

**CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1**  
**Minutes of July 15, 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 offices of Atwell, LLC, 805 Las Cimas Parkway Building 3, Ste 310, Austin, Texas 78746, at 1:00 p.m. on July 15, 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 Kenyon, thus constituting a quorum. Others in attendance included Jeff Monzingo, of Montoya & Monzingo, LLP; Hank Smith of Atwell, LLC; Hal Lanham, and Tammy Hargett AWR Services, Inc.; Richard Hamala and Jonathan Cochran, of Tiemann, Shahady & Hamala, P.C; Todd Narter of LBS; Members of the public included Marcos de la Monja.

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 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.

Mr. Narter addressed the Board. We're more or less on schedule; we're catching up on mowing the irrigation fields for which there was a slight delay due to rain. Mr. Narter is willing to mow the setback areas for individual residents upon request. After meeting with the fire department, Mr. Narter submitted a bid for different fire mitigation solutions, which include clearing areas around the WWTP, WTP, the wells, and additionally, a curbside limb pickup. The limb pick up is \$2,000 per day. In regard to clearing around the well sites, LBS already mows the grass as part of the regular maintenance. This would entail clearing heavy growth, raising the canopies of the trees, and cutting large brush to the ground. The cost is \$75.00 per well.

In regard to the WTP and WWTP, it would be similar maintenance to the well sites: raise canopies of trees, cut any large brush to the ground, and cut any tall grass to the ground. In the case of the WTP and WWTP we are not currently cutting grass, so if the grass is high LBS will cut that down as well. The cost is \$650.00 for the WWTP and \$650.00 for the WTP. Ms. Hargett will investigate

which well sites are in need of the most fire mitigation. Director Molinyawe put together a rough draft of a letter we could send to residents regarding a brush pick-up.

Director Molinyawe made a motion to approve fire mitigation maintenance around the WWTP for a cost of \$650.00; the motion was seconded by Director Shute, and unanimously carried by the Board. Director Shute made a motion to approve fire mitigation maintenance around the WTP for a cost of \$650.00; the motion was seconded by Director den Hoed, and unanimously carried by the Board. In regard to the well sites, AWR will determine which well sites are in need of a clean-up and let LBS know. Director Molinyawe made a motion to pre-approve fire mitigation maintenance at District well sites, to be determined by AWR, at a cost of \$75.00 per well site; the motion was seconded by Director den Hoed, and unanimously carried by the Board. Director Molinyawe made a motion to approve a curbside brush pick-up for a cost of \$2,000 a day, up to five days maximum, with the dates to be determined; the motion was seconded by Director Shute, and unanimously carried by the Board.

General Counsel will revise Director Molinyawe's letter to residents and send to AWR for mailing to residents. It will also be posted on Facebook. After discussion, the days for the curbside brush pick-up will begin with August 9<sup>th</sup> and 10<sup>th</sup>. The letter will be mailed to residents as soon as possible. Ms. Hargett said once AWR has the final draft it can go out within 48 hours.

#### 4. General Manager's report.

Mr. Lanham addressed the Board. In regard to recent storm damage, the transducer for the water system and the storage tank was damaged and required replacement. The master radio at the water plant was damaged and the radio from Well 5 was therefore used and programmed to act as the master radio. A new master radio is on order. Additionally, the pressure transducer for the pressure control system and flow meter coming into the plant were also damaged and required recalibration. The system had to be operated manually throughout out the night and into the next day as repairs and replacements were made. AWR also responded to a blower outage at the WWTP, and reset blower and it's functioning normally again.

In regard to freeze insulation, an insulation product was a part of a presentation at the water conference AWR attended last month. The piping the freeze insulation protected survived the freeze. AWR has contacted the Engineer who made the presentation to obtain the supplier of the insulation. The final product is paintable.

In regard to water service, AWR performed annual ground storage tank inspections. Everything looks good. AWR is ordering locks for security purposes as required by TCEQ. AWR also installed a new chlorine line and adjusted the pump. They also drained air and repressurized the hydro tank to alleviate a leaking valve.

#### 5. Receive report and take action regarding fire mitigation solutions.

Mr. Lanham addressed the Board. In regard to the District walk with the fire department, the AWR operator met with Lieutenant Baker and other members of the fire department on July 7, 2021, at the water treatment plant. They used the well map that was provided by the engineer to walk each

well. The fire department determined if there were a fire near the back wells, their best option would be to secure water from the 3” flush valve located next to the ground storage tank. For fires within the District, they would prefer to secure water from the nearest fire hydrant since it ultimately provides adequate flow and pressure.

6. Receive report and take action regarding electronic meters.

Ms. Hargett addressed the Board. In regard to electronic meters, year-to-date, AWR has installed 25 new electronic meters on Coyote Cave Trail and replaced 62 mechanical meters with electronic meters in the District. 87 in total year-to-date, through June, 2021. At the last meeting, the Board had requested pricing to replace the two commercial mechanical meters to electronic. AWR is attempting to determine the appropriate meter and cost.

7. Receive report and take action regarding implementation of an online discussion board.

Ms. Hargett addressed the Board. We have discussed the Board members having the ability to have an open discussion forum and be able to post back and forth to each other. Any member of the public can see the discussion. After speaking with the webmaster who manages the District’s current website, he is not comfortable with this software for the open forum. The site that we have is an older platform with older software.

There are two options: under option one, we can create a separate posting board and a separate domain and that’s where Board members would go to post items and message in in a discussion forum. We can hook that link back to the District’s website. This would require the webmaster putting the link on the current website. Under this option we would incur the fee for two domains. This is what City of Austin does. The other option is to create a whole new website with a new platform and software. The new website can include plug-ins, which will allow the discussion forum within the District’s website, with alerts.

