

**CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1**  
**Minutes of January 24, 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 Texas Engineering Solutions, LLC, Barton Creek Plaza III, Suite 300, 3815 South Capital of Texas Highway, Austin, Texas 78704, at 12:00 noon on January 24, 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 Ashlee Martin, of McCall Gibson Swedlund Barfoot PLLC; Kevin Spencer and Mike Rubinov, of RW Harden & Associates, Inc.; Jeff Monzingo, of Montoya & Monzingo, LLP; Hank Smith and Xavier Garza of Texas Engineering Solutions, LLC; Hal Lanham and Brett Lanham, of AWR Services, Inc.; Cody Greaney of Landscape and Business Services, LLC; and Richard Hamala and Jonathan Cochran, of Tiemann, Shahady & Hamala, P.C. Mr. Gene Darling, a resident of the District, was also present at the meeting.

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.

Mr. Darling addressed the Board. The issues he presented included:

- a. Residents erecting a swing on District land;
- b. Residents building fires on District land;
- c. Residents and/or other individuals accessing the retention pond with off-road vehicles and creating ruts on District land; and
- d. Loud noise from underground pipes.

In regard to items (a) and (b) Mr. Lanham will draft a letter to the homeowner to have the items removed from District land. In regard to item (c) TES will into the issue. In regard to item (d) Mr. Smith will pull up the original plans and see what's going on.

3. Consider and take action as necessary to review and approve the audit for the fiscal year ended September 30, 2018.

Ms. Martin addressed the Board and presented the Annual Financial Report for the year ended September 30, 2018. Over the course of the presentation, Ms. Martin answered all questions from the Board relating to the audit. Director Junghans made a motion to approve the audit for the fiscal year ended September 30, 2018; the motion was seconded by Director den hoed, and unanimously carried by the Board.

4. Consider and take action as necessary to implement recommendations by the auditors for the District.

Ms. Martin addressed the Board. There were no recommendations made for the District: for the year ended September 30, 2018, the District received a “clean” opinion, which is the best opinion the auditors can confer. From page three of the Financial Report: “In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.”

5. Consider, discuss and take action regarding the draft Hydrogeologic Report for the District Well and Wellfield evaluation.

Mr. Spencer addressed the Board, with input from Mr. Robinov, and went over the findings of the well and wellfield evaluation. The Middle Trinity is likely hydrologically connected to Lake Travis. The lake provides a voluminous source of recharge for the wellfield, but drought and lake water levels will have a direct impact on aquifer water levels within the wellfield and production capacity. Well water levels will decline during periods of drought, affecting well production.

The available hydrogeologic information and modeling suggests that the productive zones of the Middle Trinity Formation is the best option for groundwater production within the District. Water quality of the Middle Trinity aquifer is typically fresh with common chemical components below TCEQ drinking water standards. The Lower Trinity aquifer is unlikely to be a cost-effective source for additional water. This aquifer it is less productive and less clean than the Middle Trinity. Currently, the District operates 13 wells in the Middle Trinity aquifer.

Recommendations from RW Harden:

- A. To optimize wellfield yields, pumps should be lowered in Wells 1, 6, 9 and 15, where pumps are set at or above the bottom of the production zones.
- B. Based on reported sustained well yields and water levels recorded by the SCADA system, pumps in Wells 14 and 15 are undersized and should be replaced with larger capacity pumping equipment.

- C. Standardized 24-hour pump tests should be conducted on Wells 14 and 15 to determine the appropriate long-term production rates and pump sizes.
- D. Test drilling and aquifer testing should be performed at all ten newly permitted sites to determine the locations with the most favorable hydraulic properties.

Director Junghans made a motion to approve the hydrogeologic report; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

- 6. Consider and take action regarding District meeting places.

Mr. Hamala addressed the Board. No action was taken to change District meeting places.

- 7. Receive report and take action as necessary regarding District mowing and trail improvements.

Mr. Greaney addressed the Board and presented two proposals in regard to District landscaping. The first proposal was in regard to District trail repair, which includes a rock berm along the trail to further extend with rocks on site, and to add up to two yards of decomposed granite in the washed-out corner, for a total of \$580.00. The second proposal was in regard to Verbena pond mortaring, which includes pulling the top layer of rock, mix onsite mortar to fill, and place place the rock back into the mortar bed, for a total of \$1,320.00.

Director Molinyawe made a motion to approve the trail repair proposal for \$580.00 and the pond mortaring proposal for \$1,320.00; the motion was seconded by Director Junghans, and unanimously carried by the Board.

- 8. Consider and take action to renew the District's Landscaping Services Agreement.

