

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS

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 October 19, 2023 at 5:45 p.m. at the 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 Bethke. 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, Vicki Hahn, paralegal, with Winstead PC, Lonnie Wright, Beth Wright, John Taylor and Sally Gomez of Municipal Operations and Consulting, LLC, the operations and management contractor for the District, Allen Douthitt with Bott & Douthitt, the District’s bookkeepers, Lauren Barzilla of Burgess & Niple (“BN”), the District’s engineer and Jesse Trevino with Sunscape Landscaping, the District’s landscaper.

1. PUBLIC COMMENT: Mr. Kutac called for public comment. Hearing none, the Board proceeded to the next item on the agenda.
2. MEETING MINUTES: The Board reviewed the Minutes from the September 21, 2023 Regular Board Meeting. Upon motion by Director Kopperud, seconded by Director Lee and unanimously carried, the Board approved such Minutes.
3. FINANCIAL:
 - a) Accounting Report: Mr. Douthitt reviewed Bott & Douthitt’s Accounting Report dated October 19, 2023 with the Board, 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 August 31, 2023 for review and approval by the Board. With respect to transfers, Mr. Douthitt noted that the director and vendor payments, the transfers set forth in the Accounting Report were proposed for approval.

The Board discussed the total spent on storm clean-up.

b) Administrative and Action Items:

- i) Upon motion by Director McGillicuddy, seconded by Director Lee and unanimously carried, the Board accepted the Accounting Report and authorized the disbursements and transfers as set forth therein.

4. LANDSCAPING: Mr. Trevino's Landscaping Report is included in the Board Packet.

- (a) Sunscape Report: Mr. Trevino noted that Sunscape will start mowing the 100-acre Drip Field next Monday. He also mentioned that starting next month, Sunscape will move the mowing schedule to the winter mowing schedule which is bi-monthly. He will try to keep Wednesday as the mowing day for the District. Director McGillicuddy asked Mr. Trevino for a proposal to re-vegetate and put limestone in the Angelino Valley monument area so that the stone matches the monument. Director Kelly mentioned that some irrigation areas are spraying the road. Mr. Trevino stated that he will adjust the heads so that the cars are not being sprayed.

The Board then discussed the trail drainage issues and options to correct. Option 1 for pond outfall is 8" PVC, but 8" PVC is more prone to clogging if there is a lot of debris. It was noted that the District already has a lot of 8" PVC and there is probably not a lot of debris that would clog the pipe if the District goes with Option 1. The other option is 18" RCPs which is more aesthetically pleasing. The pros of this option are that you do not see a lot of clogging and the size is 18". However, it is more expensive. There are two options with respect to the drainage swale. Preliminary pricing from Sunscape for Pond Outfall Option 1 is \$65,000 and Option 2, it is \$105,000. Drainage Swale Option 1 is \$58,000 and Option 2 is \$61,000. Director McGillicuddy preferred Option 1, but he noted that when they rode the trail after a 2" rain, it was muddy but not producing a lot of run-off. He does not think that it is necessary to do anything now and recommends waiting to see if it becomes an issue. Mr. Wright stated that MOC will also bid on the repair.

- (b) Trail Maintenance: No action was taken by the Board.

5. ENGINEERING:

- a) WWTP Joint Facility Report: Ms. Barzilla noted that the 12" and 8" lines at the school still need to be connected for the Treated Effluent Fire Hydrant project.

With respect to the potential Water Tank Project, Ms. Barzilla reviewed the potential sites. It was noted during the discussion that the one proposed location (Site 1) is behind someone's home, and would require new water line improvements. The other proposed location (Site 2) is near the drip fields so some areas would need to be abandoned to comply with the TCEQ requirements. There is little excess drip irrigation area, but Ms. Barzilla will look into whether permit requirements can be met without adding new drip irrigation areas. Ms. Barzilla also mentioned that she does not think it makes sense to do separate water tanks for the District and for HCWCID No. 1. The Board agreed. She also discussed the options for the size of the water tank. Option 1 is to have the water tank completely independent from the WTCPUA. Option 2 is a smaller tank that should improve pressure, but would not be entirely independent of the WTCPUA system. Consequently, if the WTCPUA issues a Boil Water Notice, the District will have to issue one as well. Mr. Wright then noted that he called the WTCPUA and if the District creates its own pressure plane then the WTCPUA will offer the District a discount on water rates. He does not know how much of a discount but there would be a discount. The Board then discussed the preferred size of the water tank. Ms. Barzilla mentioned that she will prepare a Task Order for this project and present it to the Board at the next meeting. Mr. Kutac noted that if the District moves forward with this project then the Joint Facilities Agreement with HCWCID No. 1 may need to be amended. Ms. Barzilla stated that she will prepare a water model that will offer a couple of scenarios (i.e., whether to do two tanks in one location or one large tank). The Board then discussed that the potential water tank would be a ground storage tank while also noting that elevated water storage tanks are more expensive to maintain.

