

MINUTES OF THE MEETING
OF THE
BOARD OF DIRECTORS
December 14, 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 Special Session, on December 14, 2021 at the Belterra Recreation Center, 801 Belterra Dr, Austin 78737 and the roll was called 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 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 were Matt Kutac of the law offices of Matthew B. Kutac, PLLC, Andy Barrett of Andy Barrett & Associates, Allen Douthitt of Bott & Douthitt, the District’s bookkeepers, 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 Burgess & Niple (“BN”), the District’s engineers and Vicki Hahn, paralegal with Winstead PC. Mr. Royce Wachsmann, a member of the public attended the meeting as well.

1. Matt 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. Hearing none, the Public Comment session was closed and the Board proceeded to the next item of business.

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

3. The Board recognized Allen Douthitt who presented Bott & Douthitt’s Accounting Report dated December 14, 2021, which included a review of the Cash Activity Report including subsequent activity through December 14, 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 October 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. With respect to transfers, Mr. Douthitt noted that the following transfers need approval: (i) transfer for \$10,900 from the Bancorp South Operating Account to the BancorpSouth Manager's Account; (ii) transfer for \$600,000 from the BankcorpSouth Operating Account to the TexPool Operating Account; (iii) transfer for \$7,221.12 from the TexPool Tax Account to the TexPool Operating Account; (iv) transfer for \$48,690.25 from the TexPool Operating Account to the Hays County WCID No. 1 TexPool Operating Account; and (v) transfer of \$52,879.53 from the TexPool Operating Account to the BancorpSouth Manager's Account (LCRA/PUA).

Mr. Douthitt mentioned that September 30, 2021 was the end of the fiscal year and reviewed pages 17 and 18 of his report comparing actual expenditures to the budget.

The Board then discussed the calculation performed Hays County WCID No. 1 for the missed mowing by WLE on Labor Day. By their calculation, the missed mowing should incur a credit of \$6,000. Mr. Douthitt then mentioned that WLE/Brightview is suggesting a credit to the District of \$600. Mr. Douthitt believes that \$6,000 is a little high but the suggested credit of \$600 is too low. Mr. Douthitt will go back to WLE/Brightview to negotiate. The Board then discussed that the following two WLE/Brightview checks require approval: (i) \$2,102.89 for the Pinnacle Mailbox Sidewalk Access; and (ii) \$2,192.92 for the ADA Ramps. It was noted that WLE has not completed either project.

Upon motion by Director McGillicuddy, seconded by Director Harris and unanimously carried, the Board approved the above-referenced Accounting Report, and authorized all disbursements and transfers set forth therein. However, the Board authorized holding the two checks for WLE/Brightview contingent upon Ms. Hester's confirmation that both projects have been completed satisfactorily. Once Ms. Hester has confirmed completion, Mr. Douthitt can release the checks to WLE/Brightview.

4. Per Ms. Hester, J. Carmen Avila with Brightview is on vacation. Dominic is the contact while J. Carmen is on vacation. It was noted that the Board was disappointed that no one from WLE/Brightview attended the Board Meeting to give the landscaping report. Ms. Hester mentioned she would discuss landscaping status and issues in her upcoming General Manager's report.

5. 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:

- I. **Potential action items for the meeting:** Approval of EQ Tank Blower Replacement Pay Application No. 1 for \$62,436.60. This Pay Application is for demolishing the wall, filling the DMU blocks with grout and installation of the overhead door and completion of installation of blower #1. Hays County WCID No. 1 approved this Pay Application at their December 9, 2021 Board Meeting.
- II. **EQ Tank Blower Replacement:**
 - a) See construction schedule below;

b) Recommend approval of Pay Application #1 for \$62,436.60.

III. **Belterra Wastewater Treatment Plant Weir Overflow:** See WWTP Project Status below.

IV. **Wastewater Summary:**

- a) Average Daily Wastewater Usage (October 2021) = 364,000 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

A summary of the ongoing WWTP projects was presented as follows:

Wastewater Treatment Plant Project Status - December 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	30%	\$125,000.00	\$ 97,536.06	Blower no. 1 and piping have been replaced, and the garage door has been installed. The VFDs have arrived, however the enclosure for the VFDs is set to be delivered on Feb. 1. The shipping date was moved from Nov. 9, 2021 to Jan. 26, 2022 due to supply chain issues, this is the cause for delay in project schedule. See Project schedule below.
Weir Overflow - CMA Task Order 67	0%	\$ 80,000.00	\$ 26,502.50	This project is on hold until January 2022 at the direction of the Board. It will be revisited at this time to decide if the project should be re-bid.
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	\$ -	Work in progress
Drip Field Inspection - Inframark	0%	\$ 20,000.00	\$ -	Work in progress