In regard to pricing, option one is \$350, plus the District’s normal website cost. Option two is about \$2,000, to have everything incorporated in one website. Mr. Hamala said that it’s up to the Board as to who they want to have posting access to create messages and respond to messages. The current website is about \$1,300 a year. More information will be gathered in regard to the two options with more specific final pricing, and presented by AWR at the August Board meeting.

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

No action.

9. Consider and take action to amend the District’s tap fees.

Mr. Hamala addressed the Board. The meters have all been purchased for the current section that Pulte is putting in. An amendment to tap fees would only affect homes in the new section that are in the process of getting plans approved. AWR has accumulated a list of other tap fees so that we can compare. Primarily the tapping is done by the homebuilder. A lot of the work on the District side is

making sure the connection is made properly. Mr. Lanham added that the typical set of tap fees in the development stage, the developer sets those relatively low to encourage builders to come in and build. When homeowners come on board, they will often increase those tap fees.

Mr. Lanham then discussed tap fees on a handout for other entities. The current tap fees for the District are on the lower end of the scale. We may want to take a look at increasing the tap fees for the District. Mr. Hamala said all the residents of the District pay for the system by paying their share of the bonds, so it wouldn't be appropriate for the District to have an "impact fee" because that cost is already being accounted for when the District issues bonds and purchases the facilities, so all we're recovering is the cost of someone connecting to the system.

Mr. Hamala said that because we started buying these more expensive electronic meters, it may be a basis for increasing the tap fee a little bit. The tap fee cannot be more than three times your actual cost, according to the statute, so there is a limit on what a tap fee can be. The only customers who will be affected by this are customers who buy houses in the new section once homes are in construction. The builder pays the tap fee and that gets wrapped into the price of the house when the final homeowner buys it. There will be about 200 homes total in the new section. No action was taken to amend the District's tap fees.

10. Consider and take action to amend the District's rules and rates for services provided by the District and to publish notice of amendment of the District's rules and rates.

No action.

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

No action.

12. Engineer's report.

Mr. Smith addressed the Board. We are in the process of getting permits for the two new wells at the old well sites. Phase 2 Section 5 has not started yet; they are getting very close. They are setting erosion controls right now and will get started with construction in the next few weeks. Phase 2 Section 4 is wrapping up. They are trying to get some curbs approved by the County. Phase 2 Section 6 is under design. Pulte knows they have to clean up all the mess before the District accepts the land into the District.

13. Receive update regarding new pump for District Well No. 4.

Mr. Lanham addressed the Board. Mr. Steven Bond, Hydrogeologist, has recommended that we drill wells adjacent to the old wells. At the last meeting Mr. Smith agreed and suggested the possibility of putting a new pump in Well 4. We discussed that option with Mr. Bond, and he said without the water slots in the casing being opened, the pump would fail. He asked that we authorize him to get us on the list for the drilling company in the next fiscal year (which begins October 1, 2021) for our new budget. AWR authorized him to do so. By drilling next to the old well, the electrical hookups and

pipng for the old well can be utilized. The permitting process is underway with TCEQ. The plans also add in the insulations and covering for wells. We're still looking at the Tough Sheds that Director Shute mentioned at a previous Board meeting as an option for coving the wells.

14. Receive bids; consider and take action to award a contract for the wastewater treatment plant expansion project.

Mr. Hamala addressed the Board. Mr. Smith and Mr. Hamala met with the low bidder, BD Water. They agreed that if they were awarded the contract, we could include a change order to increase the retainage from 5% to 10%, the statutory maximum. Also, BD Water agreed that in addition to the payment and performance bonds they are required to post, they will provide the District a letter of credit to ensure the performance of the system during the warranty period. The letter of credit will be irrevocable, in the amount of \$500,000, good for two years.

Today, we have the two bids. One is from Payton Construction, which will build the conventional plant; the other is BD Water, which will build the plant with a DAF clarifier. The conventional plant option is a couple hundred thousand dollars higher. The bonds should close next week and the funds should hit the District's bank account around July 21, 2021. Mr. Hamala suggests not awarding the contract until the money is in the District's bank account. The Board can look at all factors to determine what is most advantageous and in the best interest of the District. Cost of the project is only one factor.

Mr. Miertschin addressed the Board. He is very familiar with Payton Construction, based out of Wimberley, Texas, and with decades of experience in Central Texas. Mr. Miertschin has worked closely with BD Water over the last year regarding the design, but not on a construction project. Mr. Smith has faith in both companies, and has no qualms about the DAF clarifier working. Mr. Miertschin agreed. TCEQ has approved both sets of plans.

Director Salinas asked in what way will maintenance cost differ for the two plant designs? Mr. Miertschin said we don't have any records of long-term maintenance requirements or O&M costs because it's a new technology in that there aren't a lot of domestic applications in this technology. Mr. Miertschin could not give a one-to-one comparison of maintenance costs Mr. Lanham addressed the Board. There isn't any history of domestic use of these plants. There are commercial uses. We hope to travel to one of the BioDAF facilities and work with their operations team to talk about it from a maintenance aspect. The deadline to make a decision, without having to pay extension fees, is the August Board meeting. Meanwhile, consultants will investigate facilities in Buda and Leander.

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.

No action.

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, bank statements, transfers to accounts, and other District financial matters. Director Shute made a motion to approve the bills and invoices, ratification of payments, and funding of Manager's account; the motion was seconded by Director Molinyawe, 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 August 19, 2021 by Zoom videoconference.

18. Adjournment.

APPROVED August 19, 2021

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Joanne Molinyawe, Secretary