

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS
August 26, 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 August 26, 2021 at the Belterra Recreation Center, 801 Belterra Dr, Austin 78737, and by Zoom video/audio conference 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 at the Belterra Recreation Center except for Director Kelly who attended the meeting via zoom video conferencing. The record will reflect that Director Kelly was visible and audible via videoconference for the duration of the meeting. All members of the Board were present 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 at the Belterra Recreation Center were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Chris Lane of Samco Capital, the District's financial advisor, Kristi Hester of Inframark, the District's general management and operations contractor, Lauren Barzilla of CMA Engineering ("CMA"), the District's engineers and Vicki Hahn, paralegal with Winstead PC. Also in attendance via Zoom video/audio was Andy Barrett of Andy Barrett & Associates, Allen Douthitt of Bott & Douthitt PLLC ("Bott & Douthitt"), the District's bookkeeper, Kay Olsen of Inframark, Jimmy Romell of Maxwell, Locke & Ritter 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. Mr. Kutac confirmed that 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. In addition, Mr. Kutac 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 is limited to statements of fact, recitation of current policy, clarifying questions and requesting that items be added to a future Agenda. Mr. Kutac called for public comment.

Steve S., Catherine C., Susan M. and Beth S., Marian N. and Margie, all residents of the District, were recognized (in the order they appear above) by the Board and all voiced their opposition to the proposed portion of the trail extension that would connect to the community splash pad area. The predominant concerns were: (i) that the proposed trail extension was too close to the houses on Mendocino; (ii) that its installation might cause skateboarding and vandalism issues to worsen; (iii) possible resident safety, environmental and drainage issues that might result from the trail extension installation.

2. The Board reviewed the Minutes from the July 15, 2021 Special Board Meeting. Following a review thereof, upon motion by Director Harris, seconded by Director Bethke and unanimously carried, the Board approved said Minutes.

3. The Board reviewed the proposed engagement letter from Maxwell Locke & Ritter ("ML&R") to prepare the District's audit for the fiscal year ending September 30, 2021. Mr. Romell explained ML&R's proposed services. He noted a \$500 increase in their service fee due to inflation. In addition, he noted that ML&R will commence the audit in December and present it to the Board in February. Upon motion by Director McGillicuddy, seconded by Director Harris and unanimously carried, the Board approved the engagement letter and authorized signature thereof.

4. The Board recognized Allen Douthitt who presented Bott & Douthitt's Accounting Report dated August 26, 2021, which included a review of the Cash Activity Report Including Subsequent Activity through August 26, 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 June 30, 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 noted that the following transfers were made: (i) transfer for \$56,858.81 from the TexPool Operating Account to the Hays County WCID No. 1; (ii) \$13, 706.82 from the TexPool Tax Account to the TexPool Operating Account; and (iii) \$60,000.00 from the TexPool Tax Account to the TexPool Debt Service Account.

Mr. Douthitt mentioned that Bott & Douthitt received three invoices (all different invoice numbers) from Touchstone. He added that he will confirm that the invoices are not duplicates before paying them.

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

5. Mr. Douthitt presented the proposed operating budget and noted that he worked with Chris Lane and Kristi Hester to prepare the budget. After going over the budget, Director Carroll requested that the Financial Committee meet with both Mr. Douthitt and Ms. Hester to ensure that the budget includes all necessary items.

6. Ms. Lane was recognized by the Board and presented the Tax Rate Worksheets and her recommendations for the 2021 tax rates. She explained that the District is now a developed District and that as a developed District, the District cannot exceed a total tax rate of \$0.8404 without exceeding the mandatory election.

7. After reviewing the Notice of Public Hearing on Setting the Tax Rate for 2021, upon motion by Director Kelly, seconded by Director Lee and unanimously carried, the Board adopted the Proposed Notice and authorized publication of the same.

