

CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
Minutes of February 21, 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 February 21, 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 Salinas, thus constituting a quorum. Others in attendance included Jeff Monzingo, of Montoya & Monzingo, LLP; 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.

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 Shute, and unanimously carried by the Board.

2. Receive public comments.

Director den Hoed said the tenants renting a house near him are throwing items over the fence and into the greenbelt. Mr. Lanham said he will draft a letter to send the tenants with the District rules for the trails and greenbelts. Director Junghans then asked about the trespassers near the wastewater treatment plant, some of which were using unauthorized vehicles and tearing up the ground, creating ruts. Mr. Garza said that he was out there recently and didn't see any trespassers or vehicles, but will continue to monitor the area. Director Junghans then inquired as to a status update on the emergency access road. Mr. Garza said there were no new updates to report. Mr. Hamala added that the emergency access road is tied to the larger premise of building new houses, for which Travis County will require an emergency access road in approve the subdivision addition.

3. Consider and take action regarding a proposed overlay Emergency Service District.

Mr. Hamala addressed the Board. The request for this agenda item came through the HOA. An ESD can tax up to \$0.10. In this case, they want to put an ESD on top of an existing District to get more tax revenue. This is something the residents of the District would have to vote for to enact. No action was taken regarding the proposed ESD.

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

Mr. Greaney addressed the Board. The District trails rock berm and crushed granite project is complete. Mulching of the median is also complete. Director Molinyawe added that the District should mulch more often than every few years. Mr. Greaney said that was feasible. Mr. Greaney's associate, Dominick, will be moving up to a managerial position at LBS, and while he may still be seen weekly within the District, the new employee, Will, will be doing the bulk of the mowing. Mr. Greaney said that the drainpipe has been fixed and LBS is awaiting a break in the rain to mortar the pond near Director Junghans house. The process includes removing rocks, mortaring, and replacing rocks.

5. General Manager's report.

Mr. Lanham addressed the Board. As an overview, Mr. Lanham said that the District has about twelve million dollars in assets that must be maintained. The District is like a self-contained city, with facilities operating 24 hours a day. Mr. Lanham cited the Coral Bean lift station as an example, where new pumps and corresponding electronics are needed.

Mr. Lanham reported that 522 customers were billed in January 2019. Three customers were considered high water users and were mailed notices per the District's policy. The lockable gate installation at Cypress Ranch Blvd. and Verbena Pkwy is complete and reflectorized materials have been applied to the gate. The unsightly old road barricades have been removed at the request of Director Molinyawe.

ARV line repair near WTP: AWR noted water pooling near the WTP site close to a riser where an ARV is located. AWR determined the ARV or the line leading to it may be leaking. Excavation was required and AWR located a section of copper service line leading to the ARV that had corroded and required repair. The leaking section of the line was removed, a new poly was installed, the ARV reconnected, placed back in service, and the area backfilled.

Booster Pump No. 3 Cla-Val repair: AWR noted an area on the Cla-val valve at the water treatment plant was leaking and made temporary repairs to stop the leak. AWR contacted service contractors to inspect the valve and they determined the unit needed internal new seals. AWR obtained parts and worked with contractors to install new seals in the valve, tested operations, and placed it back in service.

Chlorine injection line repair: AWR noted the chlorine injection line appeared to not be operating properly. AWR disassembled and cleaned the lines, primed them to ensure proper injection flow, reconnected the injection assembly, and placed it back in service.

Generator maintenance: AWR assisted HoltCat technicians to perform testing and maintenance activities at the generators for the WWTP and lift stations. The generators appeared to operate normally and were placed back in normal operating rotation once maintenance activities were completed by HoltCat.

Electronic meters: A total of 179 electronic meters are active and provisioned in the District and Sola Vista. Additional electronic meters will need to be purchased to accommodate for new customer connections, and meter change outs for customers who may request

No Trespassing/No Dumping Signs: AWR provided a summary of all locations and signs needed for all streets which access the greenbelt and undeveloped property in the District, to help prevent unauthorized access and dumping. The locations include Horsemint Trail, Cassena Cove, Coral Bean, Sabino Drive, Wild Foxglove, and Diamante (out of District). The estimated cost of the signs, materials, excavation and installation is \$450 per sign. Mr. Lanham suggested designating a few Board members to help with designing the signs. Director Shute and Director Junghans were selected as the sign subcommittee, and will help determine sign location and verbiage.

