

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 Special Session, on October 16, 2025 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 at the time 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 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 Chris Lane of Samco Capital Markets, Inc., the financial advisor for the District. In addition, Bill Dally attended as a member of the public.

1. PUBLIC COMMENT: Director Bethke called for public comment. Hearing none, the Board proceeded to the next Agenda item.
2. MEETING MINUTES: The Board confirmed receipt of the Minutes for the September 16, 2025, Board Meeting. Upon motion by Director Kopperud, seconded by Director McGillicuddy and unanimously carried, the Board approved such Meeting Minutes.
3. LANDSCAPING:
  - a) Sunscape Landscaping Report: Ms. Wright reviewed the Landscaping Report. She mentioned that Sunscape has scheduled installation of fall color by the end of October.
  - b) Trail Maintenance: No update was given.

4. ADMINISTRATIVE AND LEGAL:

- a) District Information Form: Mr. 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 McGillicuddy and unanimously carried, the Board approved the Amended District Information form.
- b) AWBD Bylaws: Mr. Kutac explained that the AWBD has proposed some bylaw changes. He reviewed those changes with the Board. Mr. Kutac just wanted to highlight this for the Board.

Upon motion by Director Bethke, seconded by Director Kopperud and unanimously carried, the Board appointed Director McGillicuddy to be the District's representative.

- c) WTCPUA Rate Increase: The monthly base fee is increasing by about 25% and volumetric rate is increasing by \$.24 per thousand gallons. Mr. Kutac mentioned that it is difficult to tell what specific projects WTCPUA projects the rate increase would cover based on the materials he has reviewed. He noted that the rate increase went into effect for the November billing cycle. The District only received a few days' notice of the increase. Mr. Kutac would like to discuss this issue in Executive Session, but before that discussion, he would like to note that he visited with Jay Joyce of Expergy who conducted the District's rate study earlier this year. Mr. Kutac asked Mr. Joyce for a proposal to review the rate WTCPUA increase and whether the District might have basis to challenge it. He has also asked Mr. Joyce to update his prior rate study with the increases. On that point, Mr. Kutac informed the Board that HCWCID No. 1 directed him to prepare an amended rate order with Mr. Joyces' recommendations regarding volume water rates from his original rate study.

5. EXECUTIVE SESSION: With regard to Item Nos. 7(c)(i)-(iii) of the posted agenda for the meeting, upon motion by Director McGillicuddy, seconded by Director Bethke and unanimously carried, the Board retired, along with Mr. Kutac to Executive Session at 5:56 p.m. Following such Executive Session, upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board reconvened in public session at 6:47 p.m. No action was taken by the Board during Executive Session.

The Board requested that the Finance Committee review the District's rates with the HCWCID No. 1 Finance Committee in light of the recent WTCPUA water rate increase. The Board is hoping that HCWCID No. 1 will compare notes and take time to meet to discuss the rate order amendments.

Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board authorized engaging David Tuckfield with respect to the WTCPUA Water Rate Increase. In addition, the Board authorized the President to sign such engagement agreement.

Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board approved the Expergy proposal dated October 10, 2025, and authorized the President to sign the proposal.

Mr. Kutac then noted that the deadline to file an appeal with respect to the rate increase is at the end of December.

6. FINANCIAL:

- a) Accounting Report: Mr. Douthitt reviewed the Accounting Report 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 current Financial Statement for review and approval by the Board.
- b) Administrative Items: No additional items were discussed.

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

7. ENGINEERING:

- a) District Report: Ms. Barzilla noted that there was nothing to report on the District Engineering Report.
- b) WWTP Joint Report: Ms. Barzilla reviewed the Joint Facility Report.

- **Potential 4.2 Million Gallon Planned Tank:** Ms. Barzilla received the elevations for the water tank compared to the ESD fire station. The proposed tank elevation would be lower than the ESD station. Ms. Barzilla noted that she updated the cost estimate. The Board then discussed the pump choices. It was noted that the Joint Committee met and reviewed the pump alternatives and agreed to recommend proceeding with vertical turbine pumps. Ms. Barzilla met with the WTCPUA and will have a memo to include in the Board Packet next month. According to Ms. Barzilla, the WTCPUA seemed to like the idea of the District having a water tank and agreed it would be beneficial. It was also noted that the planned water tank project was announced on the District's website. That announcement included a brief summary of the project.
- **Drip Skid and Drip Field:** The Board asked Ms. Barzilla to remove the Drip Skid and Drip Field agenda from the Engineering Report. If any issues arise with respect to the Drip Skid and Drip Field then Ms. Barzilla can add it back to the Agenda.

