

MINUTES OF THE MEETING  
OF THE  
BOARD OF DIRECTORS  
July 21, 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 July 21, 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. 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, Kay Olsen of Inframark, the District's general management and operations contractor, Lauren Barzilla of Burgess & Niple ("BN"), the District's engineers, Chris Lane of SAMCO Capital Markets, Inc. ("SAMCO"), the District's financial advisor, Allen Douthitt of Bott & Douthitt PLLC ("Bott & Douthitt"), the District's bookkeeping firm and Vicki Hahn, paralegal, with Winstead PC. In addition, Andy Barrett of Andy Barrett & Associates, PLLC participated via telephone conference. Members of the public attending the meeting included Zach Johnson, Michael Kociemba and Russell Collins.

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.

Mr. Kociemba stated that he and his family are excited about the trail extension. He asked about the timing of the completion of the trail. The Board informed him that they would be awarding the contract later in the meeting and that they are hoping, barring no issues, that the trail will be completed by the end of the year.

Mr. Collins informed the Board that he is in construction development and that he would like to offer to sponsor a free library book box. He stated that he would build it. The Board asked that he meet with the Parks Committee to discuss it.

Zack Johnson reviewed his prior Eagle Scout project to install 2 signs on the trails in the District. He presented a picture of the map he would like to include in the signs and the location where he would like to install the signs. He also noted that he is working with Inframark to dig the holes for the signs and that he would like to complete the project by August 16, before school starts again. Director Bethke requested that he sent a mock-up of the signs to her before ordering the signs.

Mr. Kutac again called for any additional public comments. 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 June 16, 2022 Regular Board Meeting, and upon motion by Director Bethke, seconded by Director Kelly and unanimously carried, the Board approved the Minutes from the June 16, 2022 Board Meeting.

3. FINANCIAL:

- a) Accounting Report: The Board recognized Allen Douthitt who presented Bott & Douthitt's Accounting Report dated July 21 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 May 31, 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: \$48,558.96;
- Approval funds transfer from TexPool Tax Account to TexPool Operating Account: \$21,600.59; and
- Approve funds transfer from TexPool Tax Account to TexPool Debt Service Account: \$80,000.00.

Mr. Douthitt requested approval to close the Parks account, which has approximately \$400,000 and move that money to a new TexPool Parks account. He would also like to move the Debt Service account to TexPool as well. He has brought signature cards for all of the directors to sign. He also noted that he has added Chris Kopperud to the banking accounts per the Board's request at the June 16, 2022 Board meeting. He mentioned that last month he did not receive invoices from Sunscape which is why there are two monthly maintenance invoices on the disbursement list as well as some other invoices from Sunscape for the tree replacement and the diversion wall at the trailhead.

b) Administrative Items:

Upon motion by Director Kelly, seconded by Director Bethke and unanimously carried, the Board authorized Bott & Douthitt to establish the new accounts at TexPool for a Parks account and a new Debt Service account and close the old accounts.

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

c) Audit, Budget and Tax Matters: The Financial Committee met with Mr. Douthitt and Ms. Lane to discuss the homestead exemptions.

- i) Mr. Kutac presented the Maxwell, Locke & Ritter proposal to prepare the District's audit for FYE September 30, 2022. He noted that the fee is \$17,000. Director Lee asked Mr. Douthitt for an overview of the audit process. Mr. Douthitt reviewed the process stating that Maxwell, Locke & Ritter has been providing audit services to the District on a yearly basis. He then noted that he prepares a FYE Financial Statement, Maxwell, Locke & Ritter then audits that statement and provides an audit report which is then filed with the TCEQ, the Texas Comptroller and then posted on the District's website. Ms. Lane mentioned that the Audit Report is also filed on EMMA. After a brief discussion, upon motion by Director Kopperud, seconded by Director Lee and unanimously carried, the Board authorized the engagement of Maxwell, Locke & Ritter to prepare the Audit Report and authorized signature of the Engagement Letter.
- ii) Mr. Kutac requested that his compensation be reviewed and increased. His fee has not increased since 2016. He noted that he had planned to ask the Board to review his compensation in 2020 but due to the pandemic he didn't think it was a good time. Mr. Kutac stepped out of the room so that the Board could discuss the increase he requested. The Board discussed the increase in depth. The Board praised Mr. Kutac for his work.

Upon motion by Director Kelly seconded by Director McGillicuddy and unanimously carried, the Board approved the increase in fees for Mr. Kutac to \$400 per hour and determined that it will re-visit Mr. Kutac's fees annually so that he does not have to approach the Board for an increase. The Board also noted that Mr. Kutac's fee increase will become effective on the first day of the new fiscal year.

