

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, open to the public, was held at 3:00 p.m. on April 16, 2024 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
Terri Purdy – Vice President
Ron Meyer - Secretary
Gary Grass – Assistant Secretary
John Genter – 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, Mark Kestner with Murfee Engineering Company, Makenzi Scales with Inframark and resident Eric Hart.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Allen Douthitt with Bott & Douthitt, PLLC and residents Mark Olson, Sandy Lake, Leslie Daniel and Debbie Hanley.

3. PUBLIC COMMENTS

No public comments were made.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel provided corrections to the minutes.

President Dennis Daniel entertained a motion.

Motion: Approval of the March 19, 2024 meeting minutes as corrected.

Motion by: President Dennis Daniel

Second by: Assistant Secretary Gary Grass

The motion carried unanimously.

5. UPDATES REGARDING REUNION RANCH HOA MATTERS

Sandy Lake stated that she provided a picture to Assistant Secretary John Genter that she received from a homeowner of a vendor or Inframark vehicle parked on the greenbelt. The HOA requests that they be mindful of where they park and asked that they not park on the greenbelt. The HOA has had sprinkler repairs every month ranging from \$500 to \$3,000. This information will also be provided to Manager Makenzi Scales for her review.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. There were variances to the budget for engineering, legal and operations. Bookkeeper Allen Douthitt reported that Manager Makenzi Scales did a wonderful job of explaining the variances and provided pictures of some of the pond maintenance items. Manager Makenzi Scales outlined some of the routine and non-routine maintenance items, of which \$21,000 was identified as non-routine items. President Dennis Daniel stated that he would like to see the projected reserves in the monthly reporting. Bookkeeper Allen Douthitt apologized as he had it in there last month but did not include it this month. Manager Makenzi Scales stated that most of the sludge hauling will fall into the routine category. President Dennis Daniel asked that legal and engineering provide a written explanation of the reasons for the unfavorable variances. Due to the budget shortfalls, President Dennis Daniel asked what the District is not going to do to make up for the \$110,000 unfavorable variance. He would like to see that recommendation come in next month and have a discussion as to what projects can be put off or look at revising budget items. Bookkeeper Allen Douthitt said the amount could be pulled out of the reserves. President Dennis Daniel discussed the information on routine and non-routine matters as provided by Manager Makenzi Scales. The District should look ahead at budgeting and be more proactive. Assistant Secretary John Genter asked about the timeline for maintenance of the inlet and outfalls and the cost of the lab fees. Work this extensive should be performed once a quarter and included in routine maintenance. The lab fees seem to be about the same as previous years. Assistant Secretary Gary Grass discussed year to date overruns. The District's tax reports show that in February, 96.2% of the taxes were collected. President Dennis Daniel asked about the delinquent taxes. Bookkeeper Allen Douthitt noted that amount was prior taxes or deferred taxes that are not delinquent. The collection rate should improve by next month. Assistant Secretary Gary Grass noted that the additional tax revenue can drop the

District's deficit and he is trying to see what amounts need to be made up. Bookkeeper Allen Douthitt will roll the reserve for next month's discussion. President Dennis Daniel stated that would be good information to be shown to the new directors coming on next month. There was discussion of the AT&T invoice and what are the cell phones are used for. Manager Makenzi Scales stated that they are for the auto-dialers at the wastewater plant. President Dennis Daniel believed that they have landlines for the wastewater plant/lift stations.

After discussion, President Dennis Daniel entertained a motion.

Motion: Approval of District financials and authorize payment of the vendor invoices, per diems and fund transfers as discussed.

Motion by: Assistant Secretary Gary Grass
Second by: Assistant Secretary John Genter
The motion carried unanimously.

7. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Request for use of District ponds for catch and release fishing
- c. Variances to Drought Contingency Plan requirements
- d. Public Hearing on Drought Contingency Plan
- e. Amendment to Drought Contingency Plan
- f. Public Hearing on Water Conservation Plan
- g. Amendment to Water Conservation Plan
- h. Rate Order
- i. Pro Rata Curtailment Plan required by LCRA for firm water customers
- j. Overall plan to improve wastewater plant efficiency and effluent irrigation
 - i. Proposals for construction of effluent irrigation facilities
 - ii. Contract for construction of effluent irrigation facilities
- k. Contract with Malone/Wheeler in connection with 210 effluent irrigation system
- l. May 4, 2024 Director's Election (*4 de mayo de 2024 elección de directores*)
 - i. Any and all action that are necessary or appropriate related to the directors' election (*Todas y cada una de las demás acciones que sean necesarias o apropiadas relacionadas con la elección de directores*)
- m. Committee Reports & Review of Committee Assignments and Charters

Item 7a was not discussed.

