

CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
Minutes of March 25, 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 March 25, 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 thus constituting a quorum. Others in attendance included Jeff Monzingo, of Montoya & Monzingo, LLP; Hank Smith and Xavier Garza, of Atwell, LLC; Hal Lanham, Tammy Hargett, and Mike Bamer of AWR Services, Inc.; Richard Hamala and Jonathan Cochran, of Tiemann, Shahady & Hamala, P.C; Todd Narter of LBS; and James Miertschin, of James Miertschin & Associates, Inc. Members of the public included Brad Sullivan.

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

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

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

Director Shute said that many homes have been changing owners in the last couple months. Are all those homes going to be fitted with the electronic meters? A lot of the homes with new owners are the older homes with the manual meters. Mr. Smith said generally we only do that for the brand-new homes, or when one of the older homes reaches a million gallons. Currently, we don't change meters just because we change owners. However, the Board could make that policy change at a future meeting.

3. Consider and take action to adopt a resolution changing designated District office and meeting place outside the District.

Mr. Smith addressed the Board. Atwell has moved offices to Las Cimas, which is at the corner of Bee Cave and Loop 360. For the Board to be able meet at Atwell's new office, it will have to adopt the resolution to change the meeting place and then notice of the new meeting place will be published in the Austin American Statesman newspaper. Director Molinyawe made a motion to adopt a resolution changing designated District office and meeting place outside the District; the motion was seconded by Director Shute, and unanimously carried by the Board.

4. Receive reports and take action as necessary regarding District mowing, greenbelt and landscape maintenance, and tree trimming and removal.

Mr. Narter addressed the Board. As discussed at the March 3, 2021 meeting, there were trees and tree limbs encroaching into backyards; these have all been addressed. There were a lot of downed trees blocking the pathways to the irrigation fields, which have also been cleared. The cedars in the irrigation fields are being cleared this week. Generally, we are on schedule. Director Molinyawe said that at the WWTP, on the driveway up, on the left side, there are mulch grindings and little further up, some branches. LBS will take a photo for the next meeting. Mr. Hamala said that Mr. Garza updated the District map. On the left side where the new Pulte section is, the District does not own these tracts yet. When these tracts are accepted by the District, we'll have the responsibility to maintain these areas. Mr. Smith added that there will be ponds, filter strips, and irrigation areas within the new sections the District will maintain as well. Director Salinas asked Mr. Narter to do a survey of the new sections and come back with an estimate for a dollar amount we'll need to add to the monthly mowing and landscape invoice. Mr. Monzingo said we have adequate funds to increase the monthly landscaping amount when the time comes.

5. General Manager's report.

Ms. Hargett addressed the Board. In regard to the winter storm, we had some piping that froze and damaged the computer system in the Rock Wren Pump Station. We have received two proposals. CPUSA would take the same software that's in there now and apply it to a new computer that uses Windows 7 with 32 bit. With Industrial Instance, their proposal includes an upgrade to a Windows 10 with 64 bit. We went back to CPUSA said we need a price for a Windows 10, but that hasn't been programmed yet and will be \$30,000. Director Salinas said he thought when Ms. Hargett stated "computer system" that was more than the endpoint, which is the computer itself and the software loaded onto it. It sounds like it's just the endpoint piece of it. Ms. Hargett said there is a line-item review. Mr. Bamer said the computer is just an interface with the PLC, but we can also make adjustments using this interface to the PLC as far as the program goes. Until we get this computer replaced, we can't irrigate the upper fields.

Director Kenyon asked what actually got damaged. Mr. Bamer said it was the actual skid itself inside the building: the 3" pipe going into and out of the flow meter on the skid and a 2" valve below that. Mr. Bamer said until we get the computer up and working, we don't know if there is any other damage in the controls. Director Salinas would like to see what the line-items look like on the proposals. Ten thousand dollars seems like a lot just for the PC. Mr. Bamer has photos of everything that can also be sent to Director Salinas. Director Shute asked for a third bid. Mr. Bamer said he will check with Central Texas Water Maintenance. Mr. Smith added that we need to take action soon because these fields are not being irrigated and if the vegetation dies and we have to re-seed all the fields, it will cost a lot more than the computer system.

Director Salinas will review the proposals in a line-item format and give an update on the District's message forum as to his decision. Director Shute made a motion to approve Director Salinas to review the proposals for a new computer system at the Rock Wren Pump Station and post his comments regarding the review and decision on a proposal to the message forum on the District's website; the motion was seconded by Director Kenyon, and unanimously carried by the Board.

Ms. Hargett continued that we have a maintenance agreement with Holt Cat to service all of the generators and it is up for annual renewal. The renewal cost is \$8,906.00 for the year. Director Kenyon made a motion to approve the renewal of the Holt Cat service contract for \$8,906.00 annually and, in regard to winter averaging, to continue with the three out of four averaging with a ceiling of last year's average rate for every customer; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

In regard to IRIS communications, the District has about ninety-six customers who are still not receiving IRIS communications for one reason or another; AWR would like to send a letter to those customers asking them to sign up. The form to sign up will be included in the mailing, as well as information as to how to find the form on the website. The Board concurred that it was ok for AWR to send the letters.

