

MINUTES OF THE MEETING  
OF THE  
BOARD OF DIRECTORS  
September 23, 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 September 23, 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, Allen Douthitt of Bott & Douthitt PLLC ("Bott & Douthitt"), the District's bookkeeper, Kristi Hester, Kay Olsen and Ceejay Jackson of Inframark, the District's general management and operations contractor, Robert Callegari 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 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.

Margie S, a resident in the District was recognized and voiced her opposition to the proposed portion of the trail extension that would connect to the community splash pad area. Margie S. expressed concerns regarding the survey questioning why the residents in Hays County WCID No. 1 ("Hays County

1”) were allowed to participate in the survey since they do not live in the District. She also expressed her displeasure that there was no safeguard to prevent people from voting more than once. In addition, she noted that she believes people with small children who are going to the splash pad would drive instead of using this trail because the parents would need snacks and supplies for their children. She mentioned that she believes the trail will cause drainage issues that could potentially cause water to flow into her back yard. She also noted that the residents were promised a face to face meeting with the Board and that hasn’t happened yet.

At this point, the Board noted that a committee meeting with the residents is planned for October.

Ray W. was recognized and stated that he agreed with everything Margie S. said and added that the Mendocino residents pay an extra \$200 a month for a gated area. In addition, he noted that the trail is 20 yards away from his bedroom and expressed his concern that this trail will devalue his home.

Steve S. was then recognized. He noted that he was Margie’s husband. He stated that his home is the closest to the trail. He measured from his home to the flags that mark the proposed trail and his home is 16 yards away from the flags. He feels that people using the proposed trail would basically be walking in his back yard because there is no foliage to block the view. He would have no privacy because you can see his patio and into his bedroom from the proposed trail. He also noted that the proposed trail would give residents access to the private street by the retention pond. He stated that, in the past, some people have accessed the private street and thought they could get out but couldn’t without returning to where they entered. He mentioned that the Meeting Minutes from last month’s meeting looks like the Board already voted because there was a motion and a second. He feels like the board is just paying “lip service” to the residents.

Courtney, who attended the Board meeting via video conference, was recognized. She is building in the new area and is looking forward to the new trail because there are not a lot of trails in the Cove.

Ed M., who also attended the Board meeting via video conference was then recognized. He would like to see the District spend money on upgrading the existing trails versus adding this proposed trail extension.

Mr. Kutac called for any other members of the public who wanted to address the Board. Hearing none, the Board moved on to the next item on the agenda.

2. The Public Hearing Setting the Tax Rate for 2021 was opened. Mr. Kutac called for public comment. Hearing none, the Public Hearing was closed.

3. Mr. Douthitt noted that there were some changes to the proposed Operating Budget for FYE 2022 in the Park Maintenance category. He mentioned minor changes which include adding a canopy, benches, etc. at the Bitterroot Park and the Mesa Verde Park. Director Bethke mentioned that she would prefer that they not drill into the clay at the park because she does not want it to start breaking apart. Director Harris pointed out that the park needs the shade because it is so hot that you can’t touch the rails on the playground equipment. Director McGillicuddy questioned whether the canopy would damage the trees. Director Harris responded that it should not damage the trees. Director McGillicuddy also mentioned that he would like benches in certain other areas. After a full discussion, the Board reviewed the Resolution Approving Operating Budget for fiscal year ending September 30, 2022. Upon motion by Director Harris, seconded by Director McGillicuddy and unanimously carried, the Board adopted the Resolution Approving the Operating Budget for the fiscal year ending September 30, 2022.

4. After review of the Resolution, upon motion by Director McGillicuddy, seconded by Director Harris and unanimously carried, the Board adopted the Resolution Approving the Debt Service Budget for the fiscal year ending September 30, 2022.

5. After review of the Order, upon motion by Director McGillicuddy, seconded by Director Lee and unanimously carried, the Board approved the Order Setting Tax Rates for 2021, authorized filing and posting of same.

6. Item Number 6 was an inadvertent duplicate of Item Number 3.

7. The Board reviewed the Minutes from the August 26, 2021 Board Meeting. Following a review thereof, upon motion by Director Harris, seconded by Director Lee and unanimously carried, the Board approved said Minutes.

8. The Board recognized Allen Douthitt who presented Bott & Douthitt's Accounting Report dated September 23, 2021, which included a review of the Cash Activity Report including subsequent activity through September 23, 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 July 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 if not for the large amount of tree work due to the storm, the District would have been on budget. With respect to transfers, Mr. Douthitt noted that the following transfers were made: (i) transfer for \$10,000 from the Bancorp South Operating Account to the BancorpSouth Manager's Account; (ii) \$83,738 from the TexPool Operating Account to the Hays County WCID No. 1 TexPool Operating Account; and (iii) \$10,999.49 from the TexPool Tax Account to the TexPool Debt Operating Account.

