

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 July 21, 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 Morgan - President  
Sean Denton – Vice 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 Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, David Gray and Herb Edmonson with Gray Engineering, Inc., David Berrier with Berrier & Company, P.C., Grant Gist with The Meadows at Buda, Lisa Torres with Crossroads Utility Services, LLC, Dan Wegmiller with Specialized Public Finance Inc. and Melanie Hronek with Gehan Homes.

3. PUBLIC COMMENTS

No public comments were made.

4. MINUTES OF PRIOR MEETINGS

President Marvin Morgan entertained a motion for approval of the Minutes. Motion was made by Jeff Barton and seconded by John Fowler to approve the June 16, 2021 meeting Minutes as presented. The motion carried unanimously.

5. 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
  - a. Status of Robert S. Light Boulevard culvert clean up

Grant Gist reported that he is still under contract with the medical group for the 4-acre tract.

Mr. Gist stated that he has received feedback on the culvert cleanout.

Melanie Hronek updated the status of the townhome project. Phase 1 is close to selling out. There were 14 units started in Phase 2. The amenity center is under construction and should be completed by September/October.

\*\*President Marvin Morgan moved to Item No. 12.\*\*

12. REFUNDING BONDS

Financial Advisor Dan Wegmiller discussed the refunding bonds and/or using the fund balance to pay off the District's debt early. The 2014 bond issue will be callable in August. Next year, the 2013 and 2015 issues will be callable. There was discussion of using the debt fund balance next year to pay off the 2013 series. President Marvin Morgan would like to talk to the auditor on the 2013 road bonds. As the Board is aware, the District gets no credit for this issue. Vice President Sean Denton discussed the operations fund and debt service fund balances. No action was taken on this item.

\*\*President Marvin Morgan moved to Item No. 6.\*\*

6. ANNUAL INSURANCE RENEWAL DOCUMENTATION SUBMITTED BY AJ GALLAHER

Attorney Matt McPhail discussed the District's annual insurance renewal with the Board. The annual premium has increased by \$1,000. After discussion, President Marvin Morgan entertained a motion. Motion was made by John Fowler and seconded by Sean Denton to approve the annual insurance as presented. The motion carried unanimously.

7. 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 with the Board. The District's bond payments will be due in August. President Marvin Morgan would like a spreadsheet containing what bond payments are due for what series. Mr. Berrier will prepare it and send it to President Morgan for his use. There was also discussion of the interest rate for the TexPool account.

After discussion of the financials, President Morgan entertained a motion. Motion was made by Sean Denton and seconded by John Fowler to approve the financials, invoices and per diems. The motion carried unanimously. Motion was then made by Sean Denton and seconded by John Fowler to authorize the transfers from BBVA to the District's operating account. The motion carried unanimously. Motion was also made by Jeff Barton and seconded by Sean Denton to approve the bond payments as discussed. The motion carried unanimously. Lastly, motion was made by John Fowler and seconded by Jeff Barton to approve the Quarterly Investment Report as presented. The motion carried unanimously.

8. ENGAGEMENT LETTER SUBMITTED BY MAXWELL, LOCKE & RITTER FOR THE DISTRICT'S ANNUAL AUDIT

Attorney Matt McPhail discussed the annual audit engagement letter. This is the standard letter issued each year. The rate was increased by \$500. After discussion, President Marvin Morgan entertained a motion. Motion was made by John Fowler and seconded by Jeff Barton to approve the audit engagement letter submitted by Maxwell, Locke & Ritter as presented. The motion carried unanimously.

9. RESOLUTION REGARDING ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY AND INVESTMENT STRATEGIES

President Marvin Morgan discussed the annual review of the District's investment policy. There are no recommended changes at this time. President Marvin Morgan entertained a motion. Motion was made by John Fowler and seconded by Jeff Barton to adopt the Resolution Regarding Annual Review of District Investment Policy and Investment Strategies as presented. The motion carried unanimously.

10. 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 some issues with the District's landscaper regarding mowing. Mr. Gray is disappointed with their performance. There are additional areas that need to be included in the landscape contract, such as the drainage channel near the QT project. Mr. Gray's office will communicate with Sunscape on their performance and contract amendment.

In regard to the Marlstone Retail Center, there was a connection to the wastewater manhole.

Mr. Gray stated that he has not received any updates from the TCEQ on the surplus bond application since it was declared administratively complete in March.

11. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 10<sup>TH</sup> BOND ISSUE

Engineer David Gray reported that the bond application was declared administratively complete by the TCEQ. No other information is available at this time.

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

This item was not discussed.

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

Herb Edmonson submitted an invoice from G Tex S for the fencing project around the Stonefield pond. The invoice was in the amount of \$26,190. President Marvin Morgan entertained a motion. Motion was made by John Fowler and seconded by Sean Denton to approve the invoice as submitted. The motion carried unanimously.

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

This item was not discussed.

16. 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

Manager Lisa Torres discussed the Manager's Report with the Board.

The District has 734 connections.

Ms. Torres reported the District had a 30.64% water loss. Vice President Sean Denton expressed his concern. President Marvin Morgan advised that he calculated a 19% loss and will review all the information in further detail. Ms. Torres indicated that there is still an issue with the master meter vault. Herb Edmonson advised that pump is still under warranty.

There was one write-off in the amount of \$33.72.

17. LEGISLATIVE UPDATE

Attorney Matt McPhail discussed the legislative update with the Board.

Mr. McPhail will provide any requested Bills to the Board and will provide information on hybrid meetings.

15. REQUEST FOR RECOMMENDATION BY THE DISTRICT FOR WILLATT & FLICKINGER, PLLC

Attorney Bill Flickinger asked the Board to consider providing a letter of recommendation for his firm. After discussion, President Marvin Morgan entertained a motion. Motion was made by Sean Denton and seconded by John Fowler to authorize President Marvin Morgan to provide a letter of recommendation for Willatt & Flickinger, PLLC. The motion carried unanimously.

16. ADJOURN

President Marvin Morgan adjourned the meeting.



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

ATTEST:



Dante Angelini, Secretary  
South Buda WCID No. 1

[SEAL]