

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 December 19, 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, Beth Wright and Chris Sanchez 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 Sergeant Troy Mayes.

1. PUBLIC COMMENT: Director Bethke called for public comment. Hearing none, Public Comment was closed and the Board proceeded to the next item of business.
2. Management and Operations – Item No. 6(a): The Board recognized Sergeant Troy Mayes from the Hays County Sheriff's Department. Sergeant Mayes informed the Board that he had an analyst run a criminal statistics report for Belterra, Dripping Springs and Hays County for 2023 and 2024. He was curious to see if the Sheriff's patrolling Belterra is deterring crime. He believes that it is. Sergeant Mayes then reviewed the statistics noting that crime in Belterra is lower than in Dripping Springs and Hays County. The Board asked Sergeant Mayes if there are any other things that they can do to deter crime and Sergeant Mayes recommended Flock cameras. The Board noted that Flock had given the Board a presentation several years ago. Sergeant Mayes recommends Flock in helping to deter crime and identify suspects. The Board thanked Sergeant Mayes for patrolling at random hours and random days of the week. The Board also noted that they feel that the "No Parking" signs have improved traffic near the school.
3. MEETING MINUTES – Item No. 2: The Board confirmed receipt of the Minutes from the

November 21, 2024 Board Meeting. Upon motion by Director Kopperud, seconded by Director McGillicuddy and unanimously carried, the Board approved such Minutes.

4. FINANCIAL – Item No. 3:

- a) Accounting Report: Mr. Douthitt reviewed Bott & Douthitt's Accounting Report dated December 19, 2024 with the Board, which included a review of the Cash Activity Report and expenditures to be approved at the Board Meeting. Such Cash Activity Report included director and vendor payments, fund transfers and the October 31, 2024 Financial Statement for review and approval by the Board. Mr. Douthitt mentioned that he has not received the new tax levy report from Hay County but hopes to provide it at next month's meeting. Mr. Douthitt also noted that he received an invoice from Expergy for the Rate Study. Mr. Kutac stated that he spoke to Jay Joyce at Expergy last week and Mr. Joyce has completed an extensive review. He would like Mr. Joyce to meet with the Finance Committee before he presents a report to the Board.

Upon motion by Director Kopperud seconded by Director McGillicuddy and unanimously carried, the Board accepted the Accounting Report and approved all disbursements and transfers set forth in the Accounting Report.

- b) Arbitrage Reports: The Board reviewed the arbitrage reporting for prior District bond issuances. Mr. Kutac informed the Board that there is no rebatable arbitrage. Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board acknowledged receipt of such report.
- c) Administrative Items: No additional items were discussed.

5. LANDSCAPING – Item No. 4:

- (a) Sunscape Landscaping Report: Mr. Trevino reviewed the Landscaping Report and the Irrigation Report. Mr. Trevino noted that the color at the monuments was planted. The irrigation issues in that area were resolved so the plants are growing and filling in.
- (b) Trail Maintenance: Mr. Trevino mentioned that the Monarch Trails erosion project will start in the new year. Sunscape will use a compact roller to make sure it is smooth for the new year.

6. ENGINEERING – Item No. 5:

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

With respect to the possible water tank project, the Joint Committee met to discuss. The next step is to send out a customer survey. It was suggested that two separate surveys be sent to the customers. The first survey would ask the customers if they are experiencing water issues and the second survey would focus on costs to address water pressure issues experienced by customers. Mr. Kutac mentioned that depending on the sources of funding, the District might not need to include additional costs in its rates. The second survey would also give the District time to assess how to pay for the potential project. Director Kopperud

suggested giving options to the customers. Director Bethke would like to send the survey out the first Monday in January and leave the survey open for two weeks. The Board agreed that two weeks is enough time for the customers to respond. The District would e-mail and post the surveys on social media. The Board would like to send a reminder the second week.

There are no updates on the 290 Expansion or the Wastewater Permit Renewal.

Ms. Barzilla mentioned that she met with MOC and Sunscape for irrigation issues near the ESD. There is an air release valve that might not be functioning properly. There is a jockey pump installed, but it was not being used and they are not sure why it was not being used. MOC is using the jockey pump for the small holding tank. After the effluent holding tank is emptied, MOC will get the air release valve working and then re-evaluate to see if anything else is needed.

b) District Report: Ms. Barzilla reviewed the District Engineering Report.

Director Bethke stated that with respect to a possible cell tower location, the Board discussed that the cell tower company might be looking at District property or property near the middle school for a tower. The Board discussed that the payment is negotiable, it could be an upfront payment or a monthly payment. Mr. Kutac asked if anyone had any objections to continuing to speak with the cell tower company. Mr. Kutac mentioned that the cell phone company is working up a proposal for both locations and once they choose, they will come back to negotiate. The Board agreed that they would like to keep the potential cell phone tower located away from the residents.

