

CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
Minutes of January 28, 2021

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 January 28, 2021, via video conference call and telephone conference 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 and Director Kenyon, thus constituting a quorum. Others in attendance included Jeff Monzingo, of Montoya & Monzingo, LLP; Hank Smith and Xavier Garza, of Atwell, LLC; Hal Lanham and Tammy Hargett of AWR Services, Inc.; Richard Hamala and Jonathan Cochran, of Tiemann, Shahady & Hamala, P.C; Todd Narter, of LBS; and Ashlee Martin, of McCall Gibson Swedlund & Barfoot.

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. Consider and take action regarding District meeting places.

No action.

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

Mr. Narter addressed the Board. In regard to abandoned furniture, there have been mattresses dumped near Well No. 12. Mr. Narter suggested the Board adopt a policy that considers pre-approval to remove these types of items, in coordination with AWR. At the request of the Board, if trash items are removed from District property between meetings, LBS will coordinate with AWR, and keep the Board informed by sending photos of the items and their location.

In regard to Irrigation Pond No. 12, Mr. Narter said that large rocks have been placed in the pond, interfering with the water flow. Atwell will take a look at the rocks and make an assessment. In regard to Irrigation Field No. 6, kids have built structures and are sinking posts into the ground. Director Molinyawe said she will ask Director Kenyon or Director Salinas to post these pictures on the Facebook page and go from there. The HOA will also be notified. Director Shute made a motion to authorize AWR and LBS to remove trash between meetings that is dumped on District property up to \$100, subject to AWR's approval; the motion was seconded by Director Molinyawe,

and unanimously carried by the Board.

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

Mr. Cochran addressed the Board. The current Landscaping Services Agreement expires at the end of the month. We drafted a new Agreement to be effective February 1, 2021 and run for one year. The mowing and landscaping schedule will remain the same as it is now and for the same monthly amount. Director Molinyawe made a motion to approve the renewal of the Landscaping Services Agreement for another year; the motion was seconded by Director Shute, and unanimously carried by the Board.

5. Consider and take action as necessary to review and approve the audit for the fiscal year ended September 30, 2020.
6. Consider and take action as necessary to implement recommendations by the auditors for the District.

Ms. Martin addressed the Board and discussed the annual audit of District finances. McCall Gibson Swedlund & Barfoot delivered a “clean” audit opinion, which is the best opinion the District can get, meaning there were no discrepancies, concerns, or issues. As such, Ms. Martin did not have any recommendations for the District to implement. Director Molinyawe made a motion to approve the audit for the fiscal year ended September 30, 2020; the motion was seconded by Director Shute, and unanimously carried by the Board.

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

Director Molinyawe addressed the Board. A bar grate on the trail needs to be replaced. Mr. Smith said that Atwell will replace the bar grate that is collapsing on the trail. Director Molinyawe added that actually both of those grates are collapsing, near where the graffiti was. Atwell will attend to the issue.

8. Consider a customer request to increase the “high volume user” threshold and amend the District’s water rates.

Director Molinyawe suggested eliminating the “high water user” letters. There was concurrence among the Board. The Board then discussed increasing the “high volume user” threshold from 20,000 gallons per month to 30,000 gallons per month. Mr. Smith said that if we look at it financially, if we lower the higher tier rates, we have to raise the lower tier rates because we have to bring in a certain amount of money. If we lower rates across the board, we bring in less money and we can’t operate. We’re not making a profit; we’re breaking even. It’s a balloon: if you squeeze on one side, it’s going to bulge out on the other and we have to bring in a certain amount of revenue to operate the District, said Mr. Smith.

Director Molinyawe said we can look at rates but we also have to get the groundwater conservation district fees that are coming up added in. We don’t want to change our rates now and then get these fees later and have to change the rates again. We need to have all the data together first and make a decision based on data and numbers. Director Shute asked how many residents do not have an

electronic meter. Without the electronic meter, if there is a leak, it can be really expensive and you can check your usage daily with an electronic meter. Mr. Lanham said we're sitting at just under 40% of electronic meters. We set up a plan to convert the District to electronic meters over a three-year period and approved the purchase of ninety meters a year, the first purchase in October 2020. AWR has installed about seventy of those ninety so far. We only having the remaining twenty meters to install. It's up to the Board when they want to make its second purchase of ninety more meters. Another meter purchase would put the District at about 60% electronic and can be completed in about six months.

Mr. Lanham said that we struggled greatly before we had the two punitive rate tiers. Those high impact rate tiers have really curbed the excessive water usage, from when some residents were using 80,000 gallons per month. We were not able to sustain that kind of water usage. Typically, the high-water users are repeat offenders. Mr. Hamala said that when he spoke to Mr. Sullivan in Sola Vista, he was pretty specific about focusing on the tier between 20,000 and 30,000 and he thinks that using 30,000 should be reduced from the \$40 per thousand-gallon range to the \$12 per thousand-gallon range. He also doesn't want to receive high-user letters. We will need to look at the tier change in regard to revenue as well.