4. LANDSCAPING: Ms. Olsen noted that Jesse Trevino with Sunscape was unable to attend the meeting due to an emergency and that she has added his report to her Management and Operations Report.

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:

- 1) Potential action items for the meeting:
  - A) Approval of EQ Tank Blower Replacement Pay Application No. 3 for \$88,128.00.
  - B) Final Completion of Belterra WWTP EQ Blower Replacement
- 2) EQ Tank Blower Replacement:
  - A) Construction updates can be found on the Google drive in the PDF called Ongoing Projects at the WWTP.
  - B) Recommend approval of Pay Application No. 3 for \$88,128.90.
  - C) Recommend final completion of the EQ Tank Blower Replacement Project.
- 3) 100 Acre 210 Warranty Items:
  - A) Discuss Sunscape Proposal to remove erosion controls and temporary irrigation left by Brightview.
- 4) Wastewater Summary:
  - A) Average Daily Wastewater Usage (May 2022) = 370,000 gpd.
  - 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.

Per Ms. Barzilla, the EQ Tank project is complete, including installation of the safety items for Pay Application No. 3. Ms. Barzilla stated that she was hoping to get approval of Pay Application No. 3 at the HCWCID No. 1 Board meeting but the Infrastructure Committee would like to go to the WWTP and see the EQ Tank project they approve.

Director McGillicuddy questioned whether Cemetery Park is in the 210 irrigation area or is it watered with potable water. He noted that there have been some complaints by residents that it has not been watered in months. After a review, it was determined that Cemetery Park is watered with potable water so the Board requested that Ms. Olsen speak to Sunscape and get them to water it consistently, in accordance with the current watering restrictions.

- b) District Report: Ms. Barzilla then moved on to CMA's general District Engineering Report. A summary of her report is as follows:
  - 1) Potential action items for the meeting:
    - A) Trail Extension Project – Recommendation of Award \$352,808.00.

- 2) EQ Tank Blower Replacement:
  - A) Bids were received on the project and Myers Concrete Construction, LP ("Myers Concrete") was the low bidder. The recommendation of award, including bid tab can be found on the Google Drive.
- 3) Catalina Trail Improvements:
  - A) Provide update on potential solutions.
- 4) Hays 2 Water Tracking:
  - A) Approximate Max Daily Usage (May 2022) = 880,000 gpd.
  - B) Max allowed = 1,137,024.

Ms. Barzilla noted that with respect to the Trail Extension Bid, she only received 1 bid and it was from Myers Concrete. The Board discussed that they did some research on Myers Concrete and it appears that they are family owned and have been in existence for approximately 40 years and have good reviews.

Ms. Barzilla presented two options for the Catalina Trail Improvements. One option would be to install water bars along the trail. Wood timbers would be installed partially underground. The water would hit the timber and be directed off the path to be absorbed by the vegetation. The water would only rise approximately 3". Ms. Barzilla noted that this would be her preferred method. The water bar option includes re-grading the trail. She then presented the second option which would be to install a concrete berm to prevent rising water and erosion of the trail. The problem with Option 2 is that the District may have to keep installing concrete berms to correct the issue. Eventually, the trail could end up being a concrete trail, not the intended nature trail that the District prefers. In addition, with the berm option, the District will lose some trees.

c) Action Items:

Trail Extension - 5(c)(i): Upon motion by Director McGillicuddy, seconded by Director Carroll and unanimously carried, the Board awarded the Trail Extension Project to Myers Concrete Construction, LP for \$352,808.00. Director McGillicuddy wanted it noted for the record that this money is coming from the Parks fund and it has to be spent on parks and trails.

Catalina Trail - 5(c)(ii): Upon motion by Director McGillicuddy, seconded by Director Bethke and unanimously carried, the Board decided to engage Sunscape Landscaping's Option 1 proposal for \$5,350.74 to complete the Catalina trail improvements.

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

6. MANAGEMENT AND OPERATIONS: Ms. Olsen reviewed Inframark's General Manager's Report, and in particular, the executive summary memorandum dated July 21, 2022. Ms. Olsen gave the following updates:

- a) Zach Johnson's Eagle Scout Project: Mr. Johnson's gave his presentation during public comment.

- b) General Manager's Report: The General Manager's Report is attached as Exhibit "A".

Ms. Olsen noted that HCWCID No. 1 is looking at looking at renting a diesel tank to use diesel for the Lift Stations in the event of a power outage. They received an estimate which they felt may not be cost effective so they are now looking at the cost of using propane instead of diesel.

