

CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
Minutes of May 21, 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 Tiemann, Shahady & Hamala, PC, 102 N. Railroad Ave., Pflugerville, Texas 78660, at 1:00 p.m. on May 21, 2020, via video conference call and telephone conference toll-free call.

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

Ronald den Hoed
Rick Shute
Joanne Molinyawe
Tony Salinas
Richard Kenyon

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

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

Director Molinyawe had two minor edits to make to the minutes. Director Molinyawe made a motion to approve the minutes of the previous Board meeting, as amended; the motion was seconded by Director Shute, and unanimously carried by the Board.

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

None.

3. Receive report and take action as necessary regarding District mowing, greenbelt and landscape maintenance.
4. Consider and take action regarding mowing additional tracts owned by the District.

Mr. Narter addressed the Board. All mowing and landscape maintenance is on schedule. In regard to mowing additional tracts owned by the District, there are three areas for consideration.

- a. The pond at Phase One, Section Six, West Cypress Hills

Mr. Smith addressed the Board. The pond in this section of the District currently a part of Cypress Ranch Ltd., however it is ready for acceptance by the District. (See agenda item no. 18 regarding the acceptance of tracts and facilities for operation and maintenance). Mr. Smith recommends the District accept utility lots 17, 39, and 40, in Phase One, Section Five and Section Six at today's meeting. Mr. Hamala added that if the District chooses to accept the tracts into the District, it makes sense to add this land to the District's mowing schedule. Mr. Smith added that the ponds

have to be maintained according to LCRA's standards. As the District had not yet accepted this land into the District at this point in the meeting, no action was taken to mow this area.

- b. The area behind homes on Cypress Ranch Blvd., between Rock Wren and Horsemint Trail

Mr. Narter addressed the Board. He included a picture of this land in his hand-out. LBS has not previously mowed this area. The bid to add this land to the mowing schedule is \$125.00 a month for approximately twenty visits a year, on the same schedule as the rights-of-way. The Board then discussed whether to add this area to the mowing schedule and what standard it might set moving forward regarding mowing behind individual homes. Director Shute suggested an in-District Board meeting to walk these areas and determine what could be added to the mowing schedule. Mr. Smith suggested a subcommittee could meet in the District to make a determination and bring it back to the full Board. No action was taken to mow the area behind homes on Cypress Ranch Blvd., between Rock Wren and Horsemint Trail.

- c. The area at the end of Wild Foxglove

Director Shute addressed the Board. He said this entire area has not been mowed in quite a while. Director Shute asked who was mowing this area before; for a while this area was being cut and maintained, and has not been for several months. Mr. Smith said the developer and the homebuilders maintained it for a while. Director Shute said the homeowners in the area have also called Goodwin (HOA) about it, too. Mr. Smith said that in regard to the area at the end of Wild Foxglove, the District accepted that land quite a while ago.

Director Kenyon proposed setting a standard and sticking to it. There are hundreds of homes that don't benefit from anybody maintaining the District land that borders their house. Mr. Narter added that in regard to the area at the end of Wild Foxglove, the bid he is proposing is \$130 per visit, on an as-requested basis. Director Shute said a lot of kids play back there and not maintaining it is also a fire issue because there is so much out there (dead grass, etc.). Director Molinyawe suggested tabling these mowing items until the next meeting, with the understanding that the Directors have different opinions on the matter. Director den hoed agreed, and said the Board should table until the next meeting. The Board discussed each Director driving by the proposed mowing additions.

5. General Manager's report.

Mr. Lanham addressed the Board. We have had issues in the drip disposal fields with solenoid units in the field themselves and an issue with the main valve. We have a contractor looking at that valve. The failed solenoids have been replaced. In regard to effluent disposal drip field leaks, AWR coordinated with LBS to mark and provide pricing for repairs to leaks in the drip field nozzles as well as failing solenoids in the new drip field.

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

Mr. Lanham addressed the Board. During the month of April, AWR billed 520 customers; no customers had their facilities turned off for non-payment. There were only eleven high water users in the month of April.

7. Receive update and take action regarding a preventative maintenance plan for District generators.

Mr. Lanham addressed the Board. Director Kenyon was involved with the level of service in regard to a preventative maintenance plan for District generators and approved \$6,445 for an annual plan; Mr. Lanham will check with Holt Cat to ensure that plan is in place. The Board had authorized Director Kenyon to negotiate a plan with Holt Cat at a prior Board meeting. This plan includes a reduced level of service from the previous plan, Mr. Lanham said. It's not the maximum level plan; it's in the middle.

