

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 the 19th day of November, 2020, at Belterra Centre, 151 Trinity Hills Drive, Austin, Texas, within the District. To mitigate the spread of COVID-19 and pursuant to the guidance provided by the Office of the Attorney General of the State of Texas, the meeting was open to the public both in-person and also by telephonic conference. 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 via zoom video conferencing with the exception of Director Lee for the commencement of the meeting. The record shall reflect that Director Lee experienced technical difficulties in logging into the meeting and entered during the discussion in item 4 herein below. Also present via zoom video conferencing were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Andy Barrett with Andy Barrett & Associates, PLLC, Kristi Hester of Inframark, the District’s general management and operations contractor, Chris Lane with SAMCO Capital Markets, Inc. (“SAMCO”), the District’s financial advisor, Lauren Barzilla of CMA Engineering (“CMA”), the District’s engineers, Allen Douthitt of Bott & Douthitt PLLC (“Bott & Douthitt”), the District’s bookkeeper, Judy McAngus and Vicki Hahn, paralegals with Winstead PC and Logan Brown and Johnny McDonnell 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. Matt Kutac confirmed that no 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. Mr. Kutac asked if there was any other person participating in the meeting who wished to address the Board under this item, and hearing no response, the Board proceeded to the next item of business.

2. It was noted that the Meeting Minutes from the October 15, 2020 Regular Board Meeting were not yet ready for review but would hopefully be ready for the next Board Meeting..

3. The Board reviewed the Minutes from the November 11, 2020 Special Meeting. Following a review thereof, upon motion by Director Kelly, seconded by Director Harris and unanimously carried, the Board approved said Minutes.

4. Mr. Kutac presented the most recent, proposed forms of the Joint Full and Final Release and the separate Joint Instruction Letter (“Agreements”) between L.H. Belterra LLC, and Preston Hollow Capital between the District and LH Belterra LLC as assignee of Mak Foster Ranch, L.P. and Crescent Belterra TX, LLC as each related to the reimbursement of developer costs for facilities accepted by the District through issuance of the District’s last series of utility bonds. Mr. Kutac noted that the Agreements looked appropriate and that the funds were on hold in the District’s Series 2020 Utility Capital Projects Account and waiting to be disbursed. Mr. Kutac confirmed that once the Agreements are signed by the Board and the money distributed to the parties, the District would have no further obligations with respect to this matter. He noted that the Maxwell Locke & Ritter LLC, the District’s auditor, will need to complete a supplemental Agreed Upon Procedures report regarding the related reimbursements for Board approval prior disbursement of such funds. Upon motion by Director McGillicuddy, seconded by Director Harris and unanimously carried, the Board authorized Matt Kutac to finalize such release and letter on behalf of the District and authorized its President to execute such final form of such agreements, with copies of the final the final executed agreements to be attached hereto as **EXHIBIT “A”**. As noted above, Director Lynn entered the meeting at this point and following the vote on such matter.

5. The Board recognized Allen Douthitt to present the Bott & Douthitt’s Accounting Report dated November 19, 2020, which included director and vendor payments and the Financial Statements for the Fiscal Year End for review and approval by the Board. Mr. Douthitt then gave a brief update with respect to the Cash Operating Fund, the Budgetary Comparison Schedule, the Debt Service Fund and the Capital Projects Fund. Bott & Douthitt’s reports are attached hereto as **Exhibit “B”**.

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.

6. Logan Brown and Johnny McDonnell of WLE, LLC (the District’s landscape service providers) informed the Board that WLE had been acquired by BrightView Holdings (“BrightView”). They discussed the acquisition, the size and stability of BrightView and reassured the Board that they would still provide the same caliber of service that the Board is used to and expects. They also noted that Chris Calvisi would still be the District’s contact.

7. Lauren Barzilla of CMA presented CMA’s monthly Joint Wastewater Treatment Plant (“WWTP”) and 210 Reuse Irrigation engineering report, a copy of which is attached hereto

as **EXHIBIT “C”**, and confirmed that Hays County WCID No.1 had approved Pay Application No. 2 in the amount of \$34,650.70 for the Drum Screen Replacement at the WWTP at its meeting the prior week. She noted that the piers have been poured and the contractor is currently working on the pedestal foundation. CMA is waiting on pricing options for the bar screen removal and fencing prices. Ms. Barzilla also gave a brief update with respect to the on-going bar screen replacement project at the WWTP including the upgrades for the EQ blowers and air diffusers.

8. Ms. Barzilla then moved on to CMA’s District’s Engineering Report, a copy of which is attached hereto as **EXHIBIT “D”**. She outlined potential action items including the Final Acceptance of the Brentwood Drainage Project and Approval of the Trail Extension. She also noted that she had a Pay Application No. 2 for the Brentwood Drainage Project on the Agenda but cannot find the invoice and will present it at the next Board meeting. Ms. Barzilla then gave an update on the following:

Brentwood Drainage: The project is complete and revegetation has been established. Inframark has been asked to remove the remaining silt fence.

Fire Station: All of the public utilities at the Fire Station have been installed and CMA is waiting on the results of the TV of the wastewater lines.