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

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

8. MANAGEMENT AND OPERATIONS: Ms. Wright reviewed the Operations Report and the Management Report.

- **Cornerstone:** The EQ Basin lost a blower motor. MOC sent the blower motor to a shop to repair it. Unfortunately, the shop was not aware that it was aluminum and the motor was melted. Mr. Wright has a proposal from Cornerstone for a smaller motor

for the membrane basin for \$5,929. He also has a quote for a replacement Blower Motor from STP Services for \$7,550.

- **Superall Containers:** Superall told Mr. Wright that the heaters are the best way to weatherproof the enzyme containers and they should be able to acquire them at a bulk discount. MOC will need to make some minor modifications in order to make them fit.
- **Widening of Sidewalk.** The Board reviewed a map of an area where they are considering widening the sidewalk because there is always a bottleneck of people and bicycles. In looking at the pictures, the Board noted that the bottleneck is where the trees are. MOC mentioned that if the District widens the sidewalk there are some irrigation heads that would need to be moved. The Board discussed various options for widening the sidewalk and possibly adding a sidewalk cutting through to the perpendicular sidewalk. One Board member questioned whether it is worth spending money widening a sidewalk that has been in place for over 15 years. The Board also discussed that part of the area that they are discussing may belong to HCWCID No. 1. Mr. Kutac noted that if any of the area being discussed is owned by HCWCID No. 1, then the District would need to obtain their approval. The Board requested that the widening plan be modified as discussed and requested that a new quote be obtained. They also requested a quote to move the irrigation and asked Mr. Kutac to confirm that the District does not need any easements.
- **Cut-Offs and Write-Offs:** Ms. Wright noted that there is one uncollectable account left with balance of 87.00 and asked the Board's permission to write it off.

Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board approved the proposed cut-offs.

Upon motion by Director Bethke, seconded by Director Lee and unanimously carried, the Board approved writing off the uncollected amount of \$80.74.

- **Customer Requests:** A customer on Seneca is requesting more flowers and plants at the monument. The Board noted that they have had a hard time getting plants to grow there. The Board asked to confirm if the monument is slated for fall color and once they get an answer, they can discuss solutions. There is also a customer that is requesting that tree limbs in the greenbelt be cut. MOC noted that the tree is a healthy tree, and there is no need to cut it. They invited the customer to come to the Board meeting to discuss with the Board but the customer declined. The Board declined to act on the request.
- **E-Bike Signs:** Director Bethke mentioned that she had hoped that Sergeant Mays would have feedback on what the E-Bike signs should say but he was not able to provide example language. One of the Directors designed a proposed sign. The Board reviewed the proposed sign and discussed changes. The cost of the signs would be approximately \$123.50 each or if the District buys 10 signs, the cost would be \$115 per sign. The Board asked that edits be made to the draft sign so they can discuss at the next meeting.

- **Customer Communication:** Ms. Wright mentioned that after MOC sent a communication to the customers about the WTCPUA's drought policy, a customer sent a profane e-mail to the MOC staff. It was very disrespectful and inappropriate. The Board discussed various options to address the matter. The customer seems to blow up every time a drought notice is sent out.
- **Mesa Verde Drive/Pinnacle Pocket Park:** Director Bethke reviewed Rialto's revised park design. The design will have construction phases. Ms. Barzilla suggested that the District get the TCEQ's approval of the whole plan, including all proposed phases even though the District may not proceed with all phases. If the TCEQ gives approval for all phases, the District would not need the TCEQ's approval to proceed with future park phases. Director Bethke will ask Rialto to revise the design to include the specific phases. The Board will be able to approve construction and equipment prior to any bidding. The Board discussed what project aspects will need to be bid. Director Kopperud requested that Rialto provide a design showing a maximum of 4 phases. Ms. Barzilla is preparing contract documents and Rialto will give her bid items.

Upon motion by Director Bethke, seconded by Director McGillicuddy and unanimously carried, the Board approved the design package from Rialto pending receipt of a phase schedule from Rialto.

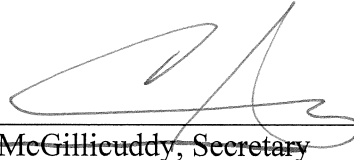
- **AT&T Fiber Installation:** The Board discussed that the fiber installation contractor is micro trenching in Belterra. HCWCID No. 1's Board is concerned that the contractor will cross over the sidewalks and right of ways to get to people's yards and cause damage. Director McGillicuddy mentioned that everyone in the District has fiber so it should not be an issue in the District.

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

7. **ADMINISTRATIVE AND LEGAL:**
  - a) **Calendaring:** The next Board meeting will be November 20, 2025 at 5:45 p.m.
8. **EXECUTIVE SESSION:** No additional Executive Session was needed.
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 20th day of October 2025.

Hays County Water Control and Improvement  
District No. 2



Sean McGillicuddy, Secretary

(DISTRICT SEAL)

