

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

STATE OF TEXAS §
 §
COUNTY OF HAYS §

A special meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held at 3:00 p.m. on January 23, 2025 at Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Ste. F-232, Austin, Texas 78738, pursuant to notice duly given in accordance with law.

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 B. Daniel – President
John Genter – Vice President
Gary Grass – Secretary
Mark Olson - Assistant Secretary
Eric Hart – Assistant Secretary

thus, constituting a quorum. All Directors were present.

Also present at the meeting were Hunter Hudson and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dragan Sonnier and ElizaBeth Reeves with Inframark and Chris Rosales with Murfee Engineering Company.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Allen Douthitt with Bott & Douthitt, PLLC and Laura Jones and Rebecca McAnally with Maxwell Locke & Ritter.

3. PUBLIC COMMENTS

No public comments were made.

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

Attorney Bill Flickinger reported that this notice is put on the first agenda of each year. No action is required, it is a notice requirement only. If a petition is filed with the TCEQ, the

Board of Directors would then consider it. President Dennis Daniel noted that if residents wish for the Board to meet within the District, the Board will consider it and if it is not possible, then the Board can consider meeting within 10 miles of the District boundary. Currently, the Board records its meetings via Zoom so to be accessible to residents.

5. MINUTES OF PRIOR MEETINGS

President Dennis Daniel had revisions to the minutes. After discussion, he entertained a motion.

Motion: Approve the December 17, 2024 meeting minutes as revised.

Motion by: Assistant Secretary Mark Olson

Second by: Vice President John Genter

The motion carried unanimously.

6. UPDATES REGARDING REUNION RANCH HOA MATTERS

President Dennis Daniel noted that an HOA representative is not available. Vice President John Genter had nothing to add.

7. ANNUAL AUDIT SUBMITTED BY MAXWELL LOCKE & RITTER

President Dennis Daniel asked Laura Jones to provide a brief presentation of the audit and will then ask the District's Finance, Budget & Audit committee if they have any comments or concerns before Board discussion is had.

Laura Jones addressed the Board and gave an overview of the District's audit. There were no significant changes from last year. The District was given a clean, unmodified opinion, which is the highest level given. There was discussion of the District's fund balance, capital funds and long-term debt that includes the bond information. There was a positive variance in the District's fund balance. The District's taxes were 99.3% collected and the health of the District is in great shape. Laura Jones discussed the required governance communications and advised there were no difficulties or disagreements with management in preparing the audit and thanked Bott & Douthitt, PLLC for their continued work.

The District's Finance, Budget & Audit committee stated they have reviewed the draft audit and had no issues or concerns. Vice President John Genter noticed the District's tax collection was trending a bit lower than past years and stated that the District should keep an eye on it. There was discussion of the ability of deferring taxes or residents being on payment plans, which could account for the lower collection figure. Bookkeeper Allen Douthitt will take a look at the information that Hays County provides on tax collections/delinquencies. Bookkeeper Allen Douthitt thanked Maxwell Locke & Ritter as well and the Board thanked both Maxwell Locke & Ritter and Bott & Douthitt, PLLC once again for all their efforts on the District's annual audit.

After discussion, President Dennis Daniel entertained a motion.

Motion: Approve the District's audit and authorize the execution and filing of the Annual Filing Affidavit.

Motion by: Secretary Gary Grass

Second by: Assistant Secretary Eric Hart

The motion carried unanimously.

8. FINANCIAL REPORTS AND REQUEST FOR AUTHORIZATION FOR PAYMENTS OF BILLS

Bookkeeper Allen Douthitt reported that he met with the Finance, Budget & Audit committee yesterday in preparation for his absence today. However, he was able to attend today's meeting so he will go through the financials with the Board. This reporting period goes through November. There was discussion of the sewer maintenance and engineering variances. Some of the engineering will need to be re-categorized due to the 210 irrigation project. Bookkeeper Allen Douthitt stated that he went through the Inframark work orders and Manager Dragan Sonnier will provide additional detail on the charges. Manager Dragan Sonnier provided a report to the Finance, Budget & Audit committee for review. He is still working on some of those details and will continue to work with the committee. President Dennis Daniel discussed all of the overages. Manager ElizaBeth Reeves stated that Inframark will review the line items and be sure that all costs are coded correctly and will do a better job of communicating to the District's bookkeeper on coding Inframark's items. Bookkeeper Allen Douthitt reported on the District's tax levy. The values held up and came in a bit higher than what the District used during its budget/tax rate adoption, so that is good news.

