engineering Report.

6. MANAGEMENT AND OPERATIONS: Ms. Roberts reviewed Inframark's General Manager's Report, and in particular, the executive summary memorandum dated June 16, 2022. Ms. Roberts gave the following updates:

- a) Boy Scout Update: When asked the status of the Eagle Scout project, Ms. Roberts noted that the Zach was supposed to show the committee a mock-up sign but they have not heard from him. She will have Ms. Jackson of Inframark check in with him.
- b) General Manager's Report: The General Manager's Report is attached as Exhibit "A".

Ms. Roberts noted that an Ad Hoc committee with Doug Botts from HCWCID No. 1 and Director McGillicuddy is being established. The Ad Hoc committee will be discussing the Google Drive and how they would like to re-organize it to make it more consistent and easier to find documents.

Ms. Roberts also noted that Zach Willeford is moving and Jesse Black is taking over for him.

Director Bethke noted that she would like the digital meter updates kept on the General Manager's Report. She also noted that Inframark keeps telling the Board that the newsletter is in the works but she still has not seen a draft.

The discussion then turned to the Google Drive with Ms. Bethke questioning who Mackenzi Scales is and why she is reflected as the Super User on the Google Drive. Ms. Roberts explained that Ms. Scales is an employee of Inframark and she was used because she is Inframark's tech expert. Mr. Kutac requested that he, Vicki Hahn or Shana Wagner at Winstead PC be assigned as a Super User because if Ms. Scales leaves, the District could lose its access to the Google Drive. Ms. Roberts noted that she, Kay Olsen, and Ms. Scales are the designated Super Users. Ms. Roberts stated that she will relay the notes to Ms. Olsen and Ceejay.

c) Ongoing Projects:

- i) With respect to the existing interlocal agreement regarding law enforcement patrol services, Director Bethke and Director McGillicuddy met with the Sheriff's Department regarding services that the Sheriff's Department could provide. She noted that if the Sheriff's Department were to provide services, they would not have to leave the District to provide Law Enforcement Assists whereas the Constable's Office performs Law Enforcement Assists and therefore can be pulled away from



providing services to the District. Ms. Bethke then described the differences between the Constable's Office and the Sheriff's Department in terms of their general jurisdiction and duties. She also noted that the Sheriff's Department stated that they would hire another officer if the District signs an agreement with them to provide services to the District.

- d) Action Items: There are no action items to be considered.

7. ADMINISTRATIVE AND LEGAL:

- a) Water Items: Per Mr. Kutac, there were no updates.

- b) Legal Matters:

- i) Mr. Kutac noted that he hasn't received a signed lease from the Belterra Community Association with respect to the mail kiosks. He also mentioned that Chris is no longer Manager of the Belterra Community Association, and Ms. Sara Huff has taken over. He spoke to Ms. Huff and requested that they sign the same version as they signed for HCWCID No. 1. He will follow-up with Ms. Huff.
- ii) Mr. Kutac reminded Ms. Roberts how important the true-up is and that it needs to be resolved as soon as possible. Per Ms. Roberts, this is the number one thing on her list to Ms. Olsen.
- iii) Mr. Kutac explained that he has updated the Service Rate Order by moving the grease trap inspection fee to a more prominent location and revising some references from the LCRA to the PUA. He realizes this is really related more to HCWCID No. 1 but the Board needs to adopt the Amended Service Rate Order as well. Upon motion by Director Kelly, seconded by Director Bethke and unanimously carried, the Board adopted such Order.
- iv) The Board was reminded of HB 3834 which requires the Board to take annual cybersecurity training.

Director Bethke noted that she saw that Sunscape Landscaping was sold to Nick Seger. Mr. Kutac explained that Hank Wilson and Nick Seger stated at the recent HCWCID No. 1 meeting that they are now co-owners of the company. He mentioned that neither District was informed of the change. Mr. Kutac noticed that Mr. Seger was signing on behalf of Sunscape, and Doug Botts of the HCWCID No. 1 Board confirmed the change by inquiry. Mr. Kutac then informed the Board that Mr. Wilson and Mr. Seger assured the Board that all services will remain the same quality as they were before the sale. Mr. Barrett noted that he was still annoyed because he went out on a limb and referred Sunscape to the District and that he has told Mr. Wilson and Mr. Seger that they need to inform the District if there are any more structural changes to the company. The Board noted that they really like Jessie Trevino and they feel that he is doing a good job.

The Board noted that Director Kopperud replaced Director Kelly on the Finance Committee.

- c) Calendaring: The next Board meeting will be July 21, 2022.

8. EXECUTIVE SESSION: With regard to Item No.5(b), 6(c)(ii) and 7(b)(ii) on the posted Agenda for the meeting, upon motion by Director Bethke seconded by Director Kelly on and unanimously carried, the Board retired, along with Matt Kutac at 6:57 p.m. to Executive Session.

Following such Executive Session the Board reconvened in public session at 7:46 p.m.

With respect to Items Number 5(b), 6(c)(ii) and 7(b)(ii), the Board took the following actions:

- a) Upon motion by Director Bethke, seconded by Director Kelly and unanimously carried, the Board authorized Director McGillicuddy to form an Ad Hoc Committee with Mr. Botts from HCWCID No. 1 in order to work on re-organization of the District's Google Drive account.
- b) Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board authorized the Management Oversight Committee and Mr. Kutac, the District's attorney, to negotiate with Inframark and other potential contractors for operational and management services.