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

Coral Bean Cove Lift Station: Pump No. 2 has failed. AWR responded to a pump failure alarm from the station and worked with contractors to pull the pump for teardown and inspection. The cost to fix the pump, including installation, is \$5,348.65. Director Molinyawe made a motion to approve the repairs and installation for Pump No. 2 at the Coral Bean Lift Station; the motion was seconded by Director Shute, and unanimously carried by the Board.

7. Consider and take action regarding repair and remediation of water wells.

AWR is currently working with TES and well experts to provide the Board options to help improve well production and possibly drill new wells in the District. Mr. Garza addressed the Board. Well recommendations based on RW Harden, Joe Vickers, and AWR have been provided. In regard to the recommendations from RW Harden, which conducted an evaluation of the District's wells and wellfields, one recommendation is feasible, which is to install a larger pump for Well no. 14, to utilize available drawdown. RW Harden then recommends 24-hour pump tests to determine production rates and pump sizes. One other recommendation from RW Harden, in regard to Well 15, was to install a larger pump. This has already been implemented: the pump was upsized from 2.5 HP to 5 HP.

Mr. Vickers recommends camera testing on Wells 4 and 6, to check for calcification, and a bigger pump on Well 13. He further recommends camera testing, sonar jetting, and acid treatment on Well 5, for an estimated \$45,000. Mr. Lanham suggested abandoning Well 9, which is a steel-cased poor producer. New wells are PVC and not galvanized steel.

Director Junghans suggested we drill four test wells elsewhere in the District and if we get four good tests, we won't need to keep drilling test wells. Mr. Lanham added that the more test wells we drill at one time, the cheaper it will be for the District. Mr. Lanham added that we could take Well 5 offline, drill a test well near Well 5 and see how it performs. After consideration by the Board, it was determined that the District will get pricing to drill four test wells and a test well near Well 5. Director Junghans made a motion to authorize Mr. Garza to obtain pricing for five

test wells, including a test well near Well 5; the motion was seconded by Director Molinyawe, and unanimously carried by the Board. Director den Hoed was then designated as the well sub-committee member.

Further, in regard to Well 5, Mr. Garza will look into the cost for a new well near the site of Well 5, as the cost may not be the same as new well elsewhere in the District. Director Junghans made a motion to authorize Mr. Garza to obtain pricing to replace Well 5; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

Director Molinyawe inquired as to when Lake Travis ISD will help the District, as planned. Mr. Hamala said that Lake Travis ISD wants TES to get with their own engineers first and define all costs. Then Lake Travis ISD will take the costs to their Board for approval. We're at least six months away from a signed contract with Lake Travis ISD. They don't want to commit to bond funds until they know they will have water and wastewater. Mr. Lanham added that two new wells and fixing/new Well 5 would be a huge help to the District's water needs. Mr. Hamala added that we'll get Garry Kimball to present at the next meeting; we may be able to get a revenue bond and not need to get a loan from the Texas Water Development Board.

8. Discuss and consider revisions to the water leak adjustment policy.

Mr. Hamala addressed the Board. The District's General Manager and operating company are authorized to implement this policy in the event a customer experiences a substantial increase in water use due to a leak and requests a billing adjustment. A credit will be allowed for up to 50% of the applicable charges for the leak-caused water use above the "normal use;" provided, however, the credit shall not exceed \$1,000.00 except upon consideration and approval by the Board of Directors. The Board considered updating the policy to also state that when the water leak adjustment policy comes into play, the General Manager and operating company are authorized to install an electronic meter. Director Junghans made a motion to approve an amendment to the Water Leak Adjustment Policy which authorizes the General Manager and operating company to approve a customer credit not to exceed \$1,000 and authorizes the installment of an electronic meter; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

9. Discuss and consider revisions to the rules for access on trails and greenbelts.

Greenbelt and common area issues: AWR responded to a customer call regarding an issue with a resident installing a children's playscape and fire pit in the green belt common area. The District's General Counsel then became involved, and produced a letter that was sent to the homeowner. Mr. Hamala then addressed the Board. Fires are never permitted on the greenbelt. The District's Rules for Access on Trails and Greenbelts say, "Camping, cooking, and fires are not permissible on trails and greenbelts."

Mr. Hamala continued by saying that some residents have items in the greenbelt behind their homes, such as swings, playscapes, lawn furniture, etc. The District Rules say, "Unauthorized construction of any kind is prohibited on District-owned land" and "Residents and guests shall not disturb the landscape or wildlife in its native habitat." However, does the Board want to take action to have these kinds of items removed? Director Shute said to keep the greenbelt the greenbelt.