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

9. 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 reviewed the tree installation proposal. Director McGillicuddy stated that he felt that there are some trees on WLE's proposal that are not needed, specifically Mesa Verde close to the Ranch by Pinnacle area. He also stated that in the median where WLE was planning to plant 5 Palo Verdes they want to do every other 1 and change it to Crepe Myrtles. It was also noted during the discussion that Palo Verde trees are not on the HOA approved list. Mr. Fort then noted that maybe it would be better if he goes out to the area with the Parks Committee and they discuss what the Board would like. Ms. Hester mentioned that she has notes and can send the notes from the Parks Committee meeting to Mr. Fort. The Board also noted that the splash pad is HOA property and does not belong to the District.

- **ADA Curb Cuts:** It was discussed that there were 2 proposals for the District. \$2,192 for District 2 ramps for the crosswalk. Ms. Hester recommended approval because the County is waiting for the ramp to paint the crosswalks. She also mentioned that Hays County WICD No. 1 has already approved their invoice.

- **Monthly Irrigation Inspection:** Mr. Fort noted that Ms. Hester approved the September irrigation proposal because it was within the limits of Inframark's approval rights.

Director Bethke noted that WLE did not come to mow the day after Labor Day. She questioned WLE's policy is when a holiday falls on a mowing day. It was noted that under the WLE contract, the District gets 4 mowing services a month. Mr. Fort assured her that the District will not be billed for the missed service.

10. Lauren Barzilla of CMA was recognized by the Board. Prior to her report she noted that Mr. Callegari would like to speak. Mr. Callegari announced that CMA has merged with Burgess & Niple. He introduced Ed Mucillo with Burgess & Niple. Mr. Mucillo gave a brief history of Burgess & Niple. Ms. Barzilla then 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) Recommendation of Award for Belterra WWTR Weir Overflow; and
  - b) Approval of Task Order 67, Amendment No. 2 – For Belterra Wastewater Treatment Plan Overflow construction phase services.
- II. **EQ Tank Blower Replacement:** Design Updates are available to the Board.
- III. **Belterra Wastewater Treatment Plant Weir Overflow:**
  - a) Design Updates are available to the Board.
  - b) Recommendation of Award for Project. The bid was the morning of September 9, 2021. The bid tab and letter of recommendation of award will be available to the Board for review; and
  - c) Approval of Task Order No. 67, Amendment No. 2 for an additional \$19,000 for construction phase services if the contract is awarded
- IV. **Wastewater Summary:**
  - a) Average Daily Wastewater Usage (July 2021) = 346,200 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

Wastewater Treatment Plant Project Status - September 2021				
Project	Status	Budget Amount	Amount Billed	Project Status
Drum Screen Replacement Project - CMA Task Order	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
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 Ta	0%	\$ 36,000.00	\$ -	No progress
Drip Field Inspection - Inframark	0%	\$ 20,000.00	\$ -	No progress

Ms. Barzilla noted that she received a single bid of \$166,400 for the Weir Overflow project. The Board discussed the risk of overflow at the WWTP and that it is low risk unless there is another “once in a lifetime” storm like the one in February. The Board acknowledged that all construction costs are high now due to Covid shortages. She mentioned that Hays County 1 decided to table the idea and re-visit it in January 2022. The Board then discussed the potential risk of waiting. Ms. Barzilla assured them that the risk was minimal unless there is another “once in a lifetime storm.”

11. 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:
  - a) Revegetation updates;
  - b) Buried Manhole; and
  - c) Trees near public wastewater line.
- III. Trail Extension Project:
  - a) Project update:
    - (i) Hays County – Driveway Permits have been approved;
    - (ii) City of Dripping Springs – Project has been approved; and
    - (iii) TCEQ – Application has been withdrawn and will be resubmitted with the trail extension to the splash pad area.
  - b) Discuss alignments for the trail extension.
- IV. Mesa Verde Park: The contractor has re-surfaced the pavilion and it looks good.

During her report, 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. She mentioned that there are two options for WLE. They can either hydro-seed the grass (approximately \$5,450) or use sod (approximately \$11,056). She sent the contractor for the Fire Department an e-mail saying that if they will move the trees and correct the buried manhole issue, the District will re-vegetate the area. She has not heard back from the contractor. She has followed up two times with the contractor. The Board discussed options for getting a response from the Fire Department. Mr. Kutac stated that he knows an attorney for the Fire Department and will contact him directly. Director Lee mentioned that she would like to invite the Fire Chief to the next Board Meeting. It was determined that the District will hold off on hydro-seeding. Director McGillicuddy said he thought the area was looking better and was starting to re-vegetate.