8. The Board recognized Josh Fort from WLE. Mr. Fort then reviewed the monthly WLE Landscaping Service Report, provided in advance to Inframark. In Mr. Fort's report, he discussed the following:

- **Belterra Tree Installation Proposal:** Mr. Fort informed the Board that the removal of dead trees in the District caused some high visibility areas to appear bare and WLE proposes installation of 17 trees for \$33,590.
- **Monthly Irrigation Inspection:** Mr. Fort noted that he does a monthly irrigation inspection and that the cost to repair damage to the irrigation system is \$2,845.79.

Ms. Hester recommended that the Belterra Tree Installation Proposal be sent to the Parks Committee for review. The trees would be planted when the weather is cooler so there is no need to make a decision now.

9. 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:**
 - a) Approval for solicitation of bids for Belterra WWTP Weir Overflow; and
 - b) Approval of Task Order 67, Amendment No. 1 – For Belterra WWTP Weir Overflow - \$9,000.
- II. **EQ Tank Blower Replacement:** Design updates below.
- III. **Belterra Wastewater Treatment Plant Weir Overflow:**
 - a) Design update below; and
 - b) Discuss solicitation of bids and get approval if desired.
- IV. **Wastewater Summary:**
 - a) Average Daily Wastewater Usage (June 2021) = 368,000 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; and
 - e) Number of consecutive months over 90% = 0.

Wastewater Treatment Plant Project Status - September 2021				
Project	Status	Budget Amount	Amount Billed	Project Status
Drum Screen Replacement Project - CMA Task Order 60	100%	\$ -	\$ 680,233.00	Project was complete June 2021
EQ Blower Replacement - CMA Task Order 65	7%	\$ 125,000.00	\$ 29,400.81	The pre-construction meeting was held on 8/31/2021. The submittals are being received and reviewed. Final completion is scheduled for January 16, 2021. I will provide the project schedule once it is received.
Weir Overflow - CMA Task Order 67	0%	\$ 80,000.00	\$ 26,502.50	Bids will be received on September 9, 2021. I will be prepared to recommend award of the contract at the Board meeting.
EQ Tank Rehab and Diffuser Installation - Inframark	100%	\$ 25,000.00	\$ 360,174.00	Project was complete June 2021
Replacement of Dissolved Oxygen meters at the EQ Tank and the MBR - Inframark	0%	\$ 36,000.00	\$ -	No progress
Drip Field Inspection - Inframark	0%	\$ 20,000.00	\$ -	No progress

Ms. Barzilla explained that they are moving forward with the solicitation of bids for the Weir Overflow.

10. 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: Approval of Task Order No. 29, Amendment No. 1 for \$60,000.

II. Fire Station:

- a) Revegetation updates;
- b) Buried Manhole;
- c) Trees near public wastewater line; and
- d) Manhole bolts.

III. Trail Extension Project:

- a) Project update:
 - (i) Hays County – Driveway Permits have been approved;
 - (ii) City of Dripping Springs – Project is currently under review; and
 - (iii) TCEQ – Under review, after resubmitting plans with the permanent water quality BMPs; and
- b) Waiting on Board decision regarding connecting the splash pad; and
- c) Task Order 29, Amendment No. 1 for \$60,000.