WWTP EQ Tank Blower Replacement Schedule

Belterra WWTP		Duration	Start	Finish
1	Belterra WWTP EQ Tank Blower Replacement	105d	08/23/21	01/14/22
2	NTP (8/23/2021)	1d	08/23/21	08/23/21
3	Substantial Completion (12/16/2021)	1d	12/16/21	12/16/21
4	Final Completion (1/15/2022)	1d	01/15/22	01/15/22
5				
6	Mechanical			
7	Demo wall / Install galvanized angle for interior and exterior	8d	10/15/21	10/26/21
8	Demo existing blower #1 and piping	2d	10/25/21	10/26/21
9	Install new blower #1 and piping	5d	10/27/21	11/02/21
10	Demo existing blower #2 and piping once VFD panel is installed	2d	11/30/21	12/01/21
11	Install new blower #2 and piping	2d	12/01/21	12/02/21
12	Overhead door install	2d	11/29/21	11/30/21
13				
14	Electrical			
15	Demo and remove associated item with blower #1	2d	10/25/21	10/26/21
16	Demo and remove associated item with blower #2	2d	11/30/21	12/01/21
17	Install VFD control panel	4d	11/27/21	12/01/21
18	Route associated raceways overhead	3d	12/02/21	12/06/21
19	Pull wire and terminate blower #1	3d	12/06/21	12/08/21
20	Pull wire and terminate blower #2	5d	12/09/21	12/15/21
21				
22	Submittals/Delivery			
23	Overhead door shipping date	3d	11/24/21	11/26/21
24	VFD control panel drawing	45d	09/09/21	11/09/21
25	VFD control panel submittal review	5d	10/22/21	10/28/21
26	VFD shipping date	7d	11/09/21	11/17/21
27	Fabricate VFD control panel	10d	11/15/21	11/26/21

6. Ms. Barzilla then moved on to CMA's general 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.

Ms. Barzilla noted that she reached out to the Chief. He told her that they are working on the above issues but there is no progress yet. Mr. Kutac mentioned that he spoke to the Fire Station's Attorney about a month ago and the Chief and they are planning to work on it. They need a special contractor to do the work.

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 is currently under review.

Ms. Barzilla noted that the revegetation at the Fire Station looks good, the buried manhole has been replaced and just needs to be inspected and the Fire Station is working on moving the trees.

TCEQ is reviewing the application and is looking at approving around March 2022.

Director McGillicuddy mentioned that the Parks Committee was able to work with Ms. Barzilla to move the trail back further away from the homes. Ms. Barzilla would like to go over the new trail with the Parks Committee to make sure that the resident concerns are resolved. Director McGillicuddy noted that some areas of the trail will include vegetative screening to address resident concerns.

7. Director Bethke gave a further update with respect to planning and design of the trail expansion project, which does not include previously proposed segments connecting the HOA splashpad area. She noted that they met with residents and walked the trail with Ms. Barzilla. There is a barbed wire fence at the back of the property going to Sycamore. When they researched further, the District's property line goes beyond the barbed wire fence. Cutting the barbed wire will allow the trail to be moved further away from residents. The closest home is approximately 250 feet away from the trail.

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

• **Wastewater Treatment Plant:**

- a) All the facilities were in compliance for the Month of November;
- b) Daily average flows are 364,000 gallons a day, 73% capacity;
- c) Winterization will be completed by end of next week - checklist with pictures will be shared;
- d) Annual soil sample taken and submitted to lab per permit;
- e) AC system has been replaced in the control building;
- f) Minor repairs to the polymer system on the MBR: new check valve, replaced 90 that was cracked, replaced suction hose;
- g) Reprogrammed generator exercise timer;
- h) 2 Month mechanical PM completed;

- i) 6 Month chemical feed systems PM completed;
- j) Monthly generator PM completed;
- k) Minor repairs to the polymer system on the sludge boxes: check valve clogged and replaced pump;
- l) Completed several CPI on MBR 3 - will be scheduling visual inspection in the near future; and
- m) Inframark will be issuing a credit to the Maint. cap for prepaid blower VFD's.

- **Distribution System – Billing:**

- a) 98% water accountability for the Month of November;
- b) 170 Kinloch Ct. repaired fire hydrant; and
- c) 635 Harris Dr. repaired copper service line that was damaged and leaking.

