

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 3:00 p.m. on February 15, 2022 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 Daniel – President
Terri Purdy – Vice President
Ron Meyer – Secretary
Tom Rogers – Assistant Secretary
Nathan Neese – Assistant Secretary

thus constituting a quorum. All Directors were present.

Also present at the meeting were Bill Flickinger, Hunter Hudson and Jeniffer Concienne with Willatt & Flickinger, PLLC, Andrea Wyatt Parker with Murfee Engineering, Allen Douthitt with Bott & Douthitt and Kristi Hester and Ronja Keyes with Inframark.

Attending via Zoom were Mike Moyer with Taylor Morrison and residents Leslie Daniel, Gray Grass and Mark Olsen.

3. PUBLIC COMMENTS

Gary Grass asked if several of the agenda items could be combined for discussion. President Dennis Daniel advised that the Board would discuss the items as they come up in the agenda.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion for approval of the minutes. Motion was made by Tom Rogers and seconded by Ron Meyer to approve the Minutes of the January 18, 2022 meeting as presented. The motion carried unanimously.

5. EMERGENCY ORDER DELEGATING AUTHORITY TO THE BOARD PRESIDENT TO APPROVE CERTAIN ACTIONS NEEDED TO CONTINUE FUNCTIONING OF THE DISTRICT DURING COVID-19 CRISIS INCLUDING AUTHORIZATION FOR THE BOARD VICE PRESIDENT TO ACT IF THE BOARD PRESIDENT IS UNAVAILABLE OR UNABLE TO ACT

Attorney Bill Flickinger discussed the Emergency Order. Mr. Flickinger suggests reinstating this order so that the President can take necessary action if the Board fails to meet quorum due to COVID-19. President Dennis Daniel requested a change to the wording in the second whereas paragraph, to indicate, "that it may be difficult" instead of "is difficult." After discussion, President Daniel entertained a motion. Motion was made by Ron Meyer and seconded by Tom Rogers to approve the Emergency Order with the revision as noted above. The motion carried unanimously.

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

Bookkeeper Allen Douthitt discussed the financials and updated cash activity report with the Board. The District is right on budget for the month. Mr. Douthitt discussed the variances in the budget from the past with the chlorine checks and meter reads. Manager Kristi Hester advised the sampling is once a week per six days. She will take off the equipment time costs and will issue a credit to the District. President Daniel inquired about the cost of renting the odor unit. Engineer Andrea Wyatt advised that should have already been done. After discussion, President Dennis Daniel entertained a motion. Motion was made by Nathan Neese and seconded by Terri Purdy to approve payment of the invoices, per diems, ratify the six bond payments and authorize the four fund transfers as discussed. The motion carried unanimously.

7. DEVELOPER'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, STATUS OF DEVELOPMENT LOANS AND ACTIONS OF THIRD PARTIES OPPOSING OR SUPPORTING DEVELOPMENT WITHIN THE DISTRICT

Mike Moyer indicated there are no updates from last month's report.

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

This item was not discussed.

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

This item was not discussed.

10. ENGINEER'S REPORT ON STATUS OF CONSTRUCTION WITHIN THE DISTRICT, DEVELOPMENT ENTITLEMENTS, PROVISION OF WATER, WASTEWATER AND DRAINAGE SERVICES WITHIN THE DISTRICT, PENDING PERMIT APPLICATIONS, SALES OF LOTS TO BUILDERS, HOMEBUILDING WITHIN THE DISTRICT AND PAST, PRESENT AND FUTURE BOND ISSUES; USE OF EFFLUENT TO IRRIGATE RIGHTS-OF-WAY AND TIMELINE FOR SAME

11. WASTEWATER TREATMENT PLANT EXPANSION; WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS; ALTERNATIVES FOR ADDITIONAL ODOR CONTROL MEASURERS AT THE DISTRICT'S WASTEWATER PLANT AND FUNDING FOR SAME, INCLUDING POSSIBLE AGREEMENT WITH TAYLOR MORRISON ON FUNDING FOR SAME; PROPOSAL FOR THIRD-PARTY ODOR CONSULTANT/INSPECTOR

Items 10 and 11 were discussed together.

Engineer Andrea Wyatt discussed the Engineer's Report as included in the agenda package.

Attached to the engineer's report is the updated figure tracking wastewater flows, which includes calculated flow values produced per household. Ms. Wyatt stated that the flows are registering 108 gpd per connection and are just below the 75% capacity.

With regard to the WWTP expansion, Ms. Wyatt reported that there remain a few outstanding items. All the electrical should be done tomorrow and they will also be doing the punch list. Mike Moyer inquired about the process for reimbursement to Taylor Morrison for the WWTP expansion. Attorney Bill Flickinger discussed the process. Once the project is complete and the retainage released, a Utility Conveyance Agreement will be prepared for consideration and the bond reimbursement audit can be considered. Ms. Wyatt advised that she will be meeting with the committee for an on-site visit to the WWTP. President Dennis Daniel stated that the Board should be prepared to approve the reimbursement at the March board meeting.