8. Consider and take action to prevent future graffiti.

Director Molinyawe addressed the Board. Last month the Board decided to have the graffiti remediation company come out and give the District a proposal to prevent future graffiti. Mr. Lanham said that they have a company for that, Off the Wall Graffiti, and he will check with them and coordinate a proposal. It will be on the agenda again next month.

9. Receive update and take action regarding pump no. 2 at the District's wastewater treatment plant.

Mr. Lanham addressed the Board. The pump has been reinstalled and is operating.

10. Receive update regarding the status of electronic meters in the District.

Mr. Lanham addressed the Board. In regard to electronic meters, Director Molinyawe stated that AWR was going to get a price difference for the twelve versus twenty-four-hour readings for the electronic meters. Mr. Lanham said one advantage of going to the twelve-hour readings is that it extends the battery life. The current electronic meters have a twenty-year warranty on them, but the batteries only have a ten-year warranty and they can be used up faster if you're using twenty-four-hour reporting. Mr. Lanham will have something by next month and this item will be on the agenda.

11. Engineer's report.

Mr. Smith addressed the Board. The well-drilling is continuing; the contractor is making all the interconnections right now and is about 30-45 days away from being completely done. As the contractor is doing its work, Atwell is also doing the haul road rehabilitation. The rest of the Engineering report is covered below.

12. Receive update, consider and take action regarding an easement agreement with Lake Travis ISD.

Mr. Hamala and Mr. Smith addressed the Board. We recently received a slightly amended agreement to provide for Cypress Ranch Ltd. to have temporary construction easements; we're negotiating with the LTISD attorney on the language for that temporary construction easement and how long it could last. Mr. Smith said we don't know exactly how long it will take to build these new sections (Phase 2, Sections 4,5,6). The temporary construction easements are necessary to build the emergency access road; we'll need the easements until we're completely finished with the subdivision construction. We don't know exactly when we're going to build Phase 2, Section 6. When we build that section, we're going to build a roadway through LTISD's property as a fourth connection over to outside the subdivision; a temporary emergency roadway only.

At the same time, LTISD doesn't know when they're going to build the school; they want to make sure when they build the school we don't have our easement sitting in their way, and we want to make sure when we build our roadway, they don't have their school in the way, but neither of us know when we're going to start. By the next meeting we should have this issue resolved and bring the Board the agreement for final resolution. Atwell will do a survey of the path of the new roadway. The reason we're doing this is to appease Travis County who wants emergency escape routes in case there is a fire. LTISD has been very cooperative.

13. Receive update regarding road maintenance work.

Mr. Smith addressed the Board. The road maintenance work is ongoing. It will not be finished until all the well work is completed.

14. Receive update regarding a District well operation and maintenance plan.

Mr. Smith addressed the Board. Wellspec finalized the well operation and maintenance plan. A recommendation memo is included with the Board packet. Atwell recommends increasing the well maintenance budget by \$200,000; \$50,000 a year for inspections and evaluations, and \$150,000 for well rehabilitations or replacement. Mr. Smith recommends inspecting the wells every other year if they have a steel encasing and every three years if they have a PVC encasing. Atwell has a budget item in there for these inspections and when we adopt the budget next year, we'll need to add that line item in.

In regard to the yearly \$150,000 for well rehabilitations or replacement, this money will be set aside, and we may or may not need to use it. Director Molinyawe asked, will this benefit our wells immensely to do this, given the large amount of money? Mr. Smith said we are doing minimal maintenance right now. What happens is we do minimal maintenance and inspection and the wells completely fail and then we have to come in and completely rebuild the well from scratch. What Atwell is suggesting is rather than waiting until the wells fail, let's get into a preventative maintenance routine. We have had a lot of problems with the old stainless-steel wells simply because they tend to corrode much more than the PVC. Historically, the TCEQ only allowed stainless steel wells for the longest time.

