

CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
Minutes of September 19, 2019

A regular meeting of the Board of Directors of Cypress Ranch Water Control and Improvement District No. 1, open to the public, was held outside the boundaries of the District, at the offices of Atwell, LLC, Barton Creek Plaza III, Suite 300, 3815 South Capital of Texas Highway, Austin, Texas 78704, at 12:00 noon on September 19, 2019.

The roll was called of the members of the Board of Directors, to-wit:

Ronald den Hoed
Rick Shute
Joanne Molinyawe
Tony Salinas
Greg Junghans

All of said Directors were present, except Director Shute, thus constituting a quorum. Others in attendance included Jeff Monzingo, of Montoya & Monzingo, LLP; Hank Smith and Xavier Garza of Atwell, LLC; Brett Lanham and Amanda Rodriguez of AWR Services, Inc.; Richard Hamala and Jonathan Cochran, of Tiemann, Shahady & Hamala, P.C.; and Cody Greaney, of LBS.

1. Consider and take action regarding the minutes of the previous Board meeting.

Director Junghans made a motion to approve the minutes of the previous Board meeting; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

2. Receive public comments; receive Director comments for future agenda items.

There were no comments from the public. High water users were then discussed. Director Junghans suggested amending the Water Leak Adjustment Policy to revise the definition of “normal use.” Under the current Policy, when a request has been approved for an adjustment, the “normal use” is calculated based on the customer’s consumption of water for the same month(s) during the previous year. Director Junghans pointed out that the particular month(s) in the previous year may have experienced much different weather (wet/dry), thereby not making for an accurate comparison. A summer and winter average were suggested for “normal use.” This item will be placed on a future meeting agenda for consideration.

AWR received a customer complaint from a customer regarding their water bill. Mr. Lanham said that this particular high water use customer used between 40,000 and 50,000 gallons in the summer months last year and between 30,000 and 50,000 in the same months this year. AWR will compile a list of high water use customers and note which customers have electronic meters provisioned. This list will be provided to the Board. Director Molinyawe asked if Mr. Lanham informs the customer that the payment plan option may be utilized once per year. Mr. Lanham said yes. Furthermore, AWR gives customers tips on water conservation techniques and how to test for water leaks. The Board directed AWR to post its water conservation techniques and tips to check for a water leak on the District web page.

3. Receive report and take action as necessary regarding District mowing, greenbelt and landscape maintenance.

Mr. Greaney addressed the Board. In the last month LBS has audited the areas that are routinely mowed. LBS currently mows everything on the mowing map, and more. Mr. Lanham added that the District has continuously expanded the mowing areas over the years. Moreover, this is a greenbelt facing community, where being “next to nature” is one of the selling points; therefore, it should look natural. Mr. Hamala added that any resident can clear up to 50 feet into the greenbelt behind their home pursuant to the District’s Greenbelt Clearing Policy. The Policy also states that a resident may haul off or shred brush and debris; those are the only two options.

The District Rules for Trail and Greenbelt Access also state that littering or dumping of trash, debris, yard clippings, or brush piles is prohibited on District land. Director Salinas asked if the District can impose a fine in regard to the prohibited dumping of brush. Mr. Hamala said yes, the Board has the authority to impose civil penalties for the violation of any rule of the District. The civil penalty for a violation of the District’s rules is currently set at \$200 per violation and each day of a continuing violation constitutes a separate offense. The assessment of a civil penalty by the Board of Directors can be enforced by a complaint filed in the Travis County justice court. Additionally, a violation of the District’s rules can be enforced as a Class C misdemeanor offense. However, the Board has never taken such action against a resident.

Mr. Greaney then discussed some specific maintenance items at specific locations, including silt fence, rebar, rock berms, brush piles, debris piles, piles of cuttings, concrete blocks, tree stumps, salt cedar encroachments, and furniture on District property. Director Molinyawe then directed AWR to send a “no dumping” IRIS to customers, as a reminder that dumping debris and creating brush piles is never allowed. Further, AWR was directed to place the mowing map on the District web page. Moving forward, AWR will work with LBS to determine the boundaries of the irrigation fields and flag areas of encroachment where salt cedars and other brush should be removed.