The Board reviewed and confirmed that instructions for the smart meters are on the District's website under the "Info" tab.

Ms. Olsen mentioned that she requested an Inframark team visit all of the ponds to ensure that all ponds are accounted for. She is planning to prepare a pond manual.

- c) Ongoing Projects:

- i) Mr. Kutac noted that he and the committee will be meeting with the Sheriff's department next week. He also noted that this item will be discussed in Executive Session.
- ii) Ms. Olsen noted that Charles Fiero with Inframark's new SCADA security company reviewed the SCADA system and prepared a SCADA Assessment. He reviewed the results with the Ad Hoc Joint Committee which included Director McGillicuddy and Mr. Botts from HCWCID No. 1. She also noted that Inframark waived the fees for Mr. Fiero's preparation of the SCADA Assessment which normally costs approximately \$4,500 a report. She then noted that Mr. Fiero would be happy to provide an RFP to the District if they need any additional work, however, he will charge a fee for additional services. She will check on his rate. Mr. Kutac noted that this item will also be discussed in Executive Session.

- 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) Water Conservation and Drought Contingency Plan: Mr. Kutac reviewed the drought stages for the PUA and noted that he would like to align the District's drought stages with the PUA's. Details of the stages and the watering restrictions were discussed. Mr. Kutac explained that in order to adopt the proposed updates to the District Water Conservation and Drought Contingency Plan to align it with changes to the WTCPUA plan, a public hearing must be conducted.

Mr. Kutac opened the public hearing. He called for public comment. Hearing none, upon motion by Director McGillicuddy, seconded by Director Kelly and unanimously carried, the Board closed the public hearing.

The Board then discussed topping off and filling new pools and noted that during this stage of the drought contingency plan, the residents are not allowed to top off or fill new pools. If a new pool is constructed, in order to fill it, the resident must have the water trucked in.

Fines for watering when not allowed were discussed. It was first noted that there is a warning/informational period. If the resident continues to water after receiving a warning, the fines increase from \$200 to \$500 to \$700. Mr. Kutac also noted that if the District does not enforce the watering restrictions, the PUA can fine the District. It was also noted that power washing is not allowed at this stage.

Upon motion by Director Lee, seconded by Director Kopperud and unanimously carried, the Board adopted the Order Amending the Water Conservation and Drought Contingency Plan.

c) Legal Matters:

- i) Mr. Kutac confirmed that he received a signed Lease of District Improvements to the Belterra Community Association for the mail kiosks.
- ii) Mr. Kutac reminded the Board that he was authorized by the Board, last month, to send a letter to Brightview landscaping regarding the removal of the temporary facilities installed by Brightview under the 210 expansion contract. He confirmed that he sent the letter to Brightview but has not heard anything from them. He called and left a message today but the call went to voice mail. Mr. Kutac informed the Board that the next step would be to authorize him send written notice to the surety. They will either pay or convince Brightview to remove the items. If the surety option does not work out, in order to proceed, the Board would need to hire a litigator. It was also noted that the \$15,000 proposal by Sunscape to remove the temporary facilities would be a shared expense with HCWCID No. 1.
- iii) Mr. Kutac reported that he received a revised amendment from Inframark and is in the process of negotiations with Inframark.

d) Calendaring: The next Board meeting will be August 18, 2022.

8. EXECUTIVE SESSION: Upon motion by Director McGillicuddy seconded by Director Kelly and unanimously carried, the Board retired along with Mr. Kutac at 7:39 p.m. to Executive Session to discuss Item No's. 6(c)(i), 6(c)(ii), 7(c)(ii) and 7(c)(iii) of the posted Agenda for the meeting.

Following such Executive Session, upon motion by Director McGillicuddy, seconded by Director Kelly and unanimously carried, the Board reconvened in public session at 8:41 p.m.

With respect to Item Number 6(c)(ii), the Board took the following actions:

- a) Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board authorized the Digital Information Ad Hoc Committee with Director McGillicuddy and Mr. Botts from HCWCID No. 1 to evaluate and work with a SCADA 3<sup>rd</sup> party SCADA security expert and then present those findings to the Board at a future meeting.
- b) Upon motion by Director McGillicuddy, seconded by Director Kopperud and unanimously carried, the Board agreed that the SCADA Assessment Report prepared by Charles Fiero is

confidential and should not be distributed to anyone other than the Board and its legal counsel, and approved a resolution to that effect.

9. ADJOURNMENT: There being no further business to conduct, Director Kopperud 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 18<sup>st</sup> day of August 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

**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](mailto: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