Some of the other Board members concurred, whereas Director Molinyawe felt that these types of items, unlike firepits, in the greenbelt were not a pressing issue at the current time. No action was taken by the Board.

10. Engineer’s report.

Mr. Garza delivered the Engineer’s report, which he covered in the other agenda items throughout the meeting.

11. Receive a report regarding improvements for water and wastewater facilities.

AWR reported that it continues to work with TES regarding the rehabilitation of the WWTP and bid from a contractor for the WWTP Rehab Project. AWR discussed possible options for the project with TES, provided Operator recommendations, and reviewed TES comments for further information. In regard to the aeration system at the WWTP, Mr. Carlyle has been to the plant and Mr. Lanham expects to get an estimate from Mr. Carlyle next week.

12. Consider and take action regarding funding water and wastewater system improvements and changes in rates for District services.

Mr. Garza addressed the Board and went over the proposed District rates. Mr. Lanham warned that if the District starts changing the rates for different months of the year, there’s more risk for human error. Mr. Lanham proposed keeping the same conservation rate all year. The Board concurred. At the March Board meeting, the District’s General Counsel will present an Order Amending the District Rates for consideration and approval by the Board. The proposed rates are as follows:

Proposed In-District Water Rates:

Proposed Base Rate is \$30.00

Usage		Base Rate			
0	to	10,000 Gallons	\$2.50	per	1,000 Gallons
10,000	to	15,000 Gallons	\$4.50	per	1,000 Gallons
15,000	to	20,000 Gallons	\$12.50	per	1,000 Gallons
20,000	to	30,000 Gallons	\$43.00	per	1,000 Gallons
30,000	to	40,000 Gallons	\$64.00	per	1,000 Gallons
	>	40,000 Gallons	\$69.00	per	1,000 Gallons

Proposed Out-of-District Water Rates:

Proposed Base Rate is \$136.00

Usage		Base Rate			
0	to	10,000 Gallons	\$3.50	per	1,000 Gallons
10,000	to	15,000 Gallons	\$5.50	per	1,000 Gallons
15,000	to	20,000 Gallons	\$13.50	per	1,000 Gallons
20,000	to	30,000 Gallons	\$44.00	per	1,000 Gallons
30,000	to	40,000 Gallons	\$65.00	per	1,000 Gallons

> 40,000 Gallons \$70.00 per 1,000 Gallons

Proposed In-District Wastewater Rates:

Proposed Base Rate is \$33.00

Proposed rate for usage is \$6.00/1,000 Gallons

Mr. Garza then went over the District's current and estimated Capital Costs. TES estimates that the District's current capital costs are \$125,214.00. These costs are for the WWTP emergency repairs and test drilling for five well sites. TES estimates that the future capital costs, with a 15% contingency, are \$5,275,259.65. These costs are for the WWTP expansion, the WWTP rehabilitation, and the construction of four new wells. TES estimates that Lake Travis ISD participation will be \$1,440,782.56, which assumes a 25% cost participation for WWTP expansion and 50% cost participation for well construction. With the Lake Travis ISD contribution, that brings the TES estimated District Capital Cost to \$3,834,477.09.

13. Consider and take action regarding an additional LCRA BMP Maintenance Permit.

This permit calls on the District to maintain permanent water quality control best management practices for West Cypress Hills Phase 2 Section 3, consisting of one extended detention basin with an engineered vegetative filter strip and one extended detention basin with a bioretention pond. Director Junghans made a motion to approve the LCRA BMP Maintenance Permit; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

14. 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.

No action taken.

15. 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.

16. Consider and take action regarding the annual review of the District's investment policy.

Mr. Monzingo addressed the Board. No changes are needed to the District's investment policy. Director Molinyawe made a motion to keep the District's investment policy "as is;" the motion was seconded by Director Shute, and unanimously carried by the Board.

17. 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 Junghans made a motion to approve the bills and invoices, ratification of payments, and funding of Manager's account; the motion was seconded by Director Shute, and unanimously carried by the Board. Director Shute made a motion to approve Director per diems and mileage out of the Manager's account for the rate committee meeting; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

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

The next meeting of the Board of Directors will be Thursday, March 21, 2019.

19. Adjournment.

Director Junghans made a motion to adjourn the meeting; the motion was seconded by Director Shute, and unanimously carried by the Board.

APPROVED March 21, 2019



Joanne Molinyawe, Secretary