Assistant Secretary Eric Hart noted that the Finance, Budget & Audit committee has not yet been able to review the December invoice from Inframark and that payment is scheduled to be considered today. That invoice will be held back pending committee review.

After discussion, President Dennis Daniel entertained the following motion.

Motion: Approve the District's financials and authorize payment of vendor invoices, per diems and authorize six (6) fund transfers as discussed, except for payment to the LCRA, and including delegation to the Finance, Budget & Audit committee to review and approve the December invoice from Inframark.

Secretary Gary Grass asked about a timeframe for review of the December invoice so that it does not back up Bookkeeper Allen Douthitt's schedule. Bookkeeper Allen Douthitt stated that Inframark's December invoice payment is a separate check so Bott & Douthitt can hold the check until the committee greenlights the payment. The committee and Inframark will set a meeting up next week to review the charges.

Motion by: President Dennis Daniel
Second by: Secretary Gary Grass
The motion carried unanimously.

Vice President John Genter entertained the following motion:

Motion: Ratify and confirm payment to the LCRA as previously approved by Secretary Gary Grass.

Motion by: Secretary Gary Grass
Second by: Assistant Secretary Eric Hart
President Dennis Daniel abstained. The motion carried.

9. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. Amendment to Rate Order
- c. Overall plan to improve wastewater plant efficiency and effluent irrigation
- d. Contract for Phase II of effluent irrigation improvements
- e. Enforcement of drought, erosion control and pool restrictions
- f. Committee Reports
 - i. Communications
 - ii. Operations
 - iii. Land Use & Water Quality
 - iv. Finance, Budget & Audit
 - v. Water Conservation & Drought Management
 - vi. Contractors' Review

Items 9a & b were not discussed.

Item 9c relating to the District's Rate Order was discussed by Assistant Secretary Eric Hart. He reported that it was a minor change regarding the returned check fee from \$25 to \$30 and a new effective date. Attorney Bill Flickinger further discussed the change and noted it conflicted with another statement in the Rate Order, so a complete sentence was removed that showed the \$25 amount.

President Dennis Daniel entertained the following motion:

Motion: Approve the amended Rate Order as presented.

Motion by: Secretary Gary Grass
Second by: Assistant Secretary Eric Hart
The motion carried unanimously.

Engineer Chris Rosales reported on Item 9d. The pump skid should be delivered any day and Inframark is prepared for delivery of the skid. Engineer Chris Rosales stated that Phase I was sent out for bid. This will be the portion for the skid connecting to the irrigation line. Phase II is in construction now. The same contractor for Phase II has expressed an interest in bidding the contract for Phase I, which will be very convenient. Engineer Chris Rosales stated that they have engaged a SCADA contractor on the programming portion of the project. Vice President John Genter asked if the goal is still to have the project online by the end of Q1. It was advised that is the goal, especially if the same contractor will be working on both phases. President Dennis Daniel reported that Malone/Wheeler is finishing up design of the 210 irrigation line improvements.

President Dennis Daniel stated that Item 9e on enforcement of drought, erosion control and pool restrictions will be deferred until February/March.

The Board then discussed their committee reports.

Assistant Secretary Mark Olson reported on District communications. A grinder pump email was sent out, along with a mailed notice to the residents that have grinder pumps. Inframark and the HOA sent out a notice on the unauthorized trail construction. President Dennis Daniel asked about the action done to clean it up. Assistant Secretary Mark Olson reported on Inframark's efforts to remove the salt that was put down to kill the grass and the equipment that was on site. Inframark left written correspondence in the area asking the owner of the equipment/material to contact Inframark. As of today, there has been no contact. Attorney Bill Flickinger advised that due to the equipment having some value, it will need to be held for at least 30 days before being declared abandoned. A plan for disposal will be sent to the Land Use & Water Quality committee for consideration. The Board thanked Inframark for its prompt response to this situation. The Board discussed communicating the cost of cleaning up this unauthorized trail construction and the fact that the costs get absorbed through the water bills for all to pay. Assistant Secretary Mark Olson informed the Board that branches were cut and piled up along the trail, which creates a fire hazard for the HOA's firewise committee to deal with. The follow-up correspondence will be sent out by both Inframark and the HOA so to reach as many homeowners as possible. Manager Dragan Sonnier will provide the clean-up cost to Assistant Secretary Mark Olson so that it can be included in the correspondence.

President Dennis Daniel stated that he provided an updated LCRA chart on lake total combined storage projections in the agenda package. If there is not enough rain soon, it is likely that the LCRA will move to Stage 2 watering restrictions. Assistant Secretary Mark Olson asked that Inframark locate the Stage 2 signage and be ready to erect them within the District at the appropriate time.

10. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Operational – Water, Wastewater, Water Quality and Drainage Plant
- b. Utility Data Trends Analysis
- c. Emergency Management Plan(s)
- e. Long-term Improvements and Asset Management
- f. Approvals Related to Ongoing Construction Contracts
- g. Approvals to Upcoming Construction Contracts

Engineer Chris Rosales discussed the report as included in the agenda package.

The District's TLAP permit should be received in February or March. The no discharge permit allows for effluent irrigation. President Dennis Daniel thanked Murfee Engineering for pushing for the 10-year renewal, which was approved.

In regard to the sludge dewatering issue, PWTech technical support will be hosting an onsite training on the systems capabilities and its ability to achieve the desired automation.

A tour of the WWTP was held for Assistant Secretaries Mark Olson and Eric Hart which appeared to be informative. A few takeaways included a loose railing, which was passed along to Inframark and that there was no internet connection at the facility. This may be something that the District should reconsider. Manager ElizaBeth Reeves noted that most operators are using data from their iPads but an internet connection may be something to explore.

The water usage and flows are typical at this time. The BOD and turbidity levels have decreased.

The emergency management plan will be deferred for a month or so.

There was discussion of smart meters being added to the capital projects plan for planning purposes only. President Dennis Daniel discussed the age of the current mechanical meters.

11. OPERATIONS AND MAINTENANCE REPORT AND REQUESTED APPROVALS

- a. Administrative
- b. Improvement of wastewater treatment plant operations
- c. Wastewater treatment plant and effluent subsurface irrigation
- d. Wastewater collection system
- e. Water distribution system
- f. Stormwater conveyance and pond maintenance
- g. Customer matters, complaints, reports and updates
- h. Customer billing and delinquencies; charges to builders
- i. Authorizations for expenditures related to contracts, repairs, replacements, operations improvements and maintenance

Manager Dragan Sonnier discussed the manager's report as included in the agenda package.

There was minor fence repairs made at the WWTP. There was an issue identified at Lift Station #2 with excessive pump run times and recurring high-level alarms. Inframark determined that the issue was caused by a blown fuse in the control panel. The fuse and alternator were replaced and normal operation was restored.

Water accountability was 98.11%.

It was reported that the quarterly outfall inspections fell off Inframark's radar but have been put back on schedule. The inspection report has been included for review. Some of the maintenance items were due to sediment runoff. President Dennis Daniel advised that this is an opportunity to educate the residents of the costs that are incurred due to sediment and erosion runoff. The bridge nearest FM 1826 which is usually dry has some very large trees growing in the flow path. Manager Dragan Sonnier will check it out and include it in the inspection report. The other bridge over Bear Creek should be inspected as well. Assistant Secretary Mark Olson asked about Zane Furr's responsibilities within the District. Manager Dragan Sonnier advised that he mows around the ponds and provides the annual reseeding.

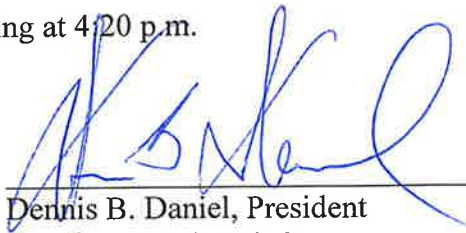
Manager ElizaBeth Reeves reported on a homeowner who is disputing their high water bill and usage. The homeowner reached out to Inframark by telephone on January 17th and then followed-up with an email to Inframark disputing the water bill. A work order was generated and Inframark went out and checked the meter. Information indicated that summer consumption was normal. Back in October, there was a high read and Inframark went out at that time and verified the meter which appeared accurate so a bill was sent out. The homeowner reported that their swimming pool was filled in October. The homeowner provided a partial payment made on the account. The next couple of bills showed reduced water usage. The historical data for this resident appears to be around the same year to year, give or take. Inframark will communicate with the resident. Since the consumption has gone down, there does not appear to be a leak. However, if there is/was a leak, it could have been in the irrigation system, which was probably turned off during this time of year. Once the irrigation system is turned back on, it is possible that a leak could appear.

12. ATTORNEY REPORT AND REQUESTED ACTIONS

Attorney Bill Flickinger had nothing to report.

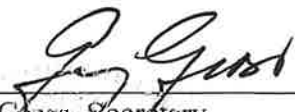
13. ADJOURN

President Dennis Daniel adjourned the meeting at 4:20 p.m.



Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:



Gary Grass, Secretary
Reunion Ranch WCID
[SEAL]
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