Ms. Wyatt has not been made aware of any odor complaint issues. They are still working on the cover for the dumpster, along with some other options. President Daniel noted that he noticed a mild odor.

The LCRA granted the District \$100,000 for the 210-project construction. MEC is working on the design and will move forward as quickly as possible. It is anticipated that the project will be bid in spring and constructed next summer.

The Emergency Preparedness Plan will be discussed in Closed Session at the end of the meeting. The deadline to file the plan is March 1st.

12. COST-SHARE FUNDING PROGRAM AGREEMENT BETWEEN THE DISTRICT AND LCRA

In follow-up to the discussion above, Attorney Bill Flickinger discussed the Cost-Share Funding Program Agreement with the Board. President Dennis Daniel asked that Murfee Engineering help with Item D of the Agreement regarding necessary documentation and reporting. President Daniel would also like to have acknowledgment of the program on the District's website. The HOA should also acknowledge the Cost Sharing Program as well. After discussion, President Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Ron Meyer to approve the Cost-Share Funding Program Agreement with the LCRA as presented. The motion carried unanimously.

13. IMPLEMENTATION OF LONG-TERM DISTRICT IMPROVEMENTS AND ASSET MANAGEMENT PLAN

This was included in the engineer's report.

14. EMERGENCY RESPONSE PLAN

This item will be discussed in Closed Session at the end of the meeting.

15. EFFLUENT DISPOSAL AGREEMENT BETWEEN THE HOA AND DISTRICT

President Dennis Daniel and Vice President Terri Purdy met with the HOA and discussed operations and responsibilities of the District and HOA. The HOA has indicated that they are ready to use the effluent. There was also discussion of the process for changes to the common areas. The District and HOA would also like to improve communications as a whole.

Resident Gary Grass would like to wrap the use of effluent and criteria for modifications to common areas in one document. Attorney Bill Flickinger advised that those two issues are not directly related and should be separate. Mr. Flickinger stated that the deed to the HOA for the common areas requires the HOA to get District approval for modifications.

After discussion, motion was made by President Daniel and seconded by Nathan Neese

to authorize Attorney Bill Flickinger to draft an Agreement with the HOA for use of effluent as an irrigation choice and work with the HOA's attorney on the Agreement. The motion carried unanimously.

16. ORDER ESTABLISHING WATER AND WASTEWATER SERVICE RATES, CHARGES, TAP FEES AND SOLID WASTE DISPOSAL/RECYCLING FEES AND ADOPTING GENERAL POLICIES WITH RESPECT TO THE DISTRICT'S WATER, WASTEWATER AND DRAINAGE SYSTEMS

President Dennis Daniel discussed the rate order in connection with water and effluent rates. Currently, the HOA is billed \$2.50 per 1,000 gallons of water. The District can also charge for use of effluent. However, President Daniel is not in favor of charging the HOA for use of effluent, as we are all one in the same. Director Ron Meyer asked if the effluent will be metered. There was discussion of a nominal fee or a base fee for effluent. Manager Kristi Hester advised it would be placed on a tracking meter. Mrs. Hester also stated that with the use of effluent, the permit requires monthly inspections and reporting. The HOA will need to submit the inspection reports to the District. After discussion, the Board consensus was to not charge the HOA for effluent use. Motion was made by President Daniel and seconded by Terri Purdy to add a line item in the rate order for a flat fee and a per gallon charge of zero for treated effluent to the HOA. The motion carried unanimously.

17. CRITERIA FOR APPROVAL OF ANY MODIFICATIONS TO COMMON AREAS

The Board discussed what criteria it wanted to review prior to approval of modifications to common areas. They would like a recommendation from the District's engineer to be sure that the modification would not impact the water quality, drainage or any access issues. Director Ron Meyer asked if the District will be charging a fee for this review. Attorney Bill Flickinger advised that the restrictive covenant will need to be reviewed. Impervious cover is also an important part of the review. President Daniel noted that the common areas have zero impervious cover due to lot size. Engineer Andrea Wyatt advised that she would review this with Mike Moyer and get back with Director Meyer on this issue. After further discussion, motion was made by President Daniel and seconded by Ron Meyer to authorize the Water Quality/Land Use Committee to draft criteria for modifications to common areas. The motion carried unanimously.

18. COMMITTEE REPORTS, ASSIGNMENT AND MEMBERSHIP

- A. District Operations (Dennis & Terri)
- B. Communications (Terri & Dennis)
- C. WTCPUA (Nathan & Dennis)
- D. Water Quality/Land Use (Ron & Terri)
- E. Audit/Budget (Nathan & Dennis)

Matters related to District Operations were already discussed.

Vice President Terri Purdy reported that she met with the HOA. A HOA member may start attending the board meeting. She will also work with the HOA on a newsletter. Manager

Kristi Hester will provide quarterly information for the newsletter. Director Ron Meyer would like to get information on erosion control and have a link on the website.

