

CYPRESS RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
Minutes of August 17, 2017 Meeting

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 S. Capital of Texas Hwy., Austin, Texas 78704, at 12:00 noon on August 17, 2017. A copy of the notice of meeting is attached hereto.

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	

And all of said persons were present except Director Peeler, thus constituting a quorum. Also in attendance were Jeff Monzingo representing Montoya & Monzingo, LLP, Hank Smith and Justin Lange representing Texas Engineering Solutions, LLC, Brett Lanham representing AWR Services, Inc., Garry Kimball representing Specialized Public Finance, Inc., and Richard Hamala representing Tiemann, Shahady & Hamala, PC.

The Board reviewed the minutes of the meeting held on June 15, 2017. Upon a motion by Director den Hoed, seconded by Director Molinyawe, and unanimously approved, the Board approved the minutes of the prior meeting.

Director Darling noted that debris needs to be cleared from the trails. Director den Hoed asked about the status of installing missing sidewalks.

Jeff Monzingo presented a proposed budget for the fiscal year beginning October 1, 2017. The budget was based on tax rates recommended by Garry Kimball, of \$0.75/\$100 for debt service and \$0.15/\$100 for operation and maintenance. Garry Kimball explained that the district debt service account is overfunded with about \$300,000 of extra funds. Also, Mr. Kimball explained that there may be no additional bond issues unless new subdivision sections are constructed. Mr. Hamala presented a proposed notice of public hearing on tax rate, along with a written explanation of the District's tax rates. Upon a motion by Director den Hoed, seconded by Director Salinas, and unanimously approved, the Board proposed a tax rate of 90 cents for tax year 2017, comprised of a \$0.75 debt service tax rate and \$0.15 O&M tax rate, and authorized providing notice of a public hearing on the proposed tax rate for tax year 2017 by publication and by mailed notice, with the public hearing to be held on September 21, 2017, at 12:00 p.m. at the offices of Texas Engineering Solutions.

Mr. Monzingo suggested a few changes to the current budget to more accurately reflect water hauling and meter expenses and contractual capacity fees and insurance revenues. Director Darling suggested changing the label for the wildfire mitigation items to "greenbelt improvement." Upon a motion by Director Salinas, seconded by Director den Hoed, and unanimously approved, the Board approved amending the current budget as proposed by Mr. Monzingo and Director Darling.

Brett Lanham presented and discussed the items listed in the General Manager's report. Water loss for June and July was only 2%. The new wastewater treatment blower has been installed.

Mr. Lanham requested authorization to purchase additional electronic water meters. Upon a motion by Director Salinas, seconded by Director Molinyawe, and unanimously approved, the Board approved purchasing thirty 3/4" meters and twenty 5/8" meters at a cost of approximately \$20,170.

Director Molinyawe suggested that AWR Services should manage the work that will be done by Landscape and Business Services.

Director Darling noted that water from an adjacent yard is running into meter vault that serves Colina Commerce Park. AWR Services will investigate the source of the water.

Next the Board considered the capability of the District's water system. Director noted that the water tank was full on a Thursday, but very low levels were experienced over the weekend causing a need for water hauling. Justin Lange explained that several factors contributed to the high demand: a leak in the pool piping, Colina Commerce Park using the fire-flow side of the meter with the regular-flow side shut off, and high landscaping usage. Upon a motion by Director den Hoed, seconded by Director Salinas, and unanimously approved, the Board directed AWR Services to coordinate with the HOA to replace the meter at the swimming pool with a smaller electronic meter. AWR services was also directed to send the directors ground storage tank level readings using blind email messages.

Justin Lange presented a report on the water system capability. Mr. Lange noted that recently a builder in Sola Vista used 600,000 gallons in two days. The Board directed that at the next meeting the Board should consider amending the deposit, rates, and terms for the builders' variance. Mr. Lange explained that the wells have a combined capacity of 225 gpm, and average usage is 180 gpm. TES is considering having the existing wells cleaned to improve water production. Director Darling noted that are 63 empty constructed lots, and 34 potential lots. The Board directed that TES obtain a proposal from a hydrogeologist to be considered at the next meeting.

Brett Lanham explained that adding a few meters to the water supply system will help monitor water use. Adding an 8" meter and vault at the ground storage tank for a total cost of \$10,000 is one option. Also, the 6" chlorine dosing meter needs to be replaced at a cost of \$4427 plus installation costs. Upon a motion by Director den Hoed, seconded by Director Salinas, and unanimously approved, the Board authorized replacing the chlorine dosing meter.

Mr. Lanham requested that a process or subcommittee be created to review and approve operating and mowing invoices between meetings. The board directed that next month, the bookkeeper resolution should be amended to authorize payment of operating and mowing invoices between meetings.

Upon a motion by Director den Hoed, seconded by Director Salinas, and unanimously approved, the Board ratified and approved the previously paid emergency water hauling invoices in the aggregate amount of \$54,918.

Justin Lange presented the Engineer's Report. Mr. Lange noted the following items:

- Construction is completed on West Cypress Hills Phase I Section 5 and Section 6. The projects are being closed out with Travis County and LCRA.
- LCRA is requiring the repair of erosion along a lift station access road.
- Work on wastewater treatment plant improvements is proceeding.
- The final amended wastewater treatment permit was received from TCEQ.
- LTISD has signed a proposal for TES to design the LUEs of capacity needed for the proposed high school.
- The access easement on Rock Wren has been revegetated by Landscape and Business Services.

Upon a motion by Director Salinas, seconded by Director Molinyawe, and unanimously approved, the Board approved hiring Landscape and Business Services to repair erosion along the lift station access road for a cost of \$2,588.

The Board considered pay applications and change orders on pending projects. Upon a motion by Director Molinyawe, seconded by Director Salinas, the board unanimously approved pay applications and change orders as recommended by TES as shown below:

TTE, LLC		
Raw Water Tank	Pay App 3	\$108,000.00
	Pay App 4	\$209830.38
	Change Order 1	\$3,600.00

Richard Hamala reported that the landscaping contract has been signed with Landscape and Business Services. It was discussed that Landscape Resources has not been taking good care of the water quality median as their contract comes near an end.

Jeff Monzingo presented the bills and invoices that were due to be paid, along with the bank account balances. The Board directed Mr. Monzingo to hold off on paying Landscape Resources until it is confirmed that they have performed the required mowing work. An invoice from wwdengineering was pulled because it is a developer cost. Mr. Monzingo advised that \$15,000 needed to be transferred from the money market account, and \$6,500 needs to be assigned to contractual capacity fees. Mr. Monzingo also presented the investment report for the quarter ending June 30, 2017. Upon a motion by Director Molinyawe, seconded by Director den Hoed, and unanimously carried, the Board approved the payment of the bills, invoices, transfers, and assignments, and the quarterly investment report as presented by Mr. Monzingo.

Mr. Monzingo explained that Pedernales Electric Cooperative was now accepting payments by electronic funds transfer, and that he was requesting permission to set up this form of payment for the District to avoid payment problems that arise from PEC's slow accounting for payments received. The Board directed Mr. Monzingo to proceed with EFT payments to PEC.

Mr. Hamala explained that the approximate cost to increase the District's errors and omissions insurance coverage to \$10,000,000 is \$450. The Board directed that the coverage limit be increased to \$10,000,000 for the 2018 renewal.

The meeting was adjourned with the next meeting planned for September 21, 2017.

APPROVED September 21, 2017.



Joanne Molinyawe, Secretary