- **Collection System:**

- a) Annual Infrared Survey Completed for all Lift Stations - found no anomalies noticeable through IR camera;
- b) Annual Electrical System Preventive Maintenance Completed - no concerns noted;
- c) Lift Station # 7 – Mesa Verde pump replacement see quote;
- d) Quarterly Inspection of manholes in greenbelt behind 254 Merion & 320 Harris Dr. - All Clear;
- e) Replaced battery on generator display LS 4 - Harris Dr.;
- f) Lift Station #6 lost communication with SCADA - replaced relay all operational now;
- g) 374 Seneca Dr relocated sewer line to correct side of stone wall because they had installed it on the wrong side; and
- h) Lift Station #7 water getting into control panel - Sealed conduit to pipe and it is all good now.

- **Reuse and Drip System:**

- a) Replaced GFI on irrigation pump system;
- b) Repaired 210 main line; and
- c) Over seed of Rye on Drip Fields is not happening no due to the timing of switch from WLE to Brightview.

- **Drainage/Ponds:**

- a) Draining and cleaning inlet and stormwater pipes at Mesa Verde 20-21 pond by Lift Station;
- b) Completed removal of sedimentation from pond on Medina; and

- c) Resident compliant at 124 Drennan regarding drainage. Recommend infrastructure committee review possible solutions.
- **Parks /Trails/Customer Care:**
 - a) Credit received from Brightview for \$600 for missed mowing;
 - b) Clean up construction debris in greenbelt behind 11905 Mesa Verde Drive;
 - c) Refer to drive on comments regarding trail repairs;
 - d) 12152 Mesa Verde Drive – added more road base and graded pond access road – complaints received – all completed; and
 - e) Estimate received from Terrain and Brightview to add boulders to Angelina Way – Mesa Verde area.
- **Construction:**
 - a) Weekly erosion control – fines to Toll Brothers and pool contractors because they have failed to comply with erosion control requirements ; and
 - b) 112 Customer Service Builder and Contractor Inspections Completed.
- **Infrastructure Committee:**
 - a) Winterization of all equipment is underway this week; and
 - b) Review of Emergency Response Plan – Due March 2022.
- **Customer Care:**
 - a) Meeting with communication vendors and security review; and
 - b) Winter newsletter released December 8, 2021.
- **Other:**
 - a) ADA walks completed December 7, 2021 – holding check until clean-up is completed.

Topics discussed during the General Manager's Report included the following:

With respect to the credit for the variable frequency drives ("VFDs"), Inframark is issuing a credit to the Maintenance cap because there was a mix-up in the invoice. Inframark invoiced for the VFDs but then the contractor wanted to select their own so the District never received the original VFDs.

With respect to mowing in the 100-acre 210 irrigation areas, Inframark would like to get those mowed as soon as possible because the grass too tall for irrigation. Even though these irrigation areas are not used as frequently as other areas, this area is important because it provides additional capacity when the storage tank is at higher levels, allowing the District dispose of excess. Ms. Hester noted that she is disappointed in the response from WLE/Brightview because the District has been requesting the mowing for some time. Director McGillicuddy stated that WLE/Brightview told him they didn't know they were supposed to mow this area because they thought the new landscaper in Hays County WCID No. 1 was going to mow it. Ms. Hester stated that WLE/Brightview knew they were supposed to mow this area. Director Kelly asked if it will be more expensive to mow now that WLE/Brightview has not mowed the area in so long. Per Director McGillicuddy, it shouldn't cost any more for WLE/Brightview to mow because they are obligated by contract to mow this area. Mr. Kutac noted that there are two options, the Parks Committee should (i) obtain bids for another landscape contractor to mow the 100-acre 210 area now and, if it is under \$25,000, authorize Ms. Hester to approve it; or (ii) get bids and then come back to the Board next month for approval. Director Harris stated that he feels that WLE/Brightview has been unresponsive since the change to Brightview. Director Bethke noted that smaller, more local service providers seem to treat the District as a more important client. She also noted that WLE said they had been grading the trails quarterly, as per their contract, but she does not think they have been grading the trails.

Ms. Hester mentioned that she got a quote from Terrain and Brightview to install 2' x 6' boulders near Angelina Way to keep people out of the Mesa Verde open space areas. Contractors are using this area to get to their construction sites, which is a violation of the District's rules and regulations.

Director McGillicuddy informed the Board that a resident asked if they could put some trees in the greenbelt area to provide for more privacy. Per Ms. Hester, the resident needs to obtain approval. The Board then discussed the pros and cons of creating a precedent by allowing a resident to plant trees on District open space property. It was mentioned that the District will be responsible for the trees once they are planted because residents move, trees die, etc. The Board decided that Director McGillicuddy should tell the resident that they cannot plant trees without obtaining approval.