Naples Sidewalk Extension and Trail Project: Ms. Barzilla noted that the surveyors will soon be onsite to mark the area of the Trail Extension and she would like the Park Committee to come out and actually see where the trail extension will be.

The financial cost of approving both the Brentwood Drainage Project and Task Order 29 were discussed by the Board. Upon a motion by Director McGillicuddy, seconded by Director Harris and unanimously carried, the Board approved final acceptance of the Brentwood Drainage Project. With respect to approval of the costs for CMA’s work on the Trail Extension set forth in CMA’s Task Order 29, a copy of which is attached hereto as **EXHIBIT “E”**, upon motion by Director Bethke, seconded by Director Harris and unanimously carried, the motion carried.

9. Kristi Hester reviewed Inframark’s November 19, 2020 General Manager’s Report, a copy of which is attached hereto as **EXHIBIT “F”** and in particular, the executive summary memorandum dated November 19, 2020. Ms. Hester’s gave the following updates:

- Wastewater Treatment Plant: There were no compliance issues for the month of October, the EQ Basin Rehab is underway and is 60% complete with completion expected by the end of December. The Blower Upgrade is underway and materials have been ordered.
- Silt Fencing: With respect to the Silt Fencing, they were going to remove the Silt Fencing and clean up the area but they need to make sure that the fencing prevent erosion.
- Construction: With respect to the last block of sidewalk WLE put in, such sidewalk was damaged by the previous contractor, not Inframark. Inframark will be back charging the contractor for the damage.

With respect to the 225 Tobago Drive pool construction, unbeknownst to anyone, they added a grinder station for an outdoor kitchen and a bathroom. Inframark will be requesting that the customer execute a grinder pump agreement.

- Customer Care: Ms. Hester discussed the Belterra Facebook page and that the District is now unable to access the Belterra Facebook page. She is working on re-establishing access to Belterra's Facebook page but is not sure it is possible. In addition, she would like to get an article out to the residents with the news that they will be installing AMI meters. She also noted that cleanup is taking place on the greenbelt next to 11389 Mesa Verde. Inframark staff does not know who dumped the debris.
- Water Usage: Water usage is down because of the cooling temperatures. Delinquent accounts are not excessive. They are planning to get in touch with the people who have delinquent accounts and see if they can establish a payment plan.
- Pool Access Issue: Ms. Hester spoke to a resident yesterday who is putting in a pool and would like access for equipment via the greenbelt. They want to go through the greenbelt because they need bigger equipment and do not want to damage the sewer lines. Following a full discussion of various other alternative that are available to such property and related matters of concern, upon motion by Director Kelly, seconded by Director McGillicuddy and unanimously carried, the Board denied the request for access.

10. Director Bethke noted her concern regarding Touchstone's response time in connection with their handling of various Facebook posts and would like to set up a meeting with Touchstone to discuss those issues. Ms. Hester mentioned that she was having the same concerns and would work on setting up a meeting with Touchstone to discuss such issues with the committee. Ms. McAngus responded by stating that she has not had any issues with Touchstone except for one late posting which they remedied immediately upon request. During the discussion, Director McGillicuddy mentioned that he would like to see the Meeting Agendas posted on Facebook. Ms. Hester confirmed she could handle such postings. No action was required by the Board.

11. An initial discussion took place relating to future Directors' election policy. Mr. Kutac noted that Director Bethke drafted a Directors' Election Policy and sent it to him for his review. Mr. Kutac will put this matter on the Agenda for the next Board Meeting.

12. Director Kelly noted there have been a few concerning incidents in the neighborhood and law enforcement presence. A brief discussion ensued about where law enforcement was patrolling. Ms. Hester will add this issue to the Customer Care discussion and noted that she will post the monthly patrol report detailing services provided through Hays County and its contract with the District on the Board's Google Drive for their further review. Mr. Kutac noted that due to security concerns, patrol schedules should not be disclosed publicly.

13. The Board gave consideration to the continued use of Belterra Centre as District meeting place. Mr. Kutac presented an agreement from HCWCID No. 1 revising the cost for HCWCID No. 2 to use Belterra Center as the District meeting place. After discussing the matter, it was requested by the Board that Mr. Kutac approach HCWCID No. 1 with a counteroffer of \$600 a month with unlimited use. No other action by the Board is required.

14. Mr. Kutac recounted that in March 2020, he received word that there might be an issue regarding the misappropriation of funds by a former bookkeeper. In summary, as authorized by the Board, he noted that he had worked with Jimmy Romell of Maxwell Locke & Ritter to conduct a review of the allegations and that he had finalized a report for the Board's review and action. He noted that there is a Special Meeting of the Board on Monday, November 23, 2020 at 5:45 to discuss the matter.


15. Mr. Kutac noted that there was no updates with regard to District matters with either the Lower Colorado River Authority or West Travis County Public Utility Agency.

16. The Board confirmed that its next regular meeting would be scheduled for Thursday, December 17, 2020 and it was noted that Kristi Hester would confirm all upcoming committee meetings with the committee members.

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

APPROVED AND ADOPTED this 17th day of December, 2020.




Sean McGillicuddy, Secretary