Mr. Kutac reminded the Board that they had directed Mr. Kutac and Mr. Barrett to meet with the WCTPUA regarding the pressure issues. He provided a brief status report and noted that they would be submitting a letter detailing the residential pressure issues. He also noted that the difference in the two pressure planes is reportedly 40 psi.

- b) District Report: With respect to the pressure issues, Ms. Barzilla reviewed the results of the new readings and stated that the numbers are the same as last time. She also noted that the TCEQ came out for an inspection and the District's pressure was never under 35 psi.

With respect to the 12A Water Quality Pond Gabion Wall, she prepared Task Order No. 30 for \$46,000 for engineering services for design, bidding and construction phase services for the Water Quality Pond Gabion Wall Replacement Project.

- c) Addition Action Items:

- Upon motion by Director McGillicuddy, seconded by Director Kopperud and unanimously carried, the Board approved Task Order No. 30 for B&N for \$46,000 for engineering services for design, bidding and construction phase services for the 12A Water Quality Pond Gabion Wall Replacement.

- Upon motion by Director McGillicuddy, seconded by Director Lee and unanimously carried, the Board approved a potential Task Order for B&N to prepare a water model for the Water Tank Project not to exceed \$10,000.

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

6. MANAGEMENT AND OPERATIONS:

- a) Operations Report: Ms. Wright asked the Board if MOC should continue the nightly water conservation plan enforcement, or if they should scale back now that the District is in Stage 2 of the watering restrictions. The Board discussed how many violations have been issued and if any disconnects have happened. The Board also discussed re-setting the violations so that the customers start over at violation 1. The Board determined that the patrolling should be scaled back and the violations be re-set.

Ms. Wright also asked the Board if they wanted to set a standard such that if a customer is issued a notice of violation, but they then produce an invoice showing that they had their system repaired, the violation could be waived. The Board agreed.

With respect to 650 Brentwood, they have tree damage to their fence due a greenbelt tree that fell during the ice storm. Ms. Wright presented the Board with picture of the damage. The Board requested that Ms. Wright have the damage repaired.

Ms. Wright noted that HCWCID No. 1 agreed to split the cost of the revegetation fee of \$2,845 to re-vegetate Angelino Valley.

Ms. Wright discussed that the bulk pick up will be November 1st and November 18th and will be publicized on Facebook, by the HOA and an e-mail blast will be sent out.

- b) Manager's Report: Mr. Taylor reviewed MOC's Management Report. He informed the Board that the membrane replacements on basins 1 and 3 have been completed. They put 1200 new membranes in basin 3 and 500 new membranes in basin 1.
- c) Interlocal Law Enforcement Agreement: The Board mentioned that they are very happy with the Sheriff's Department so far.
- d) Membrane Issue: No action was taken by the Board.
- e) Policy on Customer Leaks: No action was taken by the Board.
- f) Additional Action Items:
- Upon motion by Director McGillicuddy, seconded by Director Kelly and unanimously carried, the Board approved the three Sunscape Proposals: (i) Sunscape Proposal No. 27652 for \$20,845.29 for seeding the staging area and in the tire ruts throughout the 100 acres; (ii) Sunscape Proposal No. 27707 for \$688.42 to spread one yard of top soil and two pounds of nature Blue Grama seed

in the areas next to Rooster Springs that were disturbed during the mainline pipe work, and (iii) Sunscape Proposal No. 27708 for \$6468.49 to construct a new raised bed and install lantana, salvia, sage and thryallis at the base of the Pinnacle monument sign.

- Upon motion by Director McGillicuddy, seconded by Director Lee and unanimously carried, the Board ratified approval and signature of the Interlocal Law Enforcement Agreement between the District and the Sheriff's Department.

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

7. ADMINISTRATIVE AND LEGAL:

- a) Director Elections: Ms. Hahn informed the Board that a Director's Election will be held May 4th and that Director McGillicuddy, Director Kelly and Director Lee are up for re-election. She mentioned that the first date to file an application for a place on the ballot is January 17, 2023.
- b) Water Contract Items: No action was taken by the Board.
- c) Water Conservation and Drought Contingency Plan: No action was taken by the Board
- d) Legal Matters:
 - i) Modification of Landscaping Contract: Mr. Kutac noted that he has the numbers for Sunscape's and MOC's Amendments for pond mowing.

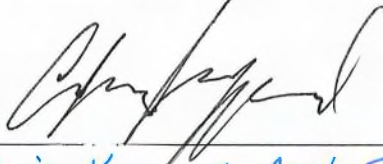
Upon motion by Director Lee, seconded by Director Kopperud and unanimously carried, the Board approved both the Sunscape and MOC Amendments with respect to pond mowing.
- e) Calendaring: The Board determined that the next regular Board meeting will tentatively be November 16, 2023.

8. EXECUTIVE SESSION: No Executive Session was needed.

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

APPROVED AND ADOPTED on the 16th day of November 2023.




Chris Kopperud, Asst. Secretary