

CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
Minutes of February 20, 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 February 20, 2020.

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

Ronald den Hoed
Rick Shute
Joanne Molinyawe
Tony Salinas

All of said Directors were present thus constituting a quorum. Others in attendance included Jeff Monzingo, of Montoya & Monzingo, LLP; Hank Smith and Xavier Garza, of Atwell, LLC; Brett Lanham, of AWR Services, Inc.; Richard Hamala and Jonathan Cochran, of Tiemann, Shahady & Hamala, P.C; Todd Nartner, of LBS; Jacqueline Hale of McCall, Parkhurst & Horton LLP; Garry Kimball, of Specialized Public Finance, Inc.; and Richard Kenyon, a resident of the District and prospective Board member.

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 den hoed, and unanimously carried by the Board.

2. Receive update, consider and take action regarding the appointment of a replacement Director.

Director Shute made a motion to appoint Mr. Kenyon as a replacement Director for the District; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

Director den Hoed made a motion to appoint newly appointed Director Kenyon as an Assistant Secretary on the Board of Directors; the motion was seconded by Director Shute, and unanimously carried by the Board.

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

Director den Hoed addressed the Board. Travis Central Appraisal District (TCAD) will not be reappraising most residential properties this year. The exception is in the case of new homes. Director den hoed provided a handout, which contains more information about TCAD's decision.

4. Receive financial advisor's report and recommendation regarding bond refinancing opportunities.

Mr. Kimball addressed the Board. The District has about twenty million in municipal bonds outstanding. The 2013 District bonds are callable in 2020. The District will likely get 3% savings on this bond refinancing opportunity, or better. The bonds are set to mature in 2037. The District will need to designate a pricing officer, alternate pricing officer, and underwriter (approved in the motion, below).

Items 5-8 were considered and approved in one motion:

5. Consider and take action regarding preliminary schedule of events; delegating pricing procedures, including designation of pricing officer and alternate pricing officer; designation of underwriter.
6. Consider and take action with respect to an Order Authorizing the Issuance of Cypress Ranch Water Control and Improvement District No. 1 Unlimited Tax Refunding Bonds; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official Statement; Authorizing the execution of a Bond Purchase Agreement, a Paying Agent/Registrar Agreement and an Escrow Agreement; Establishing Procedures for Selling and Delivering the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds.
7. Consider and take action to authorize the financial advisor to apply for municipal bond rating(s) and to apply for municipal bond insurance.
8. Consider and take action to authorize payment of Attorney General bond review fee.

Director den Hoed made a motion to approve a preliminary schedule of events; delegating pricing procedures, the designation of Director Salinas as a pricing officer and Director den Hoed as an alternate pricing officer; the designation of Hilltop Securities as an underwriter; an Order Authorizing the Issuance of Cypress Ranch Water Control and Improvement District No. 1 Unlimited Tax Refunding Bonds; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official Statement; Authorizing the execution of a Bond Purchase Agreement, a Paying Agent/Registrar Agreement and an Escrow Agreement; Establishing Procedures for Selling and Delivering the Bonds; and Authorizing Other Matters Related to the Issuance of the Bonds; to authorize the financial advisor to apply for municipal bond rating(s) and to apply for municipal bond insurance, and to authorize payment of Attorney General bond review fee; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

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

Mr. Narter addressed the Board. All mowing and landscape maintenance throughout the District is on track. Mr. Narter noted that there are leaks in the District's irrigation system. LBS will identify and flag the flooded areas for repair. Director Molinyawe inquired as to the product used as a weed killer. Mr. Narter will identify the product used by LBS.

10. General Manager's report.

Mr. Lanham addressed the Board. In regard to the ARV near propane tanks and Texas Bluebell, AWR investigated a possible water leak. Evidence indicated a vehicle ran over the meter box and valve, damaging the copper line and ARV, requiring excavation and repair. In regard to a "no dumping" letter to residents, a letter from the District was distributed as an insert in utility bills, along with sending an IRIS email and posting on the website.

In regard to solid waste disposal at the WWTP, the District is replacing the 96-gallon trash carts with a three-yard trash container, to be maintained by Texas Disposal Systems. The contract with TDS is yearly. In regard to the Coral Bean Lift Station, the station was pumped down to conduct a cleaning.

