

MINUTES OF REGULAR MEETING  
OF  
SOUTH BUDA WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

STATE OF TEXAS           §  
  §  
COUNTY OF HAYS         §

A regular meeting of the Board of Directors of South Buda WCID No. 1 was held at 12:00 noon on January 20, 2021 by remote access only in accordance with the March 16, 2020 Order by Governor Abbott temporarily suspending certain requirements of the Texas Open Meetings Act to advance the goal of limiting face-to-face meetings to slow the spread of COVID-19. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act and as modified by the Governor's Order.

1. CALL TO ORDER

The meeting was called to order.

2. ROLL CALL OF DIRECTORS

A roll call of the Directors was taken. The Directors present were:

Marvin B. Morgan - President  
Sean Denton - President  
Dante Angelini – Secretary  
Jeff Barton – Assistant Secretary  
John Fowler – Assistant Secretary

thus constituting a quorum. All Directors were present.

Also, present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Andrew Hunt and Lisa Torres with Crossroads Utility Services, Inc., David Gray and Herb Edmonson with Gray Engineering, Inc., David Berrier with Berrier & Company, P.C., Grant Gist with The Meadows at Buda and Melanie Hronek with Gehan Homes.

3. PUBLIC COMMENTS

No public comments were made.

4. §49.063(c), TEXAS WATER CODE; ANNUAL NOTICE REQUIREMENT FOR DISTRICTS THAT HOLD MEETINGS OUTSIDE OF THE DISTRICT

Attorney Bill Flickinger discussed the annual requirement for Districts that do not have a meeting place within the District boundaries. The first agenda in each calendar year must include the notice requirement. This item is informational and no action is needed.

5. MINUTES OF PRIOR MEETINGS

President Marvin Morgan entertained a motion for approval of the Minutes. Motion was made by Jeff Barton and seconded by Sean Denton to approve the December 16, 2020 meeting Minutes as presented. The motion carried unanimously.

6. ANNUAL AUDIT SUBMITTED BY MAXWELL LOCKE & RITTER

President Marvin Morgan tabled the audit discussion for a special board meeting to be scheduled next week. No action was taken.

7. DEVELOPER'S REPORT ON STATUS OF CONSTRUCTION WITHIN THE DISTRICT, DEVELOPMENT ENTITLEMENTS, PROVISION OF WATER, WASTEWATER AND DRAINAGE SERVICE WITHIN THE DISTRICT, SALES OF LOTS TO BUILDERS, HOMEBUILDING WITHIN THE DISTRICT, STATUS OF DEVELOPMENT LOANS AND ACTIONS OF THIRD PARTIES OPPOSING OR SUPPORTING DEVELOPMENT WITHIN THE DISTRICT

Melanie Hronek reported that Gehan Homes sold 47 townhomes in 2020. There have been three new sales recently. Phase 2 is now complete and going vertical in February. The amenity center plans are still being reviewed by the City of Buda. They are hoping to break ground on the amenity center in March.

Grant Gist reported that he is still under contract with Gehan Homes on the 10-acre tract within the District.

8. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF INVOICES AND TRANSFER OF FUNDS

a. Quarterly Investment Report

Bookkeeper David Berrier discussed the financials and quarterly investment report with the Board.

President Marvin Morgan discussed the discrepancy on the inventory and tap fees. In the past, the meters were expensed. Mr. Berrier can make that adjustment. President Morgan also advised that the new meters that have been set need to be accounted for.

After discussion of the financials, President Morgan entertained a motion. Motion was made by Jeff Barton and seconded by Sean Denton to approve the financials as presented. The motion carried unanimously.

Motion was then made by Sean Denton and seconded by John Fowler to approve the invoices, per diems, fund transfers and bond payments as submitted. The motion carried unanimously.

Lastly, motion was made by Sean Denton and seconded by Jeff Barton to approve the Quarterly Investment Report as presented. The motion carried unanimously.

9. ENGINEER'S REPORT ON STATUS OF CONSTRUCTION WITHIN THE DISTRICT, DEVELOPMENT ENTITLEMENTS, PROVISION OF WATER, WASTEWATER AND DRAINAGE SERVICES WITHIN THE DISTRICT, SALES OF LOTS TO BUILDERS, HOMEBUILDING WITHIN THE DISTRICT AND PAST, PRESENT AND FUTURE BOND ISSUES

Engineer David Gray discussed his report as included in the agenda package.

Mr. Gray discussed the QT project. Previously Mr. Gray's office approved the utility connections to the District's water and wastewater facilities as proposed in QT's plan. As the Board will recall, part of QT is within the District boundaries and a portion is not. QT has come back with a plan revision adding an RV wastewater dump station to the project. The proposed RV dump station is located within the District's portion. The flow generated from the RV dump station is minor and will not have a significant effect on the District's capacity.

Mr. Gray reported that they are continuing to assist the District investigating the cause of the reading's issue at the new meter water meters at the exit of the District. Mr. Gray will have further discussions with the Manager Andrew Hunt at a later time.

Once all the landscape maintenance items are complete, Mr. Gray's office will meet with Manager Andrew Hunt and the landscaper to ensure all parties are clear on the limits of mowing in the District.

10. THE DISTRICT'S PHASE 2 LIFT STATION AND FORCE MAIN

Engineer David Gray advised that this item is complete and will no longer be included on the engineer's report.