Action Items:

Vendor	Amount	WO#	Budget	Description
Terrain	\$3,955		Yes	Add boulders to keep trespassers out of greenbelt
All American Pumps	\$7,600		Yes	Replace pump 2 LS 7
BrightView	\$7,867			Dead Tree Replacement

a) Upon motion by Director Harris, seconded by Director Lee and unanimously carried, the Board, in the event WLE/Brightview cannot mow the 210 irrigation area discussed above, authorized Ms. Hester to solicit written bids from Sunscape (the Hays County WCID No. 1 landscape contractor) and other landscapers, and authorized Ms. Hester to proceed with awarding the work to the lowest bidder if WLE/Brightview does not commence the mowing, and the bid is less than \$25,000. The Board also authorized Ms. Hester and the Parks Committee to look at hiring a new landscaper and bring a report to next month's Board Meeting.

b) Upon motion by Director McGillicuddy, seconded by Director Harris and unanimously carried, the Board approved Terrain's proposal to install the boulders.

c) Upon motion by Director Harris, seconded by Director Kelly, the Board approved All American Pumps' proposal to replace Pump No. 2 at Lift Station 7.

d) With respect to Brightview's proposal for dead tree replacement. The Board determined that it will wait to select a vendor for this service. Mr. Kutac confirmed that the Board can approach Sunscape about planting the trees.

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

9. Mr. Kutac explained that, as discussed at the last meeting, pursuant to Inframark's agreement with the District, the agreement provides for an annual Consumer Price Index ("CPI") increase to the base fee for services. He explained that the relevant CPI increase is 3.5 percent. Consequently, Inframark's base fee will increase 3.5 percent this year. The base fee is adjusted pursuant to the CPI increase and will be increasing from \$231,000 to \$239,000 this year and the maintenance cap adjustment is based on the budget.

Upon motion by Director Harris, seconded by Director Kelly and unanimously carried, the Board approved the new maintenance cap and the new base fee.

10. With respect to Touchstone, the Customer Care Committee met with Triton. Director Bethke stated that Triton is similar to Touchstone in their services but Triton is not keen on the social media part of the agreement. Director Bethke noted her concern that after meeting with Triton, it took them several weeks to send a bid. The Customer Care Committee is meeting this week with Hays County WCID No. 1 to discuss the use of Triton or use other options.

Director Bethke also mentioned that she likes the idea of having Inframark take a larger role in the social media aspect and suggested that Ceejay, the District's customer service representative, may be interested. Director Bethke also stated that Touchstone has a monthly invoice for maintaining the website and an hourly rate for working on the newsletter and social media. Director Bethke suggested the possibility of allowing Touchstone to keep the social media and hiring Triton to handle the website. She noted that Triton's rates are better than Touchstone's.

11. The Board acknowledged confirmation from the Texas Comptroller that the District has filed the 2022 Eminent Domain Report.

12. Mr. Kutac reminded the Board that there is a \$50 limit on holiday gifts from vendors and consultants.

13. Ms. Hahn reminded the Board that the election for Directors is taking place on May 7, 2022 and that the first day for a candidate to file an application for a place on the ballot is January 19th, the last day is February 18th for regular applications and February 22nd is the last day for an application to file a write-in application. She mentioned that Mr. Kutac proposes that the ballot drawing be held on February 28, 2022 at 6 p.m. She noted that the District is required to give the candidates a 72 hour advance notice of the drawing and suggested that it would be a good idea to determine the drawing date and to hand-out the details of the drawing when an applicant turns in their application. She stated that, at next month's Board Meeting, she is hoping to have the Agreement with the County to conduct the election and the Order ordering the election. The Board discussed web posting requirements. Director Lee would like the election information to be posted on the first page of the District's website due to its importance. The Board discussed the location of the election information on the District's website but did not make a determination. The Board also mentioned that it should review the Election Policy which includes looking up the deadlines for candidate to submit their biographical information. Director Bethke noted that the Candidate statements will likely be due by March 3rd. Director Harris took the opportunity to inform the other Directors that he is moving to be closer to his family and will not be running for re-election. The other directors thanked Director Harris for his service and wished him well as he moved to be closer to family.

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

15. Scheduling with respect to the next Board Meeting: It was noted that the regularly scheduled Board Meetings which would occur on January 27, 2021.

16. Executive Session: No Executive Session was required.

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

APPROVED AND ADOPTED on the 27th day of January 2022.




Sean McGillicuddy, Secretary