

MINUTES OF REGULAR MEETING
OF
REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT

STATE OF TEXAS §
 §
COUNTY OF HAYS §

A regular meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District was held at 2:00 p.m. on January 19, 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:

Dennis Daniel – President
Terri Purdy – Vice President
Thomas J. Rogers, Jr. - Secretary
Nathan Neese – Assistant Secretary
VACANT POSITION

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, Dennis Lozano, George Murfee and Andrea Wyatt with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Kristi Hester and Ronya Keyes with Inframark, LLC, Mike Moyer with Taylor Morrison, Laura Jones with Maxwell Locke & Ritter, and residents Gary and Eileen Grass.

3. PUBLIC COMMENTS

No public comments were made.

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

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

5. APPOINTMENT OF DIRECTOR TO FILL UNEXPIRED TERM OF OFFICE FOR EILEEN GRASS; STATEMENT OF APPOINTED OFFICER AND OATH OF OFFICE

6. ELECTION OF OFFICERS

There was no discussion on Item Nos. 5 and 6.

7. MINUTES OF PRIOR MEETINGS

President Dennis Daniel had a revision to the November 30th special meeting minutes. After discussion, President Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Nathan Neese to approve the November 30th, December 10th and December 15, 2020 meeting Minutes with the revision as noted by President Daniel. The motion carried unanimously.

8. ANNUAL AUDIT SUBMITTED BY MAXWELL LOCKE & RITTER

Laura Jones with Maxwell Locke & Ritter presented the annual audit and required communications with the Board. The District received a clean, unmodified opinion, which is the best given. All fund balances for the District are healthy. The District is 95% collected on its taxes. There were no difficulties in preparing the audit and there were no misstatements from any parties. After discussion, President Dennis Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Nathan Neese to approve the annual audit as presented, authorize the execution of the Annual Filing Affidavit by the Board President and authorize its filing with the TCEQ and Texas Comptroller. The motion carried unanimously.

9. 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

Mike Moyer reported on the building metrics in the District. This reporting period was slow. There was only one sale since the last board meeting. As of January 11th, a total of 480 homes have been sold, with 441 closings. The average sales price in the District is \$536,505. Mr. Moyer advised that Taylor Morrison only has 5 homes left in the District.

Frank Krasovec provided a written report indicating that he sold one lot to Heyl Homes in early January and gave them the option on the remaining 14 lots for the balance in 2021. It was noted that the Austin area is experiencing a shortage of lots.

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

Engineer Dennis Lozano discussed the pay application from Excel Construction Services, LLC in connection with the wastewater treatment plant expansion. This pay application is for all work performed through December 31, 2020. Mr. Lozano recommended the following:

Pay Estimate No. 1 submitted by Excel Construction Services, LLC in the amount of \$359,550.00 for the wastewater treatment plant expansion project.

After discussion, President Dennis Daniel entertained a motion. Motion was made by Nathan Neese and seconded by Tom Rogers to approve payment of the foregoing pay estimate as presented. The motion carried unanimously.

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

This item was not discussed.

12. 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; USE OF EFFLUENT TO IRRIGATE RIGHTS-OF-WAY; PROPOSALS FROM DISTRICT ENGINEER IN CONNECTION WITH USE OF EFFLUENT TO IRRIGATE RIGHTS-OF-WAY AND TIMELINE FOR SAME

13. WASTEWATER TREATMENT PLANT EXPANSION; WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS

Engineer Dennis Lozano stated that he is leaving Murfee Engineering. George Murfee will be attending the board meetings, along with Andrea Wyatt. Mr. Lozano enjoyed working with the District. Director Nathan Neese thanked Mr. Lozano for all he did for the District.

Mr. Lozano then discussed Items 12 and 13 together.

Mr. Lozano discussed his report as included in the agenda package.

Mr. Lozano confirmed completion of the required maintenance for facilities inspected as a result of the recent bond issue.

Mr. Lozano discussed the wastewater flows. Last month, the flow registered below 100% however, this period it is up again.

The WWTP expansion project is moving along. The modified odor controls measures were completed. Mr. Lozano indicated that resident response showed improvement. However, there was odor reported at the drip field.

There was discussion of the 210 conversation. Field work on this project still needs to be done. MEC will integrate the information in the District's GIS database. MEC will also identify the infrastructure and any additional permitting if more is required.

