

CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
Minutes of October 18, 2018

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 Texas Engineering Solutions, LLC, Barton Creek Plaza III, Suite 300, 3815 South Capital of Texas Highway, Austin, Texas 78704, at 12:00 noon on October 18, 2018.

The roll was called of the members of the Board of Directors, to-wit:

| | | |
|------------------|-----------------|------------|
| Gene Darling | Ronald den Hoed | Joe Peeler |
| Joanne Molinyawe | Tony Salinas | |

All of said Directors were present, except Director Peeler, thus constituting a quorum. Others in attendance included Jeff Monzingo, of Montoya & Monzingo, LLP; Hank Smith and Xavier Garza of Texas Engineering Solutions, LLC; Kevin Spencer, of R.W. Harden & Associates, Inc., Hal Lanham, Brett Lanham, and Bettina Bell, of AWR Services, Inc.; Cody Greaney of Landscape and Business Services, LLC; and Richard Hamala and Jonathan Cochran, of Tiemann, Shahady & Hamala, P.C. Others in attendance included Rick Shute, a resident of the District.

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. Public comments.

None.

3. Consider and take action to award a hydrologist contract to evaluate the District's wells and aquifer.

Director Darling stated that he believes the District should get an outside opinion to determine if the District will have to drill additional wells in preparation of the future District expansion. He went on to inquire if the potential additional wells will be productive? Answers to these questions illustrate the need for a hydrologist opinion, Director Darling concluded.

Director Molinyawe inquired as to the chance the District will have to drill additional wells. Mr. Smith stated that Lake Travis ISD will pay for two District wells to provide water to Lake Travis ISD schools, such as the current elementary school and future schools. With those two wells provided by Lake Travis ISD, coupled with the WTCPUA interconnect, the District may not have to drill additional wells. As there is no school in the summer, the District's residents will benefit in the summer months when there is less water to go around and watering restrictions are in place.

Mr. Smith went on to say that moving forward, the District should rehabilitate two or three wells at a time in winter months; take the time to test and clean the wells, ultimately to achieve the maximum production possible.

Mr. Hamala added that a lawyer for the WTCPUA said that with the proposed interconnect, there will likely be no continuous flow. Therefore, if the District needs the water from the interconnect, it will have to release the valve, clear the line (of millions of gallons of water) and then fill up District tanks.

Director Darling stated that the District has more than \$200,000,000 invested in homes and infrastructure; therefore it's worth spending \$15,000 for the outside hydrologist opinions as to the status of the District wells and aquifer. Director Salinas inquired as to what data/additional value the hydrologist can provide that's new, beyond what Mr. Vickers has previously provided. Director Darling added that since he moved in, the District has steadily been running out of water. Mr. Smith stated that there is no static level for the aquifer; it fluctuates. Mr. Smith added that in terms of the hydrologist, more information is always good, but there might not be much more information to gain. Director Darling said he would like to know the current aquifer level as compared to 15 years ago. Mr. Lanham reiterated that new information is always welcome; the truth of the matter is that water is not plentiful in West Cypress Hills; he's known Mr. Vickers a long time and has confidence in his assessments.

Director Salinas then asked to hear from Mr. Spencer. Mr. Spencer stated that he will take a micro and macro approach: first the micro, by studying the wells inside the District; then macro, by studying wells outside the District, within the region. Mr. Smith said that Mr. Vickers at WellSpec has all the records for the Districts wells and water. Mr. Spencer said having those organized records at hand will cut that part of the cost down to about \$10,000. Mr. Smith added that the District has a SCADA system that one can log into and look back in time for well analysis. This will be very helpful. Mr. Lanham added that there is a probe on every well, which will provide quite a bit of data.

Mr. Spencer stated that once the data is collected and assembled, he will create a model in which various factors may be manipulated. For example, shutting down a well to see how it affects the production of the other wells; if the other wells will see an increase in the GPM output. Mr. Spencer said the study should take about thirty days once he has all the applicable data. Mr. Smith added that the District may need a few more wells, with the interconnect, and with the two wells paid for by Lake Travis ISD, and we'll have to wait and see. Mr. Hamala inquired as to if the model is something Mr. Spencer's firm will own. Yes, Mr. Spencer said, the model is captive of his firm, but the District will own the output information generated by the model. Director Salinas said he's now ok to move ahead with the study after getting all the information.