Ms. Barzilla brought up the Hays County ESD No. 6 ("Fire Department") landscaping issue that was discussed in last month's Board Meeting where damage was caused to the landscaping during construction. CMA had requested that the Fire Department repair the damage to the landscaping. The Fire Department worked on the damaged landscaping, however, when CMA went to do an inspection, there were numerous issues. Ms. Barzilla explained those issues in detail. With respect to the dead grass, the Fire Department and/or landscaper just spread grass seed. They did not prepare by putting top soil down or take any of the necessary steps to ensure that the grass will grow. They also planted some trees but unfortunately, they were planted too close to the wastewater line that was installed during construction of the Fire Department station. In addition, with respect to the manholes, some of the manholes are buried beneath the landscaping and some are missing bolts. To avoid damage, trees are supposed to be at least 8' to 22' from the wastewater lines, but some of the trees planted by the Fire Department are inches from the wastewater lines. According to Ms. Barzilla, this will cause damage to the wastewater lines when the root systems grow. The Board discussed the options of either repairing the landscaping themselves or continuing to request that the Fire Department make the requested corrections. The Board questioned whether the District could repair the landscaping and then bill the Fire Department. Mr. Kutac expressed his opinion that the District can repair the landscaping, however, it would have to rely on the Fire Department's good faith to reimburse the District for the repairs as the District could not withhold service on such basis. Mr. Kutac mentioned that in order to avoid further dispute and expenditure of taxpayer revenues in connection therewith, it might be a good idea to tell the Fire Department that if they move the trees, the District will take care of the landscaping. Director Harris questioned whether seed or sod had better results. Mr. Barzilla responded that sodding gets better results. This led to a discussion regarding hydro-mulching and the benefits and costs of seeding, sodding and hydro-mulching. It was determined that Ms. Barzilla should get prices for all three grass options for the District and at the same time, ask the Fire Department to move the trees. Mr. Kutac also noted that by not making the requested repairs, the Fire Department is interfering with the District's use of the easements. Director McGillicuddy requested that Ms. Barzilla request that the Fire Department make the requested changes by the end of September. This would ensure that the matter does not continue for months on end.

Ms. Barzilla then discussed the trail extension project. Director Harris asked if, during planning of the trail extension, CMA looked at the west side of the area where the proposed connection to the splash pad. Per Ms. Barzilla, they looked at the west side but more trees would have to be cut down and they would have to go around the detention pond. The Board then discussed that the trail extension would be a footpath. It would not be built up so it would not be anticipated to cause drainage issues. It was noted that further discussion of the proposed trail extension project would be taken up after review of the survey results to be presented by Ms. Hester during the management and operations report.

Upon motion by Director Harris, seconded by Director Bethke and unanimously carried, the Board approved Task Order No. 29, Amendment No. 1 for \$60,000 for additional services required due to a change in the scope of work.

Upon motion by Director Harris, seconded by Director Lee and unanimously carried, the Board approved the monthly Engineering Reports.

11. Ms. Hester reviewed Inframark's General Manager's Report, and in particular, the executive summary memorandum dated July 15, 2021. Ms. Hester gave the following updates:

- **Wastewater Treatment Plant:**
 - a) All facilities are in compliance for the Month of July;
 - b) Daily average flows are 346,200 gallons a day, 69% capacity;
 - c) A few minor repairs were completed. Nothing significant;
 - d) On June 29, 2021, Inframark scheduled wastewater transport to remove several loads from the clarifier to reduce the solids; and
 - e) July process control data has improved.
- **Distribution System – Billing:**
 - a) Submitted 2nd quarter water monitoring;
 - b) Cody assisted several residents with instructions on how to access the “eye on water;”
 - c) 691 AMR meters were set with only 75 signed up for “eye on water.”
- **Collection System:**
 - a) 12122 Mesa Verde Dr overflow from sewer manhole on 7/29 due to broken fitting lodged in line. Jet cleaned lines and cleaned lift station wet well of debris. Back charged to Toll Brothers;
 - b) Installed new pump in Drennan lift station #4;
 - c) Performed quarterly mechanical preventive mechanical at all lift stations including pulling and inspection of pumps;
 - d) Performed annual electrical preventive mechanical at all lift stations including infrared camera.
- **Drainage/Ponds:**
 - a) Draining Medina Hills Ct pond for cleaning; and
 - b) Hays 1 pond across from school is not draining properly so it is currently being pumped down in preparation for cleaning.
- **Parks – Trails:**
 - a) Held Joint Committee meeting to discuss upcoming survey;

- b) Several calls regarding the army worm infestation;
 - c) Several calls regarding greenbelt and fence line mowing; and
 - d) Cody cleaned trash from greenbelts and raked mulch at the parks.
- **Construction:**
 - a) Several pools under construction; and
 - b) 62 Builder inspections completed.
 - **Customer Care Committee (“CCC”):** No updates.
 - **Infrastructure Committee:** No updates.
 - **Other:** No updates.

