

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 August 18, 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, Jeniffer Concienne and Hunter Hudson 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 Greg Shields with Orrick Herrington and Sutcliff.

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 Sean Denton and seconded by Jeff Barton to approve the July 21, 2021 meeting Minutes as presented. The motion carried unanimously.

5. PROPOSED BUDGET FOR 2021/2022

Bookkeeper David Berrier and Vice President Sean Denton discussed the draft budget. The budget is still a work in process and will be ready for adoption at the September meeting.

6. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2021 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Financial Advisor Dan Wegmiller discussed the debt service rate. Due to the developed status of the District, the tax rate will need to stay below 3.5%. The proposed tax rate for M&O is \$.1950 and the debt rate is \$0.6950. This will lower the overall rate from \$.90 to \$.89. After discussion, President Marvin Morgan entertained a motion. Motion was made by Sean Denton and seconded by Jeff Barton to adopt the Order Setting the District's Proposed Tax Rate for 2021. The motion carried unanimously. Motion was then made by Sean Denton and seconded by John Fowler to provide for Publication of Notice of Public Hearing on the Tax Rate. Jeff Barton abstained from the vote. The motion carried.

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

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

Grant Gist reported that he is no longer under contract with the medical group for the 4-acre tract.

Mr. Gist stated that they are still working on the drainage channel clean-up. However, no action has been taken, just talking about it with the appropriate entities.

8. AMENDMENT TO LANDSCAPE MAINTENANCE AGREEMENT WITH SUNSCAPE LANDSCAPING, LLC

Engineer David Gray reported that the City of Buda required maintenance of the channel upstream and adjacent to the QT site. Kut & Kleans can maintain that area in a quick manner. Mr. Gray contacted President Marvin Morgan for authorization to get that area maintained.

Mr. Gray advised that they have filed a LOMER request with FEMA to modify the flood plain by the culvert on RSL Boulevard, downstream to I-35. This would remove the floodplain in the 4-acre tract that Grant Gist mentioned above. After discussion, motion was made by Jeff Barton and seconded by John Fowler to ratify maintenance of that area by Kuts & Kleans in an amount of \$1,450. The motion carried unanimously.

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

Bookkeeper David Berrier discussed the financials with the Board. Mr. Berrier still has not received the current Monarch invoice. President Marvin Morgan asked if all the prior Monarch checks have been cashed yet. Mr. Berrier advised they have not. After discussion of the financials, President Morgan entertained a motion. Motion was made by Sean Denton and seconded by Jeff Barton to approve the financials. The motion carried unanimously. Motion was then made by Sean Denton and seconded by Dante Angelini to approve payment of the invoices and per diems 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 advised that the start of construction at the QT Travel Center is pending final approval of the plans by the City of Buda.

Construction of the wastewater facilities has started for the Marlstone Retail Center over in Stonefield. Mr. Gray's office approved a change to the plans for a portion of the new wastewater line to avoid interference with other improvements. This project will be served by Goforth WSC.

TCEQ approved the surplus bond funds application on July 21st. After discussion, motion was made by Sean Denton and seconded by John Fowler to approve the surplus transfer of \$241,930 to the District's general fund to pay for expenses related to the lift station project. The motion carried unanimously.

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

Engineer David Gray reported that the bond application was in the review process at the TCEQ. It is hoped that this issue will be funded by the end of the year.

12. ORDER AUTHORIZING THE ISSUANCE OF REFUNDING BONDS AND ENACTING OTHER PROVISIONS RELATED THEREOF

Financial Advisor Dan Wegmiller discussed the 2014 refunding issue. This will be a savings of approximately \$220,000 over the life of the debt. Bond Counsel Greg Shields discussed the Order Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official Statement; Authorizing the Execution of a Bond Purchase Agreement; Establishing Procedures for Selling and Delivering the

Bonds; And Authorizing Other Matters Related to the Issuance of the Bonds. After discussion, President Marvin Morgan entertained a motion. Motion was made by Jeff Barton and seconded by John Fowler to approve the Order as presented. The motion carried unanimously.

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

This item was not discussed.

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 741 connections.

The water loss came in at 29.27% this reporting period. There has been 1.9 million gallons of water that has been unaccounted for since May. President Marvin Morgan discussed the water loss. There was discussion of this being a billing error or water theft from the construction area. It was also noted that the apartment complex is not showing up on the dashboard. Ms. Torres will look at that to determine the problem.

There are two write-offs totaling \$748.47.

Ms. Torres advised that she will need an updated impact fee list to provide to the QT Travel Center.

17. VIRTUAL MEETINGS

President Marvin Morgan discussed in-person board meetings beginning in September.

18. 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]