

**CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1**  
**Minutes of January 30, 2020**

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 January 30, 2020.

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 Junghans, thus constituting a quorum. Others in attendance included Ashlee Martin, of McCall Gibson Swedlund Barfoot PLLC; Jeff Monzingo, of Montoya & Monzingo, LLP; Hank Smith and Xavier Garza of Atwell, LLC; Hal Lanham, Brett Lanham and Amanda Rodriguez of AWR Services, Inc.; Richard Hamala and Jonathan Cochran, of Tiemann, Shahady & Hamala, P.C; Todd Narter, of Landscape Business Services, and Cody Greaney.

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

Director Molinyawe 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 and accept director resignation, and consider appointment of a replacement Director.

Director Shute made a motion to accept the resignation of Director Junghans; the motion was seconded by Director den Hoed, and unanimously carried by the Board. Director Salinas will advertise the opening of a Director position on the West Cypress Hills Facebook page.

3. Consider and take action as necessary to review and approve the audit for the fiscal year ended September 30, 2019.

Ms. Martin addressed the Board and presented the annual financial report and audit. Director den Hoed made a motion to approve the audit for the fiscal year ended September 30, 2019; the motion was seconded by Director Shute, and unanimously carried by the Board.

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

Mr. Martin addressed the Board. This was a “clean” audit and there were no recommendations to implement.

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

None.

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

Mr. Greaney addressed the Board and discussed the kids setting up play areas on the District’s ponds. He said while it is not a big problem, it is a bit of a nuisance because all of the sticks and rope, etc. must be moved to mow the area properly. The Board discussed possible solutions, such as posting the photos to Facebook with comments and sending an IRIS alert. After discussion, the Board concurred to post a Facebook message with photos, as the Facebook page gets a lot of traffic and residents will see it.

Mr. Greaney then announced that he has sold the assets of LBS to Mr. Narter, who was also present at the meeting. Mr. Narter said that Landscape & Business Services is now Landscape Business Services. The District’s Landscaping Services Agreement with LBS will remain the same, with the same fee structure.

7. Consider and take action to approve a Landscaping Services Agreement.

Director Molinyawe made a motion to approve a Landscaping Services Agreement with LBS with an identical fee structure to 2019; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

8. Receive report on the District’s bond application.

Mr. Hamala addressed the Board. TCEQ has approved up to four million in bonds, but the District does not necessarily need to take that full amount. Once the engineers determine how much the District needs for the new WWTP, there will be a meeting with the District’s financial advisor and the exact amount of bonds needed will be calculated. Mr. Smith added that the amount may be closer to three million.

9. General Manager's report.

Mr. Lanham addressed the Board. In regard to a letter to residents about disposing of trash and other items in the greenbelt, Mr. Lanham said that a letter should be going out soon. Director Molinyawe added that many residents may not see the letter, as bills are also sent electronically and therefore paper bills are thrown away, unopened. Director Molinyawe further suggested the possibility of the bill being in a PDF attachment and the letter to residents there to accompany the bill in the PDF. If the letter is included as an attachment, but the bill amount is simply in the text of the email, it’s unlikely a lot of residents will open the attachment. Mr. Lanham will look into this method of delivery for the monthly bill and letter as a PDF.

In regard to the District's SCADA system security, the District has two different security measures in place: only authorized devices will be granted access, and two-step authentication. Mr. Lanham reports that the District has a new IT company. Mr. Lanham will discuss an endpoint security package for additional security with the IT company.

10. Consider and take action to revise the District's billing procedures in regard to delinquent customers.

At the last Board meeting (November 2019) the Board passed a motion to approve a \$75.00 disconnection fee, which was in addition to the \$75.00 reconnection fee in place. After discussion by the Board, it was determined that it would be more streamline and easier to understand if the two fees were combined into one fee of \$150.00. Director Molinyawe made a motion to approve the combining of the \$75.00 disconnection fee with the \$75.00 reconnection fee into one reconnection fee of \$150.00; the motion was seconded by Director Shute, and unanimously carried by the Board.

11. Consider and take action to approve water leak adjustment requests.

Mr. Lanham addressed the Board and presented customer requests for water leak adjustments. Director Molinyawe made a motion to approve a water leak adjustment credit to a customer on Wild Foxglove in the amount of \$271.00, which includes a new electronic meter for the customer; the motion was seconded by Director den Hoed, and unanimously carried by the Board. Director Molinyawe made a motion to approve an electronic meter and to have AWR recommend an irrigation audit to a customer on Cardinal Flower Cove; the motion was seconded by Director den Hoed, and unanimously carried by the Board. Director Shute made a motion to approve a hold on customer payments on Texas Bluebell; the motion was seconded by Director Molinyawe, and unanimously carried by the Board. Due to the meter read dates, this last customer request for an adjustment will be tabled until the February Board meeting.