Director Nathan Neese had nothing to report in connection with the WTCPUA.

Director Ron Meyer reported that he read over the City of Austin erosion control information. There are still several areas that need to be re-vegged. Mr. Meyer will work with Inframark on that issue.

Nothing to report on the bond reimbursement audit at this time.

19. 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 and Resident Complaints
- J. Stormwater conveyance & pond maintenance
- K. Landscaping
- L. Notices to residents on water quality
- M. Out of District Water/Wastewater Service Requests
- N. Request for Use of Greenspace and other District Easements
- O. Maintenance access
- P. Sale of sludge box
- Q. Expenditures, contracts, repairs, replacements and maintenance related to Operations and Maintenance Report

Manager Kristi Hester discussed the Executive Summary.

In connection with the WWTP/ Collection system, the District's total flows were 1.7 MG, which averages 54,000 GPD for the month of January. Inframark is scheduled to build and install a drip skip cover. Several leaks were repaired on the drip skid during the recent freeze event. Mrs. Hester also discussed replacing the decant valve. Wastewater Transport assisted with pulling two loads to prevent an overflow. Inframark will obtain an estimate for replacement. After discussion, President Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Terri Purdy to authorize the District Operations committee to approve replacement of the decant valve, not to exceed \$6,000 from Aqua-Aerobic Systems. The motion carried unanimously. Mrs. Hester also noted that she received an estimate to add the turbidity meter for the effluent and water sampling as previously discussed, which is \$2,000 from HACH. After

further discussion, motion was made by Nathan Neese and seconded by Tom Rogers to approve the drip skid cover not to exceed \$8,000 and the installation of the turbidity meter for the effluent and water sampling as required. The motion carried unanimously.

During the inspection of the irrigation fields, a field was repaired in zone #28. President Dennis Daniel asked that the location of the zone be identified in the future.

The water accountability for January was 96%. Inframark is working with the District's engineer on a solution to the auto dialer issues. The fire hydrant, valve and manhole surveys will be done this month. President Daniel discussed water accountability in the summer. He would like to review the water loss over the past two summers. Mrs. Hester will pull this information. President Daniel noted the loss could be from unmetered irrigation water. There was discussion of use of fire hydrants meters and deposits from the contractors. It was noted that the HOA has a new landscaper in the District, which is Urban Dirt. Mrs. Hester will look into this matter because if that is accurate, the Agreements will need to be transferred to Urban Dirt, if applicable.

In regard to the pond maintenance, the electrician was not able to locate any electrical connections at the Mary Elise Pond so that an aerator could be installed. Power supply would need to come from a transformer and a meter and subpanel would need to be installed. This cost will be about \$10,000. Mrs. Hester will need to get with PEC for a submeter.

Director Ron Meyer noted some areas that need to be reseeded. Mrs. Hester will check on those.

Mrs. Hester reported that Hays County WCID No. 1 is interested in purchasing the District's sludge box for \$30,000. After discussion, President Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Rom Meyer to accept the price of \$30,000 for the sludge box and authorize Attorney Bill Flickinger to review the Bill of Sale. The motion carried unanimously.

20. 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; PROPOSED AGREED ENFORCEMENT ORDER AND RELATED FINES

The Board will go into closed session for this item at the end of the meeting

21. DIRECTORS ELECTION
 - a. Contract for Election Services with Hays County
 - b. Joint Election Agreement

Attorney Bill Flickinger informed the Board that four applications have been received. The District will now have a contested election. The three highest votes will win. The District will need to contract with Hays County Elections Division to hold the election and join with other entities for the election. After discussion, President Dennis Daniel entertained a motion. Motion

was made by Tom Rogers and seconded by Terri Purdy to approve the Contract for Election Services with Hays County and the Joint Election Agreement as presented. The motion carried unanimously.

CLOSED SESSION

** 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 Nos. 14 and 20. The Board went into closed session at 4:35 p.m.

At 5:12 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.

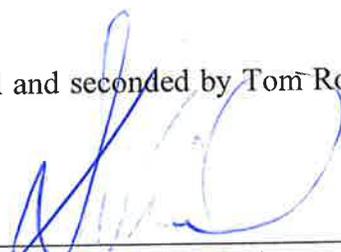
President Daniel entertained motions on the following:

Motion was made by Terri Purdy and seconded by Ron Meyer to approve and submit the Emergency Preparedness Plan as revised. The motion carried unanimously.

Motion was made by Nathan Neese and seconded by Tom Rogers to approve the TCEQ Agreed Order subject to clarification on clause as discussed with the District's attorney. The motion carried unanimously.

22. ADJOURN

Motion was made by President Dennis Daniel and seconded by Tom Rogers to adjourn the meeting. The motion carried unanimously.



Dennis Daniel, President
Reunion Ranch WCID

ATTEST:



Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]