Item 7b, regarding catch and release fishing in the District ponds was reported on by Assistant Secretary Gary Grass and Manager Makenzi Scales. Manager Makenzi Scales reported that Scott with Aquatic Features stocks several ponds for districts that Inframark manages. He saw no issues with stocking the ponds and it advised that it would not hurt any of the surrounding vegetation. Scott will work on a proposal for consideration by the Board. President Dennis Daniel noted that this matter will be for the HOA to consider as well. Vice President Terri Purdy recalled when she first got on the Board, she did a tour of the ponds and this issue was discussed at that time. She pointed out the terrain around the ponds is a liability from a safety perspective and there was discussion of building out a structure or dock. During that time, it was a big expenditure and the discussion ended due to the cost. Sandy Lake reported that the HOA asked Will to participate with the WCID at a board meeting, because it was Will's request. As of today, Will has not yet reached out to the WCID to make an official request. Sandy Lake advised that the reason the HOA asked that Will attend the WCID board meeting is that he could hear firsthand of any District concerns or issues. President Dennis Daniel would like to know if this request is coming from the HOA or a resident. He also requested that District's attorney look at practices from other districts in regard to this topic. There will be a lot of information to obtain on accommodating this request, such as safety, engineering, disturbance of the ponds and to be sure that the ponds meet the purpose and functionality as a water quality pond. Attorney Bill Flickinger stated that this was a recent item and was put on the agenda at the last minute for preliminary discussion. He has not expended a lot of time and effort on this topic because he wanted to confirm if the Board wanted to move forward. There are many moving parts for this, such as damage to the ponds, liability, TCEQ regulatory/permits, budgeting items, etc. Secretary Ron Meyer asked if this is something that the District can do nothing about and if someone fishes in the ponds, they fish. Secretary Ron Meyer stated that the District would indicate that it does not promote, condone, or entertain building a dock and does not stock it. Attorney Bill Flickinger advised since there is a request, it changes that theory. There was discussion of possible damage to the ponds and who would pay for the damages. Assistant Secretary John Genter suggested that since no official request has been made, and the Board has many matters before them, including new directors coming on Board, this topic should be tabled until an official request comes to the Board. Assistant Secretary Gary Grass would still like to know the cost associated with stocking the pond and how it would work. If the Board moves forward, it will add another maintenance item to budget. President Dennis Daniel will need to see how the community wants to pay for this amenity. Sandy Lake asked how the request came through, as if it were from a resident or from the HOA. President Dennis Daniel believed it was from the HOA due to how the request was worded. Sandy Lake can inform the HOA that this request will need to be a formal request from the HOA to the WCID. Assistant Secretary Gary Grass and President Dennis Daniel noted that the District has reservations and concerns and suggests that it be discouraged. Secretary Ron Meyer asked if the District's Rules and Regulations mention fishing in the ponds and Attorney Bill Flickinger advised that he does not believe it does but will confirm. Vice President Terri Purdy noted that the District has a nice natural creek that runs through the District that is utilized for fishing by some residents.

Item 7c was not discussed.

Items 7d-g on amendments to the Drought Contingency Plan and Water Conservation Plan were discussed together.

President Dennis Daniel opened the public hearings on the Drought Contingency Plan and Water Conservation Plan. Hearing no comments, the public hearings were closed.