12. Consider and take action to approve a service agreement with Texas Disposal Systems, Inc.

Mr. Hamala addressed the Board. TDS has proposed a service agreement with the District for a three-yard front load commercial container at the WWTP for \$91.32 a month, for a three-year term. However, Mr. Hamala said that a one-year term is more desirable for the District. After discussion by the Board, Director Molinyawe made a motion to authorize District consultants to negotiate for a one-year term with TDS as a first option, or find another service provider who will agree to a one-year term as a second option; the motion was seconded by Shute, and unanimously carried by the Board.

13. Consider and take action to revise the District's tap fees.

No action.

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

No action.

15. Engineer's report.

Mr. Smith addressed the Board. West Cypress Hills, Lots 39 and 40 of Phase 1, Section 5 are ready for acceptance by the District. Director den Hoed made a motion to accept Lots 39 and 40 of Phase 1, Section 5; the motion was seconded by Director Shute, and unanimously carried by the Board. The rest of the Engineer's Report is covered in the below agenda items.

16. Consider and take action to remove graffiti on District property.

Photos of the graffiti were discussed by the Board. Mr. Lanham commented that AWR has had dealings with graffiti issues on other Districts, and has a contact who specializes in its removal. AWR will obtain a bid estimate from its contact in regard to the graffiti and present an estimate at the February Board meeting.

17. Receive update regarding District pond drainage.

In November, Director Junghans reported that the pond behind his house was struggling to completely drain. Mr. Greaney reported that he personally attended to the pond draining issue and it is now draining.

18. Receive update regarding no parking signs on District median.

Mr. Smith addressed the Board. Travis County Traffic Engineering has been contacted regarding the issue. They do not recommend installation of no parking signs in the median. They provided recommendations, which include "keep off median" signs and installing curb cuts. Also, placing "do not park" signs on H-frames in advance of school events.

19. Consider and take action to hire a contractor to repair the District well maintenance road.

Mr. Garza reported that the cost to repair the District well maintenance road has climbed to \$143,013. Mr. Smith added that the District will have to advertise for bids for the project because it's over \$75,000.00, the statutory threshold. Mr. Lanham added that the District has to have a passable road to access the well sites; it's currently washed out, rocky, and tearing up the service vehicles. Bids will be collected for this District project.

20. Receive update regarding a District well maintenance plan.

Mr. Smith addressed the Board. a final well maintenance plan is expected soon from Mr. Vickers; a draft plan has been submitted. AWR and Atwell have submitted comments to Mr. Vickers from the draft; a final version should be ready in time for the February Board meeting.

21. Receive update, consider and take action regarding the new wells within the District, including the addition of variable frequency drives for new wells.

Mr. Smith addressed the Board. Liberty was awarded a contract by the Board to connect the new District wells. Atwell is ready to issue a notice to proceed to Liberty. Director den Hoed made a

motion to approve the issuance of a notice to proceed to Liberty; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

Mr. Lanham addressed the Board. In regard to electrical issues at the District wells, AWR has observed voltage imbalances when the PEC switches from one substation to another for maintenance work, which results in the District's wells shutting off. SKE has provided a proposal for engineering services to add VFD's for existing wells and new wells. The proposed project includes the electrical design for the addition of new VFDs to correct power quality issues at wells nos. 16,17,18,19, and 20. In regard to fees, SKE proposes \$6,365.00 for the design phase; \$750.00 for the bid phase; \$1,500.00 for the construction phase; and \$250.00 for reimbursable expenses. The total not to exceed fee is \$8,865.00. Director den Hoed made a motion to approve the addition of variable frequency drives for new District wells for a total not to exceed \$8,865.00; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

22. Receive update regarding a letter to PEC regarding critical load designation for the District.

Mr. Smith reported that Atwell plans to enlist the assistance of SKE to draft a letter to the PEC regarding the technical details of a critical load designation for the District. No action was taken by the Board.

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

Mr. Smith addressed the Board. The new BioDAF WWTP is currently in the design phase. No action taken.

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

No action.

25. 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.

Mr. Smith addressed the Board. West Cypress Hills, Phase 2, Section 4 has been sold to Pulte Homes and construction is ready to commence. Mr. Smith provided a handout regarding the recommendation of a contract award to JKB Construction Company. Five competitive bids were received and Atwell examined all of the bids. The low bidder was JKB Construction. The total bid for the project from JKB is \$1,756,948.40. This amount was \$51,213.60 less than Joe Bland Construction. JKB has a good reputation for completing jobs on time and providing quality work. Atwell recommends that the construction contract be awarded to JKB.

Director den Hoed made a motion to award a construction contract to JKB Construction Company in the amount of \$1,756,948.40; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

26. 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.

Mr. Monzingo addressed the Board and presented the financial reports and investment reports. Director Molinyawe made a motion to approve 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.

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

The next Board meeting will be February 20, 2020.

28. Adjournment.

Director Molinyawe made a motion to adjourn the meeting; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

APPROVED February 20, 2020

  
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Joanne Molinyawe, Secretary