Mr. Greaney also discussed photographs that depicted specific brush piles, a discarded fireplace, and lawn furniture behind one or two homes. General Counsel will get the addresses and write letters to these residents and include the District Green Space Clearing Policy and the Rules for Trail and Greenbelt Access, so that these items will be removed from District property. Lastly, Mr. Greaney said it’s time for the annual rye grass seeding that’s required once a year by TCEQ. Director den Hoed made a motion to approve the annual rye grass seeding; the motion was seconded by Director Junghans, and unanimously carried by the Board.

4. Conduct a public hearing regarding the adoption of tax rates for 2019.
5. Consider, discuss and take action as necessary to adopt the budget for the fiscal year beginning October 1, 2019.
6. Consider, discuss and take action as necessary to set tax rates for 2019 and to approve an Order Setting 2019 Tax Rates and Levying Taxes.
7. Review, approve and authorize the filing of a revised district information form to reflect the adopted tax rates for 2019.

Items 4-7 were discussed and taken together in one motion by the Board. Mr. Hamala addressed the Board and opened the public hearing to adopt tax rates for 2019. The proposed tax rate is \$0.90

per \$100.00 of assessed value. Mr. Monzingo addressed the Board and discussed the proposed budget for the fiscal year beginning October 1, 2019. After discussion, Mr. Hamala closed the public hearing. Director den Hoed made a motion to approve the budget for the fiscal year beginning October 1, 2019, the adoption of a \$0.90 tax rate, and an Order Setting 2019 Tax Rates and Levying Taxes; the motion was seconded by Director Molinyawe, and unanimously carried by the Board. Mr. Monzingo then presented an amended budget for fiscal year 2019. Director Molinyawe made a motion to approve the amended budget for fiscal year 2019; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

8. General Manager's Report.

Mr. Lanham addressed the Board. Last month, 519 customers were billed; of those, 110 were considered high water users and mailed notices. Of those 110 customers 107 were residents. Mr. Lanham then sought Board approval for a leak adjustment at 4816 Diamante Drive, that exceeded the amount authorized by AWR. Mr. Lanham said that an investigation was conducted and they found the water leak to be legitimate. Director Junghans made a motion to approve a water leak adjustment of \$1,515.87; the motion was seconded by Director den Hoed, and unanimously carried by the Board. Additional discussion topics from the General Manager's report were covered in other agenda items throughout the meeting.

9. Consider and take action regarding facility operation and maintenance, utility service, billing, and collections.

No action.

10. Engineer's report.

Mr. Smith Addressed the Board and delivered the Engineer's report, which was covered throughout the meeting in several agenda items. Mr. Hamala addressed the Board in regard to the service commitment letter for Pulte Homes. The Board considered revisions to the service commitment letter for water and wastewater service to West Cypress Hills Phase 2, Sections 4, 5, and 6. Director den Hoed made a motion to change the last sentence of the first paragraph to read, "The date water supply and sewer service will be provided shall be determined by the Board of Directors of the District based on available capacity in the District's systems as recommended by the District's Engineer and General Manager;" the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

11. Receive update regarding protection of the water quality median on Cypress Ranch Boulevard.

Mr. Smith addressed the Board. The District is awaiting a decision from Travis County in regard to "no parking" signs for the water quality median on Cypress Ranch Boulevard. Mr. Hamala suggested the option of installing concrete donuts around the sprinkler heads to protect them from car tires. Mr. Smith said that for now, we'll wait for a decision on the signs.

12. Receive update regarding funding objectives for a future bond application.

Mr. Smith addressed the Board. Atwell is currently working with Jones-Heroy on the funding objectives for water and wastewater in regard to the future bond application. Next month we'll have an agenda item to consider and approve a resolution authorizing the submittal of a bond application to the Texas Commission on Environmental Quality.

