

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 17, 2024 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. 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, Allen Douthitt with Bott & Douthitt, the District’s bookkeepers, Lonnie Wright, Beth Wright, Chris Sanchez and Sally Gomez of Municipal Operations and Consulting, LLC, the operations and management contractor for the District and Lauren Barzilla of Burgess & Niple (“BN”), the District’s engineer and Jesse Trevino of Sunscape Landscaping, the District’s landscapers. In addition, members of the public included Kami Stone, Doug Botts and Bill Dally.

1. PUBLIC COMMENT: Director Bethke called for public comment.

Ms. Stone is following up on her husband’s request last month regarding access to the greenbelt for their pool construction. They were granted 14 days access to the greenbelt by the Board but they are requesting the variance for 28 days. She detailed how much time the contractor needs to complete each task and reviewed photos of their property noting that it is too narrow on both sides of their home and they cannot get equipment in the backyard because the space is so narrow. She noted that the time she is requesting would only be extended if there is inclement weather. The Board noted that they will discuss the request later in the meeting and will get Ms. Stone an answer.

2. MEETING MINUTES: The Board confirmed receipt of the Minutes from the September 19, 2024 Board Meeting. Upon motion by Director Lee, seconded by Director McGillicuddy and unanimously carried, the Board approved both sets of Minutes.

3. LANDSCAPING – Item No. 4:

- (a) Sunscape Landscaping Report: Mr. Trevino reviewed the Landscaping Report. He mentioned that in November, Sunscape is starting bi-monthly mowing. Mr. Trevino noted that they are preparing the beds for the color change. He is also planning to replace the dead trees planted for the trail screening project. The Board discussed using Yaupon Hollies. The Board asked Mr. Trevino to look at the Oak Tree at the entrance of the trailhead at Harris. The Oak Tree is hanging really low and it is hard to get by it without ducking. Mr. Trevino confirmed that he will take a look at the oak tree.
- (b) Trail Maintenance: No update.

4. MANAGEMENT AND OPERATIONS – Item No. 6: Mr. Wright reviewed the Operations Report and Ms. Wright reviewed the Management Report.

With respect to the temporary membrane plant being used for additional treatment, Mr. Wright mentioned that it is up and running as of yesterday. It will take between two and three months to completely empty the tank.

With respect to the Superall enzyme treatment for lift stations within the District, the Joint Infrastructure Committee met and discussed splitting the costs with the HCWCID No. 1 equally. The committee is recommending moving forward with the Superall enzyme treatments. The Board discussed the set-up costs and the yearly costs, which are included in the budget at approximately \$170,000. Ms. Wright showed the Board the coating that is cracking off inside the WWTP. The Board then discussed the costs of using sludge boxes and tankers and the potential maintenance savings if they use the enzymes. It was mentioned that the odor in the District worsens when MOC uses sludge boxes. Director Lee stated that she received the assurance she needed that the enzyme will not hurt the environment. It was also noted that MMBR and Kubota were consulted and do not have any concerns about using the enzyme.

Upon motion by Director Lee, seconded by Director Bethke with Director McGillicuddy abstaining, the Board approved the use of the Superall enzyme and the 50/50 fee split with HCWCID No. 1.

The Board then discussed the concern of the residents at 341 Mendocino with downed trees in the greenbelt. The trees came down after the clean-up. MOC stated that they can go out and take care of removing the trees for approximately \$50 an hour. The Board then discussed that this could set a precedent and it was suggested that the District should look at adopting a policy with respect to dead trees in the greenbelt and how to handle. The Board asked MOC to let the resident know that they will put this on their agenda to evaluate in the new year.

Ms. Wright reviewed MOC's holiday hours. MOC will be closed for Thanksgiving on November 28th and November 29th, for Christmas on December 24th and 25th and for New Year's Day.

Mr. Kutac then reminded the Board that from November to February during Stage 2 watering restrictions, lawn irrigation is prohibited under the WTCPUA, LCRA and District drought contingency plans. The Board requested that MOC notify the residents and add the big brush pick up reminder at the same time.

5. EXECUTIVE SESSION: With regard to Item No. 8(b) on the posted agenda for the meeting, upon motion by Director Bethke, seconded by Director Lee on and unanimously carried, the Board retired, along with Mr. Kutac to Executive Session at 6:18 p.m. No action was taken during the Executive Session. The Board noted that it would like MOC to notify the Stones that the original variance will be stand without change. The Board authorized MOC to extend the original variance for rain delays.

MOC reviewed the list of 22 cut-off notices for customers noting that one customer has paid so there are still 21 customers on the list. MOC is continuing to call and work with the customers.

Upon motion by Director Bethke, seconded by Director Kelly and unanimously carried, the Board authorized MOC to proceed with cut-offs if the customers do not pay their bill by Monday, October 21st.

Director Bethke informed the Board that the “No Parking” signs went up at Valley Oak West.

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

6. ENGINEERING – Item No. 5:

- a) District Report: Ms. Barzilla reviewed the District Engineering Report.