Mr. Lanham then discussed electronic meters. These are now the standard for the foreseeable future. Director Shute added that if you have a leak, and you check your usage regularly, you'll know about the leak quickly with an electronic meter. Residents can track their usage with the Eye-On-Water application. Mr. Lanham discussed moving the entire District to electronic meters. When a house sells and a new occupant moves in, a new account is created and an electronic meter is installed. Mr. Lanham will put together a report of what it will take for the District to go fully electronic. He estimates \$20,000, considering the electronic meters, transponders, and contingency.

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

Mr. Lanham addressed the Board. One customer who previously requested a water leak adjustment is now re-piping the entire home and is engaged in a lawsuit. The customer has been advised by their attorney not to disclose any information while the lawsuit is pending. In regard to the amenity center account, the HOA determined it was overbilled and the issue has since been corrected. The HOA will have a leak adjustment request in regard to the amenity center at a future meeting.

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

Mr. Lanham addressed the Board. In regard to generator maintenance at the WTP, WWTP, and lift stations, it's time to renew the District's contract with Holt Cat; the plan expired in January. Director Shute made a motion to approve a contract with Holt Cat for a top tier plan in an amount not to exceed \$6,445.00, on the condition that a conference call take place between AWR, Holt Cat, and Director Kenyon, and that Director Kenyon gives the District his approval to execute the contract; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

13. Consider, discuss, and take action regarding the enforcement of greenbelt rules.

Director Molinyawe reported that the WCH HOA is sending letters to residents regarding alleged greenbelt violations. Mr. Hamala will investigate what prompted the letter(s), and recommend that in the future, the HOA forward all greenbelt issues to the District.

14. Engineer's report.

Mr. Smith addressed the Board. In regard to parking in the water quality median, Travis County Traffic Engineering has been contacted. They do not recommend installation of no parking signs in the median. They provided recommendations, which include installing "Keep Off Median" signs, installing curb cuts, and placing "Do Not Park" signs on H-frames in advance of school events. The remainder of the Engineer's Report may be found in the agenda items below.

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

Mr. Lanham addressed the Board. Off the Wall Graffiti is scheduled to inspect the graffiti on March 3, 2020, and provide a price for removal or to paint over the graffiti.

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

Mr. Smith addressed the Board. This is an ongoing item. The project went out for competitive bid. A bid of \$143,013.25 was submitted by Holman Services. Work is proposed to be done in two phases to avoid conflict with the upcoming well connection work.

17. Receive update regarding a District well maintenance plan.

Mr. Smith addressed the Board. A draft from Joe Vickers of the well operations and maintenance plan has been received and under review by AWR. All comments will be combined for Mr. Vickers to produce a final report. Atwell will provide recommendations to accompany the final report.

18. Receive update, consider and take action regarding the new wells within the District.

Mr. Smith addressed the Board. In regard to the well connections, Atwell is coordinating with contractors to set up erosion controls and stake the Limits of Construction to set up a pre-con with Travis County and LCRA.

19. Receive update regarding an application to PEC regarding critical load designation for the District.

Mr. Smith addressed the Board. In regard to well electrical issues, SKE has provided plans. Pricing has been requested from a contractor to add as a change order to the well connection project. SKE's estimate is \$12,000 per well. Additionally, Atwell has applied to the PEC on behalf of the District for Critical Load Status.

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

Mr. Smith addressed the Board. The new BioDAF WWTP is under design. The engineer on the project has requested a survey be conducted necessary to complete the CAD drawings. Director den Hoed made a motion to approve Atwell conduct a survey not to exceed \$5,000.00; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

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

Mr. Smith addressed the Board. In regard to Lot 17 of WCH, Phase 1, Section 6, there are still pending issues to address and it's not ready for acceptance by the District. No action taken.

22. 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.

23. 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 discussed the financial reports. 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 Shute, and unanimously carried by the Board.

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

The next Board meeting will be on Thursday, March 26, 2020.

25. Adjournment.

Director den Hoed made a motion to adjourn the meeting at 2:29 p.m.; the motion was seconded by Director Shute, and unanimously carried by the Board.

APPROVED March 26, 2020



Joanne Molinyawe, Secretary