The Summary Report for the Edwards Aquifer Recharge Zone wastewater line inspections was included with the engineer's report. MEC has asked the contractor, to investigate the alleged intruding seal ring in one of the wastewater lines by performing a pressure test. A pay estimate for the CCTV project from National Works is included in the agenda package for consideration.

Motion was made by Tom Rogers and seconded by President Dennis Daniel to approve Pay Application No. 1 (Final) submitted by National Works, Inc. in the amount of \$53,086.54 for the CCTV project. The motion carried unanimously.

There was discussion of the pump installation back in August after the damage to the lift station and pumps. Once the line was jetted, it moved all the debris down the lines to the lift station causing the damage. The temporary pump that was installed was not to specification. The recommendation now is to replace the pump with a pump to specification. Manager Kristi Hester recommends pulling the second pump and checking it as well.

Attorney Bill Flickinger inquired about the Change Order for the basin cover. Mr. Lozano advised that they are still working on the pricing. As previously stated, covering all the basins present issues. The original estimate for the covers was \$70,000 but now the estimate came back at \$100,000. There are too many issues to state that the covers are a good idea. There was discussion of a metal building to enclose the basins instead of just covers. If the Change Order is going to be considered, it needs to be on the next agenda so that the construction schedule can be kept on track. Mike Moyer advised that it is ultimately the Board's decision on what route to take. Taylor Morrison has committed to pay \$75,000 for the odor control covers. Beyond that amount, Mr. Moyer will have to get further approval by Taylor Morrison. Mr. Lozano indicated that they will keep working on a solution and bring it back to the Board at the February board meeting. Engineer George Murfee advised that he will have a memo for the Board that lists the pros and cons for the options to consider. President Daniel stated that the options are: 1) stay with the current design; 2) add close fitting basin covers; 3) construction of a metal building to cove the plant or 4) pursue action after the expansion is complete. Manager Kristi Hester advised that they will work with Murfee and the committee on this matter. President Daniel would also like to know the financial implications for funding the remaining balance for the basin covers.

14. REVIEW OF DISTRICT EASEMENTS AND LAND NECESSARY FOR DISTRICT OPERATIONS

President Dennis Daniel reported that Engineer Dennis Lozano reviewed all the easements and land and the District's rights to meet responsibilities in full before any transfers. Mr. Lozano stated that after his review, he did not find any gaps in the easements and that it all looked good from his perspective.

There is a difference in the plat notes from the north side and the south side as it relates to common areas and open space. The north side plat states that those areas are the HOA's and District's while the south side states those areas as the HOA's.

Attorney Bill Flickinger advised that he would go back through Mr. Lozano's analysis of the easements. Mr. Flickinger reported that the HOA's attorney, Bob Burton would like to meet to discuss the conveyances. President Daniel asked that after Mr. Flickinger meets with Mr. Burton, to come back to the Board next month with a report.

Mike Moyer would like to know which way the conveyances will go, to the HOA or the District. President Dennis Daniel said the ultimate goal is to preserve the water quality within the District.

Mr. Moyer asked about the drainage easement for the last pond in Phase 3, Section 3. The plat notes do not indicate who it is assigned to. There is a possibility that an easement will be needed for that area.

15. TIMING OF DEVELOPER REIMBURSEMENT FROM PROCEEDS OF LAST BOND ISSUE

Attorney Bill Flickinger advised that he is working on this matter.

16. PUBLIC SAFETY FOR RECREATIONAL USE ON DRIP INFILTRATION FIELDS

President Dennis Daniel and Manager Kristi Hester discussed the proposed signage for the irrigation fields. The fields are sub-surface so there should not be any pooling of water. Director Terri Purdy discussed her recommendations for the signage. Mrs. Hester will rework the signage and get with Ms. Purdy to finalize.

17. UTILITY CONVEYANCE AGREEMENT BETWEEN REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT AND TAYLOR MORRISON OF TEXAS, INC.

Attorney Matt McPhail discussed the Utility Conveyance Agreement between the District and Taylor Morrison. Mr. McPhail stated that each time facilities are reimbursed, the developer transfers title from the facilities to the District. Phase 2-4 and Phase 3-2, 3 and 5 facilities were reimbursed from the last bond issue. After discussion, President Dennis Daniel entertained a

motion for approval. Motion was made by Nathan Neese and seconded by Terri Purdy to approve the Utility Conveyance Agreement as presented. The motion carried unanimously.