Director Bethke also mentioned that B&N is seeking a rate increase in the new year so she would like the Finance Committee to work with B&N on that issue.

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

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

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

Ms. Wright noted that the effluent holding tank is being drawn down. Mr. Wright is hoping that by the end of the month, the tank will be empty and MOC can obtain bids to clean the bottom of the tank.

Ms. Wright mentioned that a customer has requested a speed bump or one of the portable speed signs at Mesa Verde and Angelina Valley. Ms. Wright has asked Sergeant Mayes and he said that a speed bump and permanent signs would have to be approved by the Commissioner's Court. Mr. Kutac reminded the Board that, at one time, the District had portable signs that flashed the current speed of the cars. He believes that Inframark brought them in. The Board does not want to install anything permanent because they feel that it is up to Hays County to determine if those measures are needed. It was suggested that the Sheriff's Department could patrol that area more frequently and then the Board could discuss if further steps are needed. The Board then returned to the

discussion of the Flock cameras. It was noted that there are five entrances so it would require five cameras, which would be expensive. Director Bethke expressed concerns with respect to privacy issues.

Ms. Wright reviewed a picture where someone built bike ramps in the greenbelt area. MOC removed the ramps but they were put back up.

There is a pool build request. Ms. Wright stated that she verbally discussed the requirements with the resident and explained that they are not authorized to use the greenbelt area. She had them initial that they understood the requirements.

There were no cut-offs in December. MOC has worked with customers and the list is now down to 4 cut-offs. MOC does not want to do the cut-offs until January.

With respect to the resident who had to take down the rock wall for his pool build, the Board asked if the area was re-seeded. It was noted that Sunscape wanted to wait to re-seed in the spring with regular seed to ensure that the grass would grow. The Board asked MOC to work with Sunscape to decide when to re-seed.

One of the Directors is concerned about Sunscape and expressed frustration that Sunscape has still not put in the kiddie mulch. The Board asked MOC to pull the kiddie mulch project from Sunscape and reassign it to Fun Abounds. Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board rescinded the prior Sunscape Proposal No. 30545 for the kiddie mulch.

With respect to Sunscape, Mr. Kutac noted that their contract provided for a fixed fee for an initial term. Sunscape is now proposing a 3% increase. Mr. Douthitt mentioned that he has already accounted for a 3% increase in the budget if the Board approves the increase. Mr. Kutac informed the Board that they do not have to take action at this meeting. He just wanted the Board to see the numbers. In response to a question from the Board, Mr. Kutac confirmed that HCWCID No. 1 is not looking to change landscapers. The Board is concerned that projects are not getting done in a timely manner. Mr. Kutac suggested that the Parks Committee speak with Sunscape about the issues.

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

8. ADMINISTRATIVE AND LEGAL:

- a) District Policies: Mr. Kutac would like to suggest that the Board authorize Ms. Hahn to compile all of the District policies into one document. The policies have been adopted individually over the years and it would be cleaner and more efficient if all of the policies were in one document.

Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board authorized Ms. Hahn to compile the District policies into one document.

- b) Holiday Gifts: Mr. Kutac reviewed the legal requirements related to holiday gifts with the

Board reminding them that they can only accept gifts with a value of less than \$50 per year. He added that Board members should not request or accept services from any vendor for prices below market value. He noted that Board members should contact him if they have any questions concerning gifts.

- c) Website: Mr. Kutac informed the Board that Inframark is amenable to re-establishing the credentials for the District's GoDaddy account and restoring account access to the District in exchange for payment of their outstanding invoices. With that in mind, there is a draft Memorandum of Understanding with Inframark in the Google Drive available for review. The Board suggested paying one-half of the total outstanding invoice amount and then once the District gets the domain name, releasing the other half of the payment. Mr. Kutac suggested that he might be able to hold the credentials in escrow pending verification that the credentials work. The Board agreed with either approach.

Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board authorized execution of the Memorandum of Understanding with Inframark and payment of the outstanding invoices contingent upon the receipt of verified GoDaddy credential for the domain.

- d) Water Supply Items: There is no update other than the Rate Study discussion earlier in the meeting.

With respect to the Rate Study, Mr. Kutac noted that it was originally planned to be ready for this meeting but it was not. He spoke to Expergy last week and they told him that they are working on the Rate Study and hope to have a report in early 2025.


- e) Legal Matters:

i) Kubota Warranty Claim: No update.

- f) Calendaring: The Board determined that the next Board meeting will tentatively be scheduled for January 16, 2025.

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

APPROVED AND ADOPTED on the 16th day of January 2025.


Sean McGillicuddy, Secretary