Director Molinyawe inquired as to the status of new water meters. Mr. Bamer said that we are still waiting on the latest meter order. One size is in-stock and on the way, the other meter size is on back-order and will be shipped when available. Director Molinyawe asked, in regard to homeowner grinder pumps, how many back-ups do we have? Mr. Bamer said for the newer model E1's, we just have one. The older pumps, like the one Director Molinyawe has, have been in the ground a long time. There isn't necessarily a life expectancy to these pumps; we replace them when they go bad with what we have on hand and then order more. The Board adopted a policy that all new builds will have the E1 grinder pumps. The older models along Cypress Ranch Blvd. are not the E1's; they are the old Barnes pumps. That is what they installed almost two decades ago. None of these are in stock anymore.

AWR will determine how many within the District are the older models. Director Salinas directed AWR determine how many of the older models are still operational in the District and give us an estimate as to how much it would cost in equipment and labor to upgrade to the E1 models. Thereafter, it will allow us to have proper inventory of one type of grinder pump. The District will pay for any potential upgrade of the grinder pumps. Director Kenyon said as an alternative solution we can find a similar grinder pump that we can have spares on. Mr. Hamala said the District has rules for grinder pumps and the rules say it's at the homeowner's expense to repair or replace a grinder pump, but there have been instances in the past where the District has undertaken to replace or repair a grinder pump on behalf of the resident and the District funded the cost. We do have a grinder pump maintenance fee that we charge grinder pump customers. Historically, it's been on a case-by-case basis.

6. Receive update regarding a discussion forum on the District website and training for use.

Ms. Hargett addressed the Board. Using a visual display on Zoom of the District's Website, Ms. Hargett explained how the discussion forum will work for Directors to make public communications. Director Salinas will conduct a trial run with the discussion forum. If Director Salinas is satisfied with its function, then the rest of the Board members will get their access information.

7. Receive reports and consider and take action regarding the recent winter storm and related District facility outages, operation, maintenance, repairs, and improvements.

No action.

8. Receive reports and take action regarding solutions and plans of action for emergency situations.

Mr. Smith addressed the Board. We have a draft preparedness plan underway and will have this ready by the next meeting. Director Kenyon added that he would like Atwell and AWR to also include an after-action review of specific items that failed during the winter storm. For example, can we directly link the frozen generators to the wells that failed us? An after-action review will be included.

9. Consider and take action to adopt a proposal regarding a crisis communication process.

Director Kenyon addressed the Board. The goal is to capture the major areas of defined actions we're going to take. This is a first draft. In regard to bottled water, Director Shute spoke to Costco. A pallet of water is 48 cases, with 40 bottles per case (1920 bottles), for \$389.00, which works out to about \$0.20 per bottle. It takes about two weeks to get, once the order is placed. Director Kenyon proposes a case per household. This works out to 12 pallets. Director Kenyon proposed the President's discretion in directing AWR to purchase the water when a possible emergency event is on the horizon. Director Salinas is ok with this approach, as long as delivery of the water to the District is included with the proposal, so as not to put a burden on any future Board member.

The second bullet point is that all of our communication happens on the public message board. In regard to how we communicate to residents, this is where the President becomes the one voice, and posts important update messages to the public forum at 10 a.m. and 5 p.m. Social media will be used in a limited capacity, and used mostly to refer people to the website. The content of the message will come from AWR. Director Salinas said we should identify a backup in case the President is unable to post the update for whatever reason. We can also post physical updates on the message board at the pool.

After water service has been restored, AWR and Atwell will provide an after-action review within 60 days. Directors should become familiar with the basic infrastructure of the WCID. As safety allows, Directors can provide observation for AWR when remote monitoring is not available. Director Kenyon suggested an annual tour for all Directors. Lastly, Directors should be compensated for District work outside of the Board meeting setting. Mr. Hamala said this is consistent with state law. All Mr. Monzingo will need is the date of service for each Director. This information will be compiled and given to Mr. Monzingo.

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

No action.

11. Engineer's report.

Mr. Smith addressed the Board. We need to replace the access gates going into the back of the District. Holman Services has provided a proposal for \$7,500.00. A lot of residents are still using vehicles on that property. It's developer land, but our wells are out there, so we need to protect our infrastructure. In regard to the groundwater conservation district, we'll submitted all of our applications and we'll soon begin making payment fees to the conservation district. In regard to Phase 2, Section 4, it is basically complete. It will be a while before we are ready to accept it. They should be starting construction of homes soon. In regard to Phase 2, Section 5 is under review with Travis County.

In regard to the Verbena resident that trespassed on District land to install a swimming pool, AWR and Atwell will ensure the District is restored and cleaned up. Any time a resident installs a swimming pool, it has to go through the HOA. Director Kenyon suggested that we coordinate with the HOA, so that we know early on when someone submits plans to get approval. General Counsel will reach out to the HOA and ask that the District be notified when a resident intends to install a swimming pool.