13. Receive update regarding a District well maintenance plan.

Mr. Smith addressed the Board. Atwell has requested a formal proposal from Mr. Vickers at Wellspec for an Operation and Maintenance Plan for the existing and future wells in the District. The Board approved moving forward with obtaining a proposal from Mr. Vickers for a well maintenance plan without a formal motion by the Board. The proposal from Mr. Vickers will be ready for consideration and approval by the Board at the October Board meeting.

14. Receive update, consider and take action regarding the drilling of new wells within the District and obtaining easements for the wells.

Mr. Smith addressed the Board. Wells Nos. 16-20 have been drilled and completed. Pumping tests have been performed and slabs have been poured. All five wells are rated for 20-25 GPM. In regard to the upcoming schedule, in September and October, the goals are: obtain direction from the Board to proceed with the bidding process; haul road rehabilitation construction; bid out construction of well connection; award well connection bid to contractor and begin construction; perform bacteriological testing on the 3 wells once electricity is available for the well sites; and submit interim approval applications for the 3 wells after results from bacteriological testing is complete. In the first quarter of 2020: complete construction work. Mr. Smith said the District should be ready to go out for bids for the connection of three new wells (two funded by LTISD; one funded by the District) by November.

15. Receive report, consider and take action regarding out-of-district service to Lake Travis ISD.

The Agreement with LTISD for out-of-district service is being negotiated. LTISD will present a draft to its Board at the September meeting and likely approve the Agreement at the October meeting. The Agreement contemplates LTISD's cost participation for two wells and its share of the new wastewater treatment plant. Mr. Smith is working on the final exhibit for the Agreement. The question arose as to if LTISD decided to use the land for something other than a school, or sell the land. Is the District still required to provide service? Mr. Smith said that if we make this Agreement and then fail to provide LTISD with water, it will want its money back. The Board concurred that it will only provide services to LTISD on the basis that it builds a school or schools on the land. Mr. Hamala said we can work with LTISD to change the terms of the contract so that if it does not build schools, the District has the option to reimburse LTISD's cost participation. In regard to irrigation, "potable" will also be taken out of the Agreement so that only 210 water will be used for irrigation purposes, not potable water.

16. Consider and take action regarding improvements for wastewater facilities.

Mr. Smith addressed the Board. An Agreement has been signed with James Miertschin for the design of a new wastewater plant. A kickoff meeting has been requested. The design should take two or three months.

17. Consider and take action to accept tracts and facilities for operation and maintenance.

No action.

18. Consider and take action as necessary to authorize permit applications, and trail, drainage and facility maintenance and construction projects as recommended by the District's Engineer.

In regard to well road maintenance, AWR has expressed a need for maintenance of the well access roads in the back of the District. A joint site visit with TNR, AWR and LCRA was performed to go over the planned repairs. LCRA has requested a detailed plan of proposed scope. TNR and LCRA also noted that erosion controls should be in place for the current well work. LBS was directed to install required erosion controls. A detailed plan has been submitted to LCRA and TNR for review. TNR has approved plans contingent on LCRA approval. The plans have been sent to several contractors for pricing. LBS has submitted a proposal for the well road maintenance, and Atwell will take additional bids for the project, as directed by the Board. Bids should be ready for Board consideration at the November meeting. No action was taken.

19. Receive a report from the District's Accountant and consider and act on approval of bills and invoices, ratification of payments, and funding of Manager's account.

Director Molinyawe made a motion to approve the bills and invoices, ratification of payments, and funding of Manager's account; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

20. Discuss and take action regarding future meeting dates, and such other matters as may come before the Board.

The next Board meeting will be held on Thursday, October 17, 2019.

21. Adjournment.

APPROVED October 17, 2019





Joanne Molinyawe, Secretary