9. ADJOURNMENT: There being no further business to conduct, Director Bethke moved that the meeting be adjourned, which motion was seconded by Director Lee and unanimously approved, and the Board adjourned until further call.

APPROVED AND ADOPTED on the 21<sup>st</sup> day of July 2022.



  
Sean McGillicuddy, Secretary

## EXHIBIT "A"



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

**From: Kay Olsen**

**Date: 6/16/22**

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

#### **6. MANAGEMENT AND OPERATIONS REPORT since the 5/18/22 Board Meeting**

##### **1. Wastewater Treatment Plant / Lift Stations**

- A. All facilities in compliance for May. Total flows of 11.5M gallons; daily average flows of 370,000 gpd at 74% capacity
- B. LS5 shade structure (no update) – approved in April; ordered and pending arrival
- C. SCADA system (new) –
  - i. Inframark's Senior Automation Process Engineer (from North Carolina) drafted SCADA Review Report following his site visit; will be shared with Committee Members
  - ii. Joint Ad-Hoc Committee approved by Hays 1 to consider recommendations
- D. Diesel Fuel Tanks (new) – Hays 1 filling a 1,000 gallon tank on-site in case of "brown outs"

##### **2. Distribution System and Billing**

- A. Water Accountability at 85%
- B. Watering Restrictions, Drought Contingency Plan Stage 2 (Mandatory Restrictions) –
  - i. WTC PUA restrictions – Instructions to disregard PUA Notice posted to WCID and Belterra Neighbors Facebook pages
  - ii. Belterra restrictions – Distributed via Bill Insert and posted to WCID and Belterra Neighbors Facebook pages, all directing residents to [www.hayswcid.org](http://www.hayswcid.org) for watering schedule
- C. 34 Delinquent Letters mailed; 12 Red Tags hung; 0 Disconnects

##### **3. Collection System – nothing significant to report**

##### **4. Reuse and Drip System**

- A. Sunscape –
  - i. May Irrigation Report forthcoming
  - ii. Summer irrigation priority scheme (no update) - Hays WCID No. 1 working with Sunscape to develop; will share with Hays 2 when drafted

##### **5. Drainage/Ponds – nothing significant to report**

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

- A. Sunscape
  - i. Sunscape District Tour (updates) – completed 4/26 with Parks Committee & Inframark
    - 1. "Valley Oaks" trail mini-retaining wall – approved last month, NTP issued
    - 2. Nature trail resurfacing – Jesse will explain surfacing material options
  - ii. May Landscaping Report forthcoming
- B. Park equipment (no update) – Kay asked Fun Abounds to update 2017 quote for benches, playground bolt-on seats, trash cans, and drinking fountains for Board consideration
- C. Tues 4/19 Trails Public Forum (update)
  - i. Vegetative screening on Mesa Verde and around retention pond – Kay informed homeowners the Committee will circle back in the Fall, after construction commences

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6. **Parks, Trails & Landscaping/Committee, cont.**
  - D. Light Survey (new) – completed survey and corrected highlighted issues
7. **Infrastructure/Committee –**
  - A. Annual Sidewalk Survey (no update) –
    - i. Work Order entered for Zach R. to complete with Senior Staff under Base Fee
    - ii. Highlighted known issues at Catalina Lane cul-de-sac & street, and Mesa Verde Drive
  - B. Road work in Sections 19 A&B (update) – Inframark estimating paving costs
8. **Customer Care/Committee**
  - A. Security contractors (update) –
    - i. May Security Report distributed to Committee Members
  - B. Newsletter (update) – Ceejay drafted, Kay finalizing; will send to Matt & Committee for final review
9. **Construction – nothing significant to report**
10. **Other**
  - A. Google Drive (update) –
    - i. Permissions issues resolved; Chris granted access, email CKopperud@hayswcid.org
    - ii. Board Members determining preferred folder structure; then Inframark central will organize and move files
    - iii. District-owned iPad transferred to Chris 6/16
  - B. Inframark Staffing (update) –
    - i. Zach Willeford transitioning to Inframark Dallas
      1. Jesse Black will be his Successor, see Google Drive for resume
      2. Zach will overlap with Jesse for next few months
    - ii. Kay's days in Belterra now Wednesdays & Thursdays (reminder)
  - C. Hays WCID No. 2 Budgeting (new) – Inframark will send estimated costs and "wish list" items to Accountant; and participate in Budgeting Workshop
  - D. TDS (new) – Ceejay and the HOA met with TDS on 5/24 to better understand their Operations
  - E. New Board Meeting date (new) –
    - i. Note overlaps with HOA's "3rd Thursday" 5-8pm event
    - ii. Meeting change notice posted on Facebook
  - F. Emergency contact numbers (reminder):
    - 1.

**Current Items Requiring Board Approval:**

Vendor	Amount	Budgeted	Description	Work Order #

7b)ii) Agreement Amendments (update) –

- A. Pending Revisions – add Social Media monitoring, update Personnel Chart, remove Maintenance Cap; Hays 1 Amendment is very close to ready for Matt's review, then Hays 2 and 1J will move very quickly after that
- B. Once finalized, Inframark will meet with Bott Douthitt re final Maintenance Cap true-up calculations