Director den Hoed made a motion to approve the award of a hydrologist contract to evaluate the District's wells and aquifer; the motion was seconded by Director Salinas, and unanimously carried by the Board.

6. Receive report and take action as necessary regarding mowing and the removal of dead trees and brush piles on District-owned land.

Mr. Greaney addressed the Board. Mowing has been a challenge due to all the rain, but LBS is cutting everything it can, including most of the irrigation fields; the detention pond has been full of water. One Sola Vista resident on Diamante told LBS staff that LBS used to mow all the way

up to her house on the irrigation fields and now they have stopped. She would like to know why. Mr. Greaney said he will get the address of the Sola Vista resident.

Mr. Greaney also reported sightings of mulch piles, dead trees, limbs, and brush behind 22128, 22136, and 22132 Rose Grass Lane. The Board considered this information and decided to wait until more brush piles accumulate and have LBS do a larger clean up. Lastly, Mr. Greaney reported that LBS has not yet been able to seed because of the rain.

4. Receive report and take action as necessary regarding service to future sections of West Cypress Hills.

Mr. Hamala addressed the Board. The District has given the signed service commitment letter to the developer of the future sections. It will be six to eight months before the start of construction on the first home. Then another six months for home completion. The developer is still negotiating with the proposed buyer, Trendmaker Homes.

5. Consider and take action as necessary to amend the budget for the Fiscal Year 2018.

Mr. Monzingo addressed the Board. He discussed water and sewer revenue, property taxes, greenbelt improvements, and operating revenue. Mr. Monzingo stated that amendments to the budget convey that the District is consistently tracking and monitoring its financial condition.

Director den Hoed made a motion to approve amending the budget for the Fiscal Year 2018; the motion was seconded by Director Salinas, and unanimously carried by the Board.

7. General Manger's Report.

Mr. Lanham reported that 518 customers were billed in September, 2018. The District remains in stage II watering restrictions (once per week for the yard). Due to continued heavy rainfall, normal landscaping services have been delayed. LBS is addressing the scheduled areas when weather permits. A letter has been sent to 22128 Rose Grass Lane regarding the woodchip pile on District property.

Well analysis and repair: Well No. 5: Additional work is recommended by WellSpec to open up the water slots in the casing. Acidizing of the well did not significantly increase water production. Well No. 9: the steel well casing is highly corroded and a low producer at 5 to 9 GPM. Due to the deterioration of the well casing, additional work is not recommended by WellSpec. Wells No. 1, 4, and 6: these wells have steel casing; WellSpec believes the slots in the casing are blocked due to minerals and corrosion. They have a process they believe will clean out the slots.

Transducer installation: Mr. Lanham reported that all new well transducers have been installed and the new SCADA system software has been updated for all the well controls. The District now has two months' worth of well production information on the new back wells from the time of installation. The SCADA system well production information may now be utilized by Mr. Spencer in creating the District model for well and aquifer analysis.

8. Consider and take action regarding the maintenance agreements for District generators.

Mr. Lanham addressed the Board. In regard to backup power and generator maintenance: AWR received proposals from HOLT Cat which contain comprehensive generator maintenance and extensive equipment testing as part of their service. The service plan the District currently implements is the most economical, for which HOLT Cat does one service check per year. AWR recommends the District upgrade to a level 3 service plan. With an upgrade to the level 3 service plan, the District will get quarterly service inspections. Director den Hoed made a motion to approve the level 3 HOLT Cat service for all five District generators, and a \$3,000 payment to HOLT Cat for the back-transfer pump; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

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

Cypress Ranch Blvd. at Verbena Parkway well access: in regard to District maintenance, Mr. Lanham said that the barricades at Cypress Ranch Boulevard and Verbena Parkway are damaged; unauthorized persons are accessing District property with off-road vehicles. As directed by the Board, AWR personnel are working with contractors regarding pricing for installation of a new gate and boulders to help prevent further unauthorized access.

Water leak at Angel's Icehouse: a leak occurred on the District side of the water service meter at Angel's Icehouse and was repaired.