During her report, Ms. Hester mentioned the vendor who has the trucks driving up to the ponds is looking into getting logos for the trucks.

Action Items:

- a) AirCo Mechanical has submitted an invoice for replacing the 3.5 ton heat pump split system with a new 3.5 ton Trane split heat pump system. The invoice is for \$6,751.00.
- b) WLE’s proposal for Hays County WCID No. 1 and the District for ADA ramps. Per Ms. Hester, the price would be split with Hays County WCID No. 1 so the price would be \$3,680.56.
- c) Ms. Hester recommends that the District purchase a new computer, mic and camera to be used for the District’s Board Meetings. She is requesting that the Board approve the purchase of these items with a price not to exceed \$3,500.

Upon motion by Director McGillicuddy, seconded by Director Harris and unanimously carried, the Board approved items a), b) and c).

Ms. Hester then moved on to discuss the trail extension survey. She noted that there were 726 responses while the survey ran, which was for 10 to 11 days. There were 331 comments. Ms. Olsen of Inframark was in charge of reviewing the comments. The survey results showed 82.8% of those commenting were in favor of the trail extension, 13% were not in favor and 4% would need more information before they could decide. She also noted that 22% of the respondents did not know what District they live in. Ms. Hester mentioned that there was a large request for dog relief systems to be installed. When asked by the Board, Ms. Hester acknowledged that residents may have been able to comment on the survey more than once. The Board thoroughly discussed the pros and cons of the portion of the footpath trail extension that would connect to the splash pad. Advantages include keeping people on the trail versus wondering closer to people’s homes and providing greater community connectivity and access to the splash pad, and the disadvantages included that the area would have to be mowed more frequently and the ruts that form would need to be bladed once a year to level the trail, in addition to the concerns raised by those participating in public comment earlier in the meeting. Ms. Hester also noted that if the District put in the footpath, it could be easily removed or disconnected from the larger trail system if it became problematic. After the discussion, upon motion by Director McGillicuddy, seconded by Director Lee and unanimously carried, the Board approved installation of the proposed trail extension including the footpath connection to the splash pad, with the understanding that such connection will continue to be evaluated during the design phase and may be removed or modified at a later date.

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

12. The Board reviewed and acknowledged receipt of the Public Notice from the Lower Colorado River Regional Water Planning Group that it will hold a pre-planning public meeting to obtain public input on the development of the 2026 Regional Water Plan and the 2027 State Water Plan.

13. The Board reviewed the Resolution accepting the Proposed Joint 210 Irrigation System Plan Modifications. Upon motion by Director Harris, seconded by Director McGillicuddy and unanimously carried, the Board adopted the Resolution and authorized signature thereof.

14. The Board discussed that Touchstone charged \$625 for each Touchstone employee who attended the committee meeting.

15. The Board discussed and reviewed the Resolution authorizing preparation and filing of an application to the TCEQ for approval of surplus funds from the Series 2020 Unlimited Tax Bonds to pay WWTP expenses, Mr. Kutac noticed that this item was inadvertently placed on the Agenda. The Board did not discuss nor take any action.

16. The Board discussed and reviewed the proposed Resolution authorizing the use of the surplus funds from the Series 2020 Unlimited Tax Bonds to pay WWTP expenses. Upon motion by Director Harris, seconded by Director McGillicuddy and unanimously carried, the Board adopted the Resolution and authorized signature thereof

17. LCRA and WTCPUA Updates: Mr. Kutac noted that he had no updates.

18. Upcoming Board Meeting: It was noted that the regularly scheduled Board Meeting on October 28th would have to be moved to the CMA offices, which is a designated District meeting location, because the Belterra Recreation Center is booked by the HOA for their Board Meeting.

19. Executive Session: No Executive Session was required.

20. 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 26th day of August 2021.




Sean McGillicuddy, Secretary