President Dennis Daniel and Assistant Secretary Gary Grass discussed the Drought Contingency Plan and the need to be reformatted throughout the document. The Board discussed the amendments to the Drought Contingency Plan first. President Dennis Daniel would like to use the version that was sent out on Friday, which is different than what is being presented today. There was considerable discussion of the changes page by page. Manager Makenzi Scales left the meeting at 4:36 p.m. but called in to participate via Zoom. Attorney Bill Flickinger reported that the WTCPUA may be considering a mandate to its watering hours at its April 18, 2024 board meeting. This mandate would allow the WTCPUA to fill its tanks during the night. A special board meeting for the District might be needed to finalize the Drought Contingency Plan after the WTCPUA adopts its plan. The District must adopt its amended plan by May 1st. President Dennis Daniel stated that he plans to attend the WTCPUA board meeting. After discussion, these items were tabled, and the Board elected to have a special board meeting on April 24, 2024 at 3:00 p.m. so that the Board can review the adopted WTCPUA Drought Contingency Plan for any changes that need to be implemented by the District. No action was taken on the Amended Drought Contingency Plan. After further discussion, the Amended Water Conservation Plan and the District's request for a variance for use of fire hydrants will be added to the District's special board meeting agenda. President Dennis Daniel tabled these items until the special board meeting scheduled for April 24, 2024 and stated that the Board would take a five-minute break at this time. New pool construction standards are listed in the Water Conservation Plan. If anyone has comments on that section, please provide them to Engineer Mark Kestner.

Item 7h, District's Rate Order was discussed by President Dennis Daniel. The Board at its last meeting discussed the potential need for imposing a surcharge if and when the LCRA begins curtailment. President Dennis Daniel would like to prepare additional analysis on this matter to review impacts that would create. Assistant Secretary John Genter reported that the HOA brought it up as well at its recent meeting and he felt there was support for surcharges and trying to communicate that to the community.

Item 7i, LCRA Pro Rata Curtailment required by the LCRA for its firm water customers, was discussed by President Dennis Daniel. Assistant Secretary Gary Grass asked if there was a high risk that the District will be hit with curtailment in the fall. President Dennis Daniel reported that the LCRA is planning for it, but it has not yet been decided. Vice President Terri Purdy discussed the LCRA's criteria for its declaration triggers. Engineer Mark Kestner reported that the District has until May 1 to submit any modifications to the LCRA regarding its curtailment plan. Assistant Secretary Gary Grass stated that the LCRA's curtailment for the District will reduce the water by 11%. President Dennis Daniel noted that if the effluent irrigation system gets completed, it makes it that much easier for the District's conservation, however, it is still impactful for the residents. If the District uses over the curtailment amount, it will be charged 10 times the cost. The District's Amended Drought Contingency appears to support the curtailment plan. President Dennis Daniel reported that the reference year that the LCRA is using is June 2022 through May 2023.

After discussion, President Dennis Daniel entertained a motion.

Motion: That there is no need to file for modifications to the curtailment allotments as provided by the LCRA.

**Motion by: Assistant Secretary Gary Grass
Second by: Vice President Terri Purdy
The motion carried unanimously.**

Item 7j, overall plan to improve wastewater plant efficiency and effluent irrigation was discussed by Engineer Mark Kestner and President Dennis Daniel. Three proposals were solicited, however, only two were received in connection with skid mounted pumps. Dynamic Pump Systems quoted \$105,890, which was the low bid. Delivery time is estimated to be about 6-12 weeks. Engineer Mark Kestner reported that Dynamic Pump Systems has over 10 years' experience, 25 installations of this type and are known within Murfee Engineering. With this bid, President Dennis Daniel stated that another bid for installation of the pump skid and yard improvements to make it functional will be needed. If this bid is accepted today, the new estimate for Phase 1 of this project will be \$255,000 for equipment and installation. Engineer Mark Kestner stated that he can get the effluent running for \$150,000. Engineer Mark Kestner recommended the Board consider contracting with Dynamic Pump Systems for the purchase of a pump skid based on the proposal for \$105,890 with an anticipated delivery time of 12-14 weeks after release of fabrication. This timeline will target installation around September/October. The yard improvements should be completed by that time as well as Malone/Wheeler's work on the effluent irrigation system. When the pump skid is delivered, it should be able to be set down, bolted up and ready to go.

After discussion, President Dennis Daniel entertained a motion.

Motion: Approve engineer's recommendation to purchase the pump skid at a cost of \$105,890 from Dynamic Pump Systems with a delivery time of 20 weeks and the engineer's estimate to install the pump skid and perform yard improvements for \$150,000.