Atwell's recommendation is that we need to get ahead of the curve and not have these wells fail by doing ongoing maintenance on them every year. Roughly three fourths of the District's 20 wells are stainless steel and the other fourth are PVC (20 wells). Director Molinyawe asked if the rehabilitation work would be like some of the things the District has done in the past, such as the acidizing. Yes, as needed, Mr. Smith said. In a bad year we may have \$150,000 worth of repairs, but we'll have that money set aside.

Director Molinyawe reflected that in the past the District has spent tens of thousands of dollars on experimental tests to increase production and the results were not guaranteed. She asked what would be different this time around. Mr. Smith said what we're talking about is complete rehab of the wells; the only wells we've had problems with are the stainless steel wells; in the next ten years or so we'll replace all the stainless steel downpipes with PVC and eliminate that problem; so we're not acidizing; we'll go in annually, inspect the wells, measure the groundwater, check that everything is working, and then come back with a proposal to the Board. Ongoing maintenance will extend the life of the wells. This is a proposal to add to the 2021 budget.

15. Receive update and take action regarding variable frequency drives for District wells.

Mr. Smith addressed the Board. In regard to the electrical issues with District wells, we've signed a proposal from SKE to design a conversion from the pumps to VFD's on the wells. We have a pay application from SKE for finishing that work for \$750.00, and a proposal from the contractor (Liberty) to install the VFD's on the new wells for a total of \$42,293.02. The VFD's will save the motors in that they will slowly ramp up and down. This will be funded out of the project for the new wells. This increases the Liberty contract to \$1,070,960. The District's older wells do not have VFD's installed; just an on-off switch. Director Shute made a motion to approve a pay application from SKE for \$750.00 to design the conversion of pumps to VFD's on the wells and a change order from Liberty to install the VFD's on the new wells for \$42,293.02; the motion was seconded by Molinyawe, and unanimously carried by the Board.

16. Receive update regarding design work for electrical upgrades to the Coral Bean lift station.

Mr. Smith addressed the Board. Improvements to the Coral Bean lift station are necessary prior to WCH 2-5 coming online. Part of these improvements includes upgrading the pumps and the electrical control panels in the lift station. The Board has previously approved this work; design is currently ongoing.

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

Mr. Smith addressed the Board. A survey has been provided. James Miertschin still needs wastewater flow information from AWR. After that the design work will be submitted to TCEQ for approval.

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

Mr. Smith addressed the Board. The tracts for District acceptance for operation and maintenance are in Phase 1, Sections 5, 6. The roadways have been accepted by Travis County, so they will

own and operate the roadways. Atwell has written a letter of acceptance for those three lots. Director Kenyon made a motion to accept Lots 17, 39, 40, Phase 1, Section Five and Section Six; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

19. 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. He wanted to make the Board aware that in Phase 2, Section 4, the contractor JKB Construction, which is working for Pulte Homes, has submitted a pay application in the amount of \$17,976.33. This is for the developer to pay now. We will reimburse the developer later through bonds. The pay application is for a stabilized construction entrance, erosion controls, silt fencing, and tree protection. There is also a pay application to Liberty Civil Construction for well construction in the amount of \$45,707.40. This amount the District is paying. Director Molinyawe made a motion to approve a pay application to JKB Construction in the amount of 17,976.33 and a pay application to Liberty Civil Construction for well construction in the amount of \$45,707.40; the motion was seconded by Director Shute, and unanimously carried by the Board.

20. Consider and take action to approve renewal of Director and crime bonds.

Mr. Hamala addressed the Board. Every year this is a recurring item. Directors are required to have a bond as Directors of the District, so we purchase an insurance policy to cover that bond for \$175.00 a year. The Public Employee Blanket Crime Bond is \$120 a year. It covers the District if money should disappear. The total is \$295.00. Director Molinyawe made a motion to approve the Director's Bond and the Public Employee Blanket Crime Bond for a total of \$295.00; the motion was seconded by Director Kenyon, and unanimously carried by the Board.

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

Mr. Hamala addressed the Board. This is another annual item. There are no changes to recommend, said Mr. Monzingo. Director Molinyawe made a motion to approve the District's investment policy as is; the motion was seconded by Director Kenyon, and unanimously carried by the Board.

22. 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 delivered the financial report. Director Molinyawe made a motion to approve the payment of 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.

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

The next meeting will be on June 18, 2020. Likely the meeting will be by Zoom video conference call again next month.

APPROVED June 18, 2020



Joanne Molinyawe, Secretary