11. REQUESTS FOR "PASS-THRU" WASTEWATER SERVICE FROM OUT-OF-DISTRICT CUSTOMERS

This item was not discussed.

12. RESOLUTION REQUESTING APPROVAL OF USE OF SURPLUS BOND PROCEEDS TO ACQUIRE CERTAIN FACILITIES AND TO REIMBURSE DEVELOPERS FOR FUNDS PREVIOUSLY EXPENDED ON BEHALF OF THE DISTRICT

Engineer David Gray advised that the surplus funds application is not yet ready for submission. The surplus funds will reimburse the District's operating account for the overages on the lift station /force main project.

President Marvin Morgan discussed putting funds in a money market account. During the District's next budget preparation, the Board can look at cash flow and determine if they want to do something different.

13. APPROVAL OF CONSTRUCTION PLANS AND PAY ESTIMATES, CHANGE ORDERS AND ACCEPTANCES OF COMPLETION WITH RESPECT TO CONSTRUCTION CONTRACTS

Engineer David Gray discussed and recommended approval of the following pay requests:

Pay Request No. 5 submitted by Joe Bland Construction, L.P. in the amount of \$19,341.00 for the Harvest Meadows Phase Two Water, Wastewater and Drainage Improvements project; and

Pay Request No. 6 (Final) submitted by Joe Bland Construction, L.P. in the amount of \$58,873.73 for the Harvest Meadows Phase Two Water, Wastewater and Drainage Improvements project.

After discussion, President Marvin Morgan entertained a motion. Motion was made by Jeff Barton and seconded by Sean Denton to approve the foregoing pay requests as presented. The motion carried unanimously.

Motion was then made by Jeff Barton and seconded by Dante Angelini to accept the Harvest Meadows Phase Two Water, Wastewater and Drainage Improvements project for operation and maintenance. The motion carried unanimously.

14. ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION AND ADMINISTRATION OF CONSTRUCTION CONTRACTS

This item was not discussed.

15. MANAGER'S REPORT ON WATER AND WASTEWATER SERVICE WITHIN THE DISTRICT, INCLUDING NUMBER OF CONNECTIONS, DELINQUENT ACCOUNTS AND MATTERS PERTAINING TO THE AGREEMENT FOR WATER SERVICE WITH MONARCH UTILITIES I, L.P. AND THE AGREEMENT FOR WASTEWATER SERVICE IN THE CONSENT AND DEVELOPMENT AGREEMENT WITH THE CITY OF BUDA; DISTRICT'S BILLING CYCLE AND EXCHANGE OF METER READINGS WITH MONARCH; SYSTEM MAINTENANCE REPAIRS, UPGRADES TO FACILITIES, MAINTENANCE OF PONDS AND RELATED PROPOSALS; METERS BURIED AT GEHAN TOWNHOME SITE

Managers Lisa Torres and Andrew Hunt discussed the manager's report as included in the agenda package.

Ms. Torres pointed out the 28.39% water loss. Ms. Torres discussed the water loss within the District and noted it is a priority to get to the bottom of the loss. This appears to be a major water loss in the District of approximately 40,000 gallons a day. Crossroads has operators on the ground looking for leaks, etc. Mr. Hunt discussed sound testing.

President Marvin Morgan discussed all the prior testing and expense the District conducted. Vice President Sean Denton commented that he cannot believe the District is back in this position.

All agreed that once the Badger system is completing up and running, the water loss can be measured in real time.

There was discussion on the fire hydrant being hit on Robert S. Light Boulevard. This will create a water loss issue for the next meeting period. The leak caused the Plum Creek EST to drain. Mr. Hunt will contact the fire department to see if they have any additional information to share on the fire hydrant.

#### 16. WATER METER VIOLATIONS AT 16 AMBER FIELDS TRAIL

Manager Lisa Torres reported that an operator at Crossroads was on the ground at the Harvest Meadows location and found straight pipes on a water meter at 16 Amber Fields Trail. After discussion, Manager Andrew Hunt believes the Gehan construction manager was previously given misinformation from AWR and the City of Buda. Melanie Hronek with Gehan Homes apologized for the misunderstanding and is fully aware of the situation and that it is not an acceptable practice. After discussion, President Marvin Morgan entertained a motion. Motion was made by John Fowler and seconded by Sean Denton to agree to no action against Gehan Homes for the straight piping of the water meter and waive the penalties in connection with violation of the District's rules. The motion carried unanimously.

#### 17. BADGER SOFTWARE LICENSE AGREEMENT

Attorney Bill Flickinger reiterated that the Badger attorneys recommended waiting until all the information has been transferred to proceed with the License Agreement. However, he still has not seen a draft agreement. Manager Andrew Hunt advised that the information has been transferred. He will reach out to Badger on the status of the License Agreement.

#### 18. INTERLOCAL AGREEMENT WITH THE CITY OF BUDA FOR PLUMBING INSPECTIONS WITHIN THE DISTRICT

Since there has been no further contact from the City of Buda on this item, it will be removed from the agenda.

#### 19. ADJOURN

President Marvin Morgan adjourned the meeting.

*Marvin B. Morgan*

Marvin B. Morgan, President  
South Buda WCID No. 1

ATTEST:



Dante Angelini, Secretary  
South Buda WCID No. 1

[SEAL]