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

12. The Board discussed and reviewed an aerial view of the proposed trail extension project and the two different options with respect to planning and design of the proposed trail extension. Director Kelly questioned why the District can't find a way around which doesn't involve looping behind houses. The distance between the proposed trail extension and the houses in Option A and Option B as depicted on the aerial map was discussed by the Board. It was noted that the closest homes in Option B have deep backyards, however, the proposed alignment has two creek crossings. Ms. Barzilla stated that the proposed trail extension will not cause water to flow into people's backyards. She also confirmed that no matter what trail extension option is decided upon, it will have to be re-submitted to the TCEQ for approval.

13. 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 were in compliance for the Month of August;
- b) Daily average flows are 362,000 gallons a day, 72% capacity;
- c) Replaced valve assembly on MBR 3 - \$4,696.12;
- d) Scheduling a WWTP on site meeting in November. May have Hays County 1 and the District meet together; and
- e) Inframark completed a self-audit at the WWTP to review housekeeping items that need to be addressed by October.

- **Distribution System – Billing:**

- a) Back order of AMI meters could be received before end of 2021 budget year;
- b) Installing another 175 AMI meters this week – no endpoints;
- c) Schedule third round of meters and endpoints in October or November; and
- d) Change in pressure planes may have caused flow impact from master meters – Inframark is working with PUA to confirm.

- **Collection System:**

- a) All commercial grease traps are currently in compliance – inspections are scheduled monthly on a going forward basis;
- b) Installed new lift station pump at LS 4 on Drennan;
- c) Completed 6 month generator preventive maintenance and 3 month mechanical; and
- d) Pulled pumps at lift station 6 due to high run times and cleaned impellers and placed pumps back in. All components are operational.



- **Drainage/Ponds:**

- a) Pond cleanout at Medina is complete – drained and several loads of sediment hauled out;
- b) Pond at 11546A Mesa Verde cleaned sediment in bay and inlet area; and
- c) Pond at 12152A Mesa Verde cleaned – added more road base and 4 yards of filler to fill in washed out areas.

- **Parks – Trails:**

- a) Parks committee to schedule meeting to review comments received from trail survey, September 28th at 8:30a.m.;
- b) Several requests have been received for mowing/landscaping greenbelt and fence lines – a tracker has been set up;
- c) Schedule on site meeting with residents regarding proposed future trails - Splash Pad Pavilion; and
- d) Removed graffiti from sidewalks and trails.

- **Construction:**

- a) 23 Builder inspections and 13 Pool inspections completed in August; and
- b) ADA ramp proposal included for recommendation.

- **Infrastructure Committee:**

- a) Updated Asset Management Plan. Plan to update annually;
- b) Received invoice for WWTP Driveway – Inframark is trying to get a corrected invoice;
- c) Schedule meeting with Hydropro on collection system data Smart Cover System;
- d) Emergency preparedness plan SB 3 water systems underway due March 1, 2022; and
- e) House Bill 872 – Customer information is confidential now.

During her report, Ms. Hester mentioned that WLE's invoice dated August 21, 2021 for the ADA Ramps should be disregarded because they combined Hays County 1 and the District together on the invoice. WLE will re-invoice and the estimate for the District is approximately \$2,200. She also mentioned that WLE can complete the ramps by next week.

Action Items:

- a) Upon motion by Director Harris, seconded by Director Bethke, with Director McGillicuddy abstaining, the Board approved WLE's installation of the curb cuts for the ADA ramps.

b) Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board approved Eads Epsco's proposal for the valve replacement for the MBR #3 for \$4,696.12 plus tax of \$387.43 for a total of \$5,083.55.

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

14. With respect to Touchstone, Ms. Hester mentioned that she has invited a new vendor to attend a joint committee meeting with Hays County 1.

15. The Board reviewed and acknowledged receipt of the Affected Utility Notification Letter from the TCEQ dated August 16, 2021. Ms. Hester confirmed that Inframark is working on the plan to submit to the TCEQ.

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

17. Scheduling with respect to the next Board Meeting: It was noted that the regularly scheduled Board Meeting on October 28<sup>th</sup> 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. The Board also discussed how to handle the Board Meetings on a going forward basis, specifically, if the Board meeting should be in-person only or should be handled in a hybrid manner where the quorum is present in person and the public and consultants could attend the Board Meeting via Zoom video/audio conference. Ms. Hester noted that when she was on the Zoom video/audio conference earlier in the Board Meeting, she could not hear clearly. With this in mind, the Board decided to conduct future meetings in-person only. The Board also thanked Director McGillicuddy for his work in supplying his computer and setting up the equipment needed for a Zoom video-audio conference.

18. Executive Session: No Executive Session was required.

19. 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 28th day of October 2021.



  
Sean McGillicuddy, Secretary