18. COMMITTEES – ASSIGNMENT AND MEMBERSHIP

19. COMMITTEE REPORTS

- A. Trails/Water Quality
- B. WTCPUA (Nathan & Dennis)
- C. Wastewater Treatment Plant Improvements and Odor Control (Dennis & Terri)
- D. Communications (Terri & Dennis)
 - i. Communication channels with customers/residents; website modifications, including posting District documents on website.
 - ii. Proposal for e-blast options.

Items 18 and 19 were discussed together.

Director Terri Purdy advised she is getting up to speed on the District's communications. Ms. Purdy is working on a Q&A with Doug Wolfe with HOA. The Q&A will include information on the District/HOA and conveyances of land. The Q&A is in draft form and not ready for distribution. There was discussion of using an eblast option on the District's website as a tool for the residents to stay connected with District information. The proposal from Sommers Marketing was included in the agenda package for consideration. After discussion, motion was made by Terri Purdy and seconded by President Dennis Daniel to approve the eblast proposal as presented. The motion carried unanimously.

20. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant; Odor Control Measures and Complaints; All actions necessary to bring the wastewater treatment plant into compliance with TCEQ permit and to mitigate odor problems
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution & Collection System & Lift Stations
- F. Billing Adjustments
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints
- J. Stormwater conveyance and pond maintenance
- K. Landscaping
- L. Notices to residents on water quality
- M. Notice of Violations Issued by TCEQ dated August 5, 2019; Exit Interview from TCEQ site visit of July 10, 2020; TCEQ Notice of Enforcement for Compliance Evaluation Investigation; dated September 25, 2020

- N. Maintenance Items in connection with Pre-Purchase Inspection Letter submitted by TCEQ
- O. Out of District Water/Wastewater Service Requests
- P. Policy Regarding Use of Greenspace and other District Property

Manager Kristi Hester discussed the Executive Summary with the Board.

The District currently has 496 active connections. 5.6 million gallons of water was purchased for the reporting period. The District had 99.52% water accountability this period. Mrs. Hester reported 12 delinquent letters were mailed out, however there were no disconnects of water service and no payment plans were requested.

Flows at the wastewater treatment plant totaled 1.71 MG, which averages 55,000 GPD. Plant capacity is over again at 110%.

Mrs. Hester advised that the Erosion Control and Pond Inspection report was included in the agenda package. Inframark has hired a detention/retention pond specialist, which will be very helpful.

Mrs. Hester discussed replacing the original lift station pump #1. The pump being used now could be used as a spare. Having a spare pump is beneficial for the District. The cost for a new pump is \$15,000. President Daniel asked about renting pumps instead by purchasing them. He is hesitant about the expenditure at this time. Mr. Daniel asked that an item be placed on the next agenda to discuss pump rentals in more detail. No action was taken.

21. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 20 ABOVE

This item was not discussed.

22. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS

Bookkeeper Allen Douthitt discussed the financials with the Board. Today's consideration will include payment of vendor invoices, per diems, fund transfers and payment of the pay application as discussed in the engineer' report. After discussion, President Dennis Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Nathan Neese to approve payment of the vendor invoices, pay application and per diems and approval of the fund transfers as presented. The motion carried unanimously.

23. RATE ORDER

This is standing item. No discussion was had.

24. FINES AND CHARGES TO BUILDERS AND CONTRACTORS FOR DAMAGE TO LIFT STATIONS AND PUMPS DUE TO TRASH AND DEBRIS

Attorney Bill Flickinger discussed the damage to the lift station and pumps due to trash and debris from the contractors. The debris was pushed through the lines after the jetting of the line occurred. It appears that the costs are upwards to \$30,000 for repairs.

President Dennis Daniel announced that the Board of Directors will go into closed session for consultation with the District's attorney pursuant to Section 551.071 of the Texas Government Code regarding matters related to Agenda Item No. 24. The Board went into closed session at 3:41 p.m.

At 4:11 p.m., President Daniel announced that the Board of Directors had concluded its closed session and was returning to open meeting, and that no action was taken during the closed session.

Director Tom Rogers did not return to open session.

Motion was made by Nathan Neese and seconded by President Dennis Daniel to authorize the filing of a preliminary notice with the District's insurance carrier, AJ Gallagher for a claim of equipment failure. The motion carried unanimously.

25. ADJOURN

President Dennis Daniel adjourned the meeting.



Dennis Daniel, President
Reunion Ranch WCID

ATTEST:



Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]