With respect to the proposed Pinnacle Park, Ms. Barzilla mentioned that she tried to estimate costs but it is hard to estimate engineering costs when the park has not been designed yet. She estimates a total of approximately \$70,000. The Board discussed how much has been budgeted for the park.

Upon motion by Director Kopperud, seconded by Director Bethke and unanimously carried, the Board approved the Pinnacle Park Site Plan Task Order No. 32 not to exceed \$100,000.

- b) WWTP Joint Facility Report: Ms. Barzilla reviewed the Joint Facility Report.

With respect to the 4.2 million gallon tank, the land survey should take place around October 28th. Ms. Barzilla then reviewed the water model results with the Board. The water model showed the expected low pressure areas in the District when the WTCPUA pressure is lower. Ms. Barzilla mentioned that she met with the WTCPUA General Manager and engineer. They stated that the WTCPUA has three projects planned that should help the pressure issue in the District. Ms. Barzilla noted that the WTCPUA is planning to add an additional line along 290 within the next two to three years. The line will connect to other developments within the area, which would alleviate some of the demand on the pressure plane. It was also noted that the WTCPUA is no longer interested in giving an air gap rate. Mr. Kutac replied that he believes it is because the WTCPUA would like the districts to convert from a wholesale customer to a retail customer. The Board expressed their concern that the WTCPUA would not complete the planned projects.

With respect to the Wastewater Permit Renewal, the TCEQ has deemed the application administratively complete letter.

Ms. Barzilla stated that a letter was sent to CPM on July 15th respect to the treated effluent liner warranty and that no response has been received. She would like to remove this agenda item from her report. The Board agreed.

The Board then discussed the Belterra Community Association's ("BCA") position statement letter to TxDOT and expressed their appreciation for the work that the BCA did. It was also noted that Marsha Hove is resigning as the CCMC Community Manager for the BCA.

Ms. Barzilla mentioned that she will remove the Xeriscaping item from the Agenda and the Board agreed.

- c) Additional Action Items: No additional action items were approved.

Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board accepted the Engineering Report.

7. ADMINISTRATIVE AND LEGAL:

- a) Amended District Information Form: Ms. Kutac reviewed the Amended District Information Form with the Board and explained that it had been amended to include the new tax rate set by the District. Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board approved the Amended District Information form.
- b) Drought Contingency Stage 2: The Board discussed, earlier in the meeting, that no automatic irrigation is allowed in Stage 2 from November through February.
- c) Website: With respect to changing the website provider, Mr. Kutac explained that there is an issue with the domain name. When Inframark entered into the agreement with GoDaddy for the domain name, it was registered to Kristi Hester and not the District. In 2019, Inframark renewed the registration for the domain name for five years. The five years expires in July 2025. Mr. Kutac asked if Kristi Hester could help but she ultimately declined since she is no longer with Inframark. Mr. Kutac also requested permission to contact current Inframark employees to inquire about account access credentials, but Inframark was not able to locate them. Mr. Kutac has spoken directly to GoDaddy and drafted a letter regarding transfer of the account to the District. However, they are unwilling to do so. Mr. Kutac noted that the District can wait until the registration expires and then attempt to obtain the domain name, that Inframark does not renew it. The Board discussed changing the domain to .gov or .net but noted that it would be very expensive to change all of the signs in the District. Mr. Kutac mentioned that Rick Lucas from HCWCID No. 1 had a good idea and suggested using a new domain name to redirect traffic to the original website until this issue is resolved. Director McGillicuddy noted that he is not on board with redirecting traffic. Director McGillicuddy suggested that they could pay a broker to acquire the domain name or leave everything as it is for now with Touchstone. Mr. Kutac replied that he had a conversation with a broker and the broker can attempt to buy the domain name from the owner. The Board discussed how much they are willing to pay for the domain name.

Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board authorized Mr. Kutac to engage a broker with a not to exceed offer of \$2,000 for the domain name.

- d) Kubota Warranty Claim: With respect to the warranty claim, Mr. Kutac contacted Dennis Lozano, a professional engineer, to assist with evaluation of potential claims. It was noted that Mr. Lozano has experience with membrane plants and is qualified to review materials and serve as a consulting expert on this matter.
- e) Calendaring: The Board determined that the next Board meeting will tentatively be scheduled for November 21, 2024.

- 8. MANAGEMENT AND OPERATIONS – Item No. 6: The Board discussed that a resident requested a trashcan for the north side of Belterra Drive at Prescott. The Board discussed the pros and cons of installing a trashcan at that located and noted that the last time MOC requested a price for a trashcan, it was approximately \$7,000 from TF Harper. The Board decided that the proposal was cost prohibitive. MOC will call other companies to request prices.
- 9. ADJOURNMENT: There being no further business to conduct, Director Kopperud moved that the meeting be adjourned, which motion was seconded by Director Lee and unanimously approved. The Board adjourned until further call.

APPROVED AND ADOPTED on the 21st day of November 2024.



Sean McGillicuddy, Secretary

(DISTRICT SEAL)