For the next meeting, Mr. Smith will set models up to look at tier changes and revenue and how we would need to change the base rate. After discussions at the February meeting, we can fine-tune the information and come back with a final recommendation for the March meeting, with any rate and tier changes going into effect in April. We also need to look at fees we'll have to pay to the water conservation district. Director Molinyawe made a motion to purchase ninety electronic meters; the motion was seconded by Director Shute, and unanimously carried by the Board. Director Molinyawe made a motion to discontinue the "high-water user" letters to residents; the motion was seconded by Director Shute, and unanimously carried by the Board.

9. Consider and take possible action to amend the District's rates and charges.

No action.

10. General Manager's report.

Mr. Lanham addressed the Board. In regard to signs near the outfall structure at the large detention pond, the signs have been ordered and AWR will install them. In regard to debris that has built up over the years around the WWTP, AWR has received quotes to have the debris removed. AWR requests approval of \$1,495.00 to have the debris cleared by a waste hauler. Mr. Smith said that we're going to be under construction at the WWTP in the next 30-90 days. With the contractor out there, there is going to be a lot of debris and probably some very large dumpsters. After discussion, the Board did not take any action on this item right now, and will wait until after construction at the WWTP to re-visit the issue.

In regard to plant operations, we are having some turbidity issues. When we repaired the treated wastewater disposal fields, there is a recirculation feature that was not working when the valve was out of commission. If we can't figure out how to get the turbidity numbers in line, we may call Dr. Miertschin to come take a look at it. Dr. Miertschin is the engineer that designed the new WWTP.

Mr. Smith added that in order to irrigate with our 210 water, which we want to do, that's where the turbidity limit comes in. In order to irrigate, we need a little bit higher effluent limit to have 210 water. With the new WWTP plant we will have filters. This summer is the question mark; if we're having high turbidity and high flows, we may need some additional help by way of chemical additives to get us through the summer. Next summer will not be an issue because we'll have a new plant and higher operating limits and filters that polish the flow after it comes out of the plant. Mr. Lanham said that the current WWTP plant was never intended to produce 210 water, so everything has to be really humming perfectly to produce 210 water.

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

Mr. Lanham addressed the Board. 518 customers were billed in the month of December, 2020. Twelve residents, the Pulte Group, the HOA and LTISD consumed greater than 20,000 gallons.

12. Engineer's report.

Mr. Smith addressed the Board. In regard to the Southwestern Travis County Groundwater Conservation District, the deadline to submit applications to register and permit existing wells is January 28, 2021. Applications have been started and will be submitted in February; the fee will be \$750.00 for the aggregate system. Director Molinyawe made a motion to approve the \$750.00 to submit applications to register and permit existing wells; the motion was seconded by Shute, and unanimously carried by the Board.

13. Receive update regarding status of new District wells.

Mr. Smith addressed the Board. In regard to District wells, the utility work is basically complete. Electrical issues have arisen for existing Wells 9 and 15 and new motors were required. An invoice from Centex for \$5,223.81 for Well No. 15 is provided. If issues persist, we will need professional engineering help from SKE. Additionally, an electrical invoice is provided from Chelf Electrical Services for third party electrical inspection for Wells 17, 17, and 20, for \$1,500.00. TCEQ well completion applications have been conditionally approved contingent of approval of the accompanying Exception Application. The Exception Application was necessary because we utilized Type H Cement instead of Type A or B Cement. The Exception Application has a 100-day review period and approval is expected in early April.

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

Mr. Smith addressed the Board. TCEQ and LCRA have approved the applications for the new WWTP. Travis County Environmental provided comments on January 4, 2021 and Travis County Engineering provided comments on January 25, 2021. Travis County has requested that the fire marshal also review the plans. Atwell is working with Dr. Miertschin to address.

15. Consider and take action as necessary to ratify and/or approve pay estimates and change orders for construction projects and to authorize permit applications, and trail, drainage, and facility maintenance and construction projects as recommended by the District's Engineer.

Director Molinyawe made a motion to approve an invoice from Centex for \$5,223.81 and an invoice from Chelf Electrical Services for \$1,500.00; the motion was seconded by Director Shute, and unanimously carried by the Board.

16. 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 quarterly investment report, the financial documents, and the bills and invoices. Director Molinyawe made a motion to approve the quarterly investment report, the payment of bills and invoices, ratification of payments, and funding on Manager's account; the motion was seconded by Director Shute, and unanimously carried by the Board.

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

The next meeting will be on February 18, 2021.

18. Adjournment.

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

APPROVED March 3, 2021



Joanne Molinyawe, Secretary