Lift Station maintenance and repair: Mr. Lanham reported that twice a year, grease and other solids from the surface of the wet wells in the lift stations is being removed along with a station wash-down. There have been previous Board discussions regarding pumping the wet wells all the way down to the bottom and removing grit, rocks, wood, and other debris to help extend pump life. Mr. Lanham reported that AWR is obtaining a cost estimate for this more extensive cleaning process.

10. Engineer's Report.

Mr. Smith addressed the Board. In regard to District wells, construction costs, the average cost of a new well is estimated at \$250,000, and the average well flow is estimated at 20 GPM. That's \$12,500/GPM for a new well. Well No. 5 is back in operation, however, it is still pumping down and shutting off intermittently. AWR is working to fine tune the flow out of the well so it can constantly stay on. Well No. 4 is back in operation. TES is coordinating with AWR and WellSpec to produce a Well O&M document that will be followed for all wells moving forward. This document will include a regular maintenance schedule.

11. Receive update and take action as necessary regarding a request to the West Travis County Public Utility Agency to consider providing the District a water supply interconnection.

Mr. Smith addressed the Board. TES has been coordinating with the West Travis County Public Utility Agency regarding the potential construction of an emergency interconnect to their water system. This would include the construction of a 6" to 12" line approximately four miles from Sweetwater. Director den Hoed made a motion to approve the request to the West Travis

County Public Utility Agency to consider providing the District a water supply interconnection; the motion was seconded by Director Molinyawe, and unanimously carried by the Board.

12. Receive report and take action as necessary regarding an easement agreement with Lake Travis ISD for emergency access and the water supply interconnection.

Director Molinyawe made a motion to accept the easement agreement with Lake Travis ISD for emergency access and the water supply interconnection, subject to a review by TSH and TES; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

13. Receive update regarding an application to the Texas Commission on Environmental Quality for an alternate capacity requirement.

Mr. Smith addressed the Board. He reported that the application has been submitted to the TCEQ and is currently under review. The TCEQ will likely provide the District with its decision in November.

14. Receive update and take action as necessary regarding the awarding of bids for the rehabilitation of the District's wastewater treatment plant.

Mr. Lanham addressed the Board. A final meeting with TES, AWR, and the consultant was held at the site. TES has prepared the front-end documents for bidding and will be advertising for bids as soon as the plans and specs are complete. Due to the lengthy construction schedule, interim repairs to the air-line are recommended by TES and AWR. The consultant is working with AWR to provide bids for the interim repairs. Mr. Lanham reported that AWR will have more information on the wastewater treatment plant rehabilitation project in November.

15. Receive update from the District's Engineer regarding access to irrigation fields within the District.

Mr. Smith addressed the Board. There are no new updates regarding access to irrigation fields within the District.

16. Receive update regarding silt fence locations on District-owned land.

Mr. Smith addressed the Board. New locations of silt fence have been identified after a TES field visit on October 12, 2018. No action was taken to remove silt fence at this time.

17. Consider and take action as necessary to accept facilities for operation and maintenance, and to authorize permit applications, and trail, drainage, and facility maintenance and construction projects as recommended by the District's Engineer.

Director Peeler, though not present at the Board meeting, had an item for the Board to consider, which he passed along to TSH. Director Peeler said, "There is a section of the trail that runs between the concrete path that goes by the drainage pipes at the bottom of the hill on Cypress Ranch Boulevard, and below the school up the hill on the school side of the trail that is eroding. There is a five to six-inch gully that is forming and it runs about thirty feet." Director Peeler feels the, "Board should decide whether or not it is time to put in a concrete extension from the existing concrete up the hill for about thirty feet to prevent more erosion."

Mr. Smith said that a possible solution is to extend the concrete trail for about thirty to sixty feet. TES confirmed the trail erosion on a field visit on October 12, 2018. TES will walk the entirety of the trails and come back with a recommendation for the Board to consider.

18. Consider and take action to ratify and/or approve pay estimates and change orders for construction projects as recommended by the District's Engineer.

None.

19. 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.

Director Salinas made a motion to approve the payment of bills and invoices and funding of Manager's account; the motion was seconded by Director den Hoed, and unanimously carried by the Board.

20. Discuss and take action regarding future meeting dates, and such other matters as may come before the Board.

The next Board meeting will be held on Thursday, November 15, 2018.

21. Adjourn.

APPROVED November 15, 2018



Joanne Molinyawe, Secretary