By the terms of the renewed Landscaping Services Agreement, the District will pay LBS a total monthly compensation of \$10,855.00 (the same amount as in 2018) and the Agreement will run for one year. Director Junghans made a motion to approve the District's Landscaping Services Agreement; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

- 9. General Manager's report.

Mr. Lanham addressed the Board. At the prior direction of the Board, AWR completed the installation of a new traffic gate near Cypress Ranch Blvd. and Verbena. As directed, reflectorized materials are also being applied to the gate. In regard to water well winterization, AWR continued efforts to winterize the treatment plants and exposed exterior water and wastewater facilities. Weather predications indicate Central Texas may experience multiple days of below-freezing temperatures as the winter months progress. Additional insulation has also been added to exposed well field components.

In regard to Angels Ice House, AWR responded to a water leak call at this location. Meter consumption was checked and AWR communicated to Angels about a possible water leak in the line. It was determined there was a likely leak at the customer-side valve. A licensed plumber replaced the valve, and Angels is requesting a water leak adjustment. After a discussion by the Board, it was determined that Angels will be credited an amount to reduce their bill from \$6,678.23 to \$4,134.57. Director Molinyawe made a motion to credit Angels Icehouse for the water leak so that the revised bill is \$4,134.57; the motion was seconded by Director Junghans, and unanimously carried by the Board.

In regard to a water leak at a resident home within the District, Director Junghans made a motion to approve a water leak adjustment credit in the amount of \$1,200.00 and a new electronic meter; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

10. Receive report, consider and take action regarding a proposal for camera inspection and sonic jetting of District Well No. 5.

No action taken. This item will be revisited in February.

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

No action taken.

12. Engineer's report.

Mr. Smith addressed the Board and presented many variations of proposed 2019 rates. The rate sub-committee will meet before the February Board meeting to discuss the District rates further. In regard to silt fence and brush removal, new locations of silt fence have been identified after a TES field visit in October. Future reports of silt fence will be compiled for a large silt fence removal project in the future. In regard to Phase 1, Section 5 and Phase 1, Section 6, TSH and TES are working to finalize an agreement to be presented to the Board for conveyance of the utility lot adjacent to Phase 1, Section 6. The remainder of the Engineer's report is covered in other agenda items.

13. Receive report, consider and take action regarding proposals for a new wastewater treatment plant.

Mr. Lanham and Mr. Smith addressed the Board. In regard to the District's wastewater treatment plant, the bid opening date was 11/28/2018. Bids were higher than expected. The new plan is to build a new wastewater treatment plant. Mr. Smith said that TRC has prepared proposals for these tasks. Mr. Lanham suggested as an option, talking to the company AUC, based out of Houston, which has been around a long time and builds package wastewater treatment plants. Mr. Lanham will look into this option further.

14. Receive report regarding repair and maintenance of the District's wastewater treatment plant, including the replacement of the existing aeration system.

Mr. Lanham addressed the Board. In regard to the wastewater treatment plant's existing aeration system, it is still struggling and getting worse every day. Mr. Lanham knows of a person named Charlie, who may be able to design and install an air system for between \$25,000 to \$50,000. Mr. Lanham pointed out that this is a temporary solution, not a permanent one. Director Junghans made a motion to authorize up to \$50,000 for the emergency air system design and install; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

15. Consider and take action regarding out of district service to Lake Travis ISD.

Mr. Smith addressed the Board. Coordination is ongoing for the District to provide water and wastewater service to Lake Travis ISD. There are no new updates to report.

16. Receive update and take action as necessary regarding a request to the West Travis County Public Utility Agency to consider providing the District a water supply interconnection.

Mr. Smith addressed the Board. Coordination with the West Travis County PUA regarding the potential construction of an emergency interconnect to their water system is ongoing. This would include the construction of a 6" to 12" line approximately four miles from Sweetwater. There are no new updates to report.

17. Receive update regarding an application to the Texas Commission on Environmental Quality for an alternate capacity requirement.

Mr. Smith addressed the Board. The Texas Commission on Environmental Quality has approved a temporary ACR with an expiration of two years. Temporary ACR of 0.55 GPM/connection allows for 512 connections. Currently there are 502 connections. With the average growth rate of the District (1.09%/year), the connections will surpass the allowable connections in two years, and thus, the expiration period of two years.

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.

These items were covered in other agenda items related to District landscaping and the wastewater treatment plant.

19. Consider and take action to ratify and/or approve pay estimates and change orders for construction projects as recommended by the District's Engineer.

No action taken.

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

21. 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 February 21, 2019.

22. Adjournment.

APPROVED February 21, 2019



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Joanne Molinyawe, Secretary