**Motion by: Assistant Secretary Gary Grass
Second by: Secretary Ron Meyer
The motion carried unanimously.**

Engineer Mark Kestner will continue to work with the committee on this project. President Dennis Daniel instructed Engineer Mark Kestner to proceed with purchase of the skid mounted pump at the earliest possible time. President Dennis Daniel asked about the bid and timing for the yard improvements in connection with the 210 irrigation and Engineer Mark Kestner stated he would get the construction plans to the committee and should have the proposals for that work back in three weeks.

Item 7k, the 210 effluent irrigation system contract with Malone/Wheeler has been signed and Engineer Dennis Lozano is ready to proceed with the project.

Item 7l, regarding the upcoming directors' election, Attorney Bill Flickinger advised that there is no Board action today, however, next month the new directors will be sworn in at the May board meeting. He asked that all directors attend the May meeting. There will also be an election of officers once the new directors are sworn in.

Item 7m, President Dennis Daniel asked that the Board review the committee assignments and provide any comments to Jeniffer Concienne. At the May board meeting, these assignments will be discussed in detail.

Vice President Terri Purdy left the meeting at 5:49 p.m.

**President Dennis Daniel moved to Item 9 at this time.

9. 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
- i. Authorizations for expenditures related to contracts, repairs, replacements, operations improvements and maintenance

Due to Manager Makenzi Scales having to leave the meeting, she messaged President Dennis Daniel regarding her report. Manager Makenzi Scales reported that Inframark is investigating the high wastewater flows and believes the weir data is not registering accurately, which has caused Inframark to use the reuse meter reads that are higher. President Dennis Daniel agreed as those reads include recycled water. The bar screen parts are in production and once completed will be installed. A spare basket will be stored and available if need be. The District had one disconnect, which was a vacant home. President Dennis Daniel reiterated that disconnects require notice to the committee before being disconnected for any reason.

President Dennis Daniel stated he has additional comments and questions and that he may send them via email to Jeniffer Concienne to provide to Inframark and the Board.

8. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Wastewater Collection and Treatment Plant
 - i. Wastewater treatment flows
- b. Water Supply and Distribution Systems
- c. Long-term Improvements and Asset Management Plan
- d. Emergency Management Plan(s)
- e. Stormwater and Water Quality System
- f. Approvals Related to Ongoing Construction Contracts

g. Approvals to Upcoming Construction Contracts

Engineer Mark Kestner reported that he is coordinating with Inframark on an invoice received in connection with the completed drop chute installation. There was confusion as to if it was a final payment or submitted as an invoice in error. Engineer Mark Kestner is also working with Inframark to examine the trending wastewater and water flows. The District's use of surplus funds application has been approved. Attorney Bill Flickinger reported that the surplus funds can now be used for the purchase of the skid pump. President Dennis Daniel stated that the balance of the Cost Sharing Agreement needs to be noted. There was continued discussion of the elevated wastewater flows. This issue needs to be fixed. Engineer Mark Kestner believes that it is an instrumental error. President Dennis Daniel requested that the Effluent Composite Chart be divided into small charts but kept to one page.

10. ATTORNEY REPORT AND REQUESTED ACTIONS

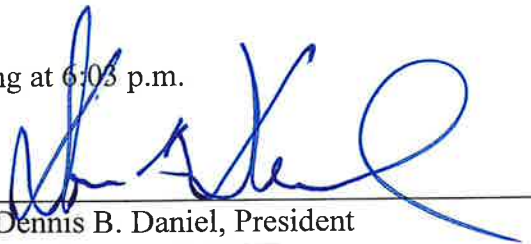
- a. Investment and Financial Management Policy
- b. Code of Ethics
- c. Fees of Office and Expense Reimbursement Policy
- d. Professional Services; Bond Policy

Attorney Hunter Hudson discussed the four policies with the Board. Previously, all the policies were combined into one document and President Dennis Daniel requested that the policies be separated into free standing documents. After discussion of the policies, President Dennis Daniel stated that he has a pension from the LCRA and asked what all needs to be disclosed. Attorney Hunter Hudson will look into that information and get back with him.


President Dennis Daniel's idea is to consider these policies at the May board meeting so as to provide time for the newly elected directors to participate in adoption of these policies.

11. ADJOURN

President Dennis Daniel adjourned the meeting at 6:03 p.m.


Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:


Ronald F. Meyer, Secretary Mark D. Olson
Reunion Ranch WCID Assistant Sec.

[SEAL]