12. Consider and discuss water rates and tiered charges.

Mr. Smith addressed the Board and presented a spreadsheet for which the rates can be manipulated to show what effect it will have on customers. What we have to get to is \$675,000; that's our budget. We didn't quite make it last year. In addition, we now have to pay the groundwater conservation district for our water use. It's about \$11,546 a year. Can we lower the higher tier rates? Yes, but that means we have to raise the lower tier rates. 5% of the in-District customers and 7% of out-of-District customers use over 20,000 gallons a month. Do we want to decrease the upper tier rates for these 5% and 7% of customers and raise rates for everyone? The only way to do this is if everyone's base rates go up. Director Salinas said he is not a fan of having everyone else carry the burden for those select few. It would be unfair to the majority.

Mr. Sullivan, Sola Vista resident, said he tries to stay under 20,000, but in certain months it's usually more, with a 344% increase when he goes over 20,000 gallons. He would like the Board to consider a rate adjustment for those that need more than 20,000. Director Molinyawe asked where most of Mr. Sullivan's consumption was coming from. Mr. Sullivan said when he bought the home it had about \$100,000 in landscaping. Because of not being able to water it's caused about \$20,000 in damage to the landscaping. Director Molinyawe recommended zero-scaping. Mr. Sullivan said he does have a lot of zero-scaping and has a lot of rock everywhere.

Director Kenyon said with the in-District property tax rate, his yearly bill is probably very similar to Mr. Sullivan's bill. Mr. Sullivan said he needs about 30,000 gallons a month for his family and for irrigation. Mr. Sullivan wants to lower the tier increase in the 20,000-to-30,000-gallon range. Director Molinyawe said that these rates were designed in a specific way so as to conserve water; we do not want another situation where we have to truck in water. Mr. Smith said we've been in a drought for about fifteen years; all indications point to severe droughts for the future. Mr. Sullivan asked if we could adjust the rates for one year on a trial basis.

Director Salinas said if we sell more water that means there's more demand, which means we have to pump more water, which means we have to dig more wells, which means more cost. Mr.

Sullivan responded that there are more wells being dug and coming online. Mr. Smith added that these are to meet the demand of the WCH expansion and the future school. Director Kenyon said we need to do some more financial modeling to see if we can do this or confirm that we can't. Mr. Smith said he has the model built and suggested a sub-committee get together to manipulate various factors and see if there is something we can come up with. The sub-committee will consist of Director Kenyon, Director Shute, General Counsel and the Engineer.

13. Receive update regarding status of new District wells.

Mr. Smith addressed the Board. Utility work is finished on all wells and have been tested. Mr. Smith would like to create a chart that shows the standard flows that we get out of all the District's wells. On any given day they change and it's confusing to TCEQ. If we see that the numbers are changing, that's our cue to see what the problem is. A few of our wells have dropped off precipitously recently. Mr. Smith has directed AWR to pull the well-pumps and see if the pump needs to be replaced, or if there is some other reason why these wells are failing. At some point we need to talk about an annual maintenance plan. Mr. Smith said he has everything ready for a proposal. We'll put it on the next month's agenda.

14. Receive report regarding wastewater treatment plant expansion; consider and take action to approve plans and specifications for wastewater treatment plant.

Dr. Miertschin addressed the Board. We have a full set of plans and specifications for the WWTP expansion. We have developed a preliminary cost estimate and it's about time to advertise the bid package for contractors and receive bids. It's fundamentally based on a bioDAF clarifier and it has an alternate for a conventional gravity clarifier. There are sheets that pertain to both options and it's up to the contractor to tell us which one will be the more economical option. Dr. Miertschin said by his cost estimate the conventional clarifier should be the more economical option. Director Molinyawe said she thought the bioDAF clarifier was going to be the cheaper option. Mr. Smith said it depends on who you ask: bioDAF says it will be cheaper.

Mr. Hamala added that Dr. Miertschin priced out all the equipment required for either option and put in extra costs for the way the bioDAF structure will be built. But the bioDAF vendor said he would make us a good deal, so we'll wait and see what the bids are. Dr. Miertschin said the bioDAF arrangement is a circular tank with dissolved air and it sits up at a fairly high elevation. Associated with that are several ancillary pieces of equipment such as blowers, a polymer feeding system, a transfer pump, etc. We'll have to construct a building underneath the DAF and contain the equipment within that room to keep it from freezing. This is why the cost shows up to be higher on paper. Director Kenyon made a motion to approve the WWTP expansion plans and specification and to authorize advertising for bids; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

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 \$7,500 to Holman Services to replace the gates at the back of the District; the motion was seconded by Director den Hoed, 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 bills, invoices, and District bank accounts. Director Molinyawe made a motion to approve 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.

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 April 22, 2021. It will be by Zoom videoconference if the disaster declaration is extended.

18. Adjournment.

APPROVED April 22, 2021



Joanne Molinyawe, Secretary

