

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 May 21, 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, Dragan Sonnier and ElizaBeth Reeves with Inframark and residents Mark Olson and Eric Hart.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Allen Douthitt with Bott & Douthitt, PLLC, Mark Kestner with Murfee Engineering Company, Makenzi Scales with Inframark, two representatives with Urban Dirt and residents Sandy Lake, Leslie Daniel, Debbie Hanley and Blake Gentry.

3. PUBLIC COMMENTS

Sandy Lake asked about the current even/odd watering schedule and if there was any concern regarding the District's irrigation water pressure due many residents watering at the same time. President Dennis Daniel advised that it should not be an issue, but if there are problems, to let the District's operator know and possible changes can be made.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion.

Motion: Approval of the April 16, 2024 and April 24, 2024 meeting minutes as presented.

**Motion by: Secretary Ron Meyer
Second by: Vice President Terri Purdy
The motion carried unanimously.**

5. MAY 4, 2024 DIRECTORS' ELECTION

- a. Any and all action that are necessary or appropriate related to the directors' election

Attorney Bill Flickinger advised that the May 4, 2024 directors' election was uncontested and therefore the election was cancelled with Hays County, and it was deemed that Mark Olson and Eric Hart were elected to office.

6. STATEMENTS OF ELECTED OFFICER, OATHS OF OFFICE AND CERTIFICATES OF ELECTION

Jeniffer Concienne swore Mark Olson and Eric Hart into office. Both directors were provided with Certificates of Election and were advised that they could now participate in the meeting.

7. ELECTION OF OFFICERS

President Dennis Daniel discussed election of officers. This can be handled with a slate of officers or can be discussed. Hearing none, President Dennis Daniel would appreciate to continue to serve as President of the Board of Directors. President Dennis Daniel would like to see if John Genter will serve as Vice President and Gary Grass as Secretary and the two new directors as Assistant Secretaries. President Dennis Daniel nominates the foregoing slate of officers.

Motion: Election of officers as follows: President Dennis Daniel, Vice President John Genter, Secretary Gary Grass and Assistant Secretaries Mark Olson and Eric Hart.

**Motion by: Secretary Gary Grass
Second by: Assistant Secretary Mark Olson
The motion carried unanimously.**

8. RESOLUTIONS RECOGNIZING SERVICE ON THE BOARD OF DIRECTORS BY TERRI PURDY AND RON MEYER

President Dennis Daniel stated that there are cake and cookies to enjoy and celebrate the appreciation of service from Terri Purdy and Ron Meyer. The Board and consultants thanked them both and stated it was a great pleasure to work with them.

Motion: Adopt the Resolutions Recognizing Service on the Board of Directors by both Terri Purdy and Ron Meyer.

Motion by: President Dennis Daniel
Second by: Vice President John Genter
The motion carried unanimously.

9. UPDATES REGARDING REUNION RANCH HOA MATTERS

President Dennis Daniel stated that the HOA's request for a watering variance will be considered under Item No. 11.

Sandy Lake reported at the last HOA board meeting, the HOA announced they will be conducting a survey regarding additional amenities. President Dennis Daniel advised that the District would continue to have a Land Use committee to loop in with the HOA's committee on this topic. Blake Gentry clarified that the survey is to see what additional amenities the residents might be interested in. After the survey the HOA will work with the District on a proposal for any of the additional amenities that the residents favored.

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

President Dennis Daniel introduced the new directors, Mark Olson and Eric Hart to Bookkeeper Allen Douthitt. President Dennis Daniel stated that the District has a Financial Advisor as well. Bookkeeper Allen Douthitt discussed per diems, required paperwork and reports with the new directors. He will be happy to meet with them another time if they have anything that they want to discuss in detail.

Bookkeeper Allen Douthitt discussed the financials with the Board. As a CPA, Bookkeeper Allen Douthitt stated that he cannot issue projections in connection with the District's financials. The projected numbers that are included in the budget were obtained from the District's legal counsel, engineer, manager and Board members. President Dennis Daniel stated that the report is what he was looking for thanked him for a job well done. Assistant Secretary Eric Hart and Bookkeeper Allen Douthitt will speak separately regarding the format of the financials. There was discussion of the disbursements and the water supply to the District. The District receives raw water from the LCRA and treated water from the WTCPUA. There was also discussion on the District's accounts receivable and the use of the Bookkeeper's Account, which allows invoices to be paid between meetings to avoid late charges. Attorney Bill Flickinger asked if the new directors had any questions at this point. Assistant Secretary Eric Hart also inquired about the

connection fees from Inframark. Manager Makenzi Scales discussed that topic, along with other fees. Attorney Bill Flickinger reported on the District's Code of Ethics Policy which includes disqualifications and conflicts of interest. It was recently reported by President Dennis Daniel that he had a conflict due to his LCRA pension. President Dennis Daniel has filed the necessary paperwork, and it has been posted on the District's website. Therefore, going forward, President Dennis Daniel will not participate or vote on LCRA matters that would be of an economic benefit. Secretary Gary Grass asked if President Dennis Daniel abstains from a vote and there is not enough directors present, what happens at that point. There was discussion of allowing the District's Bookkeeper to pay that invoice in between meetings.

After discussion, President Dennis Daniel entertained a motion.

Motion: Motion to approve District financials and authorize payment of vendor invoices and per diems and fund transfers as presented, except for payment to the LCRA.

**Motion by: Secretary Gary Grass
Second by: Vice President John Genter
The motion carried unanimously.**

Motion: Motion to approve and authorize payment to the LCRA as presented.

**Motion by: Secretary Gary Grass
Second by: Vice President John Genter
President Dennis Daniel abstained from the vote. The motion carried.**

Attorney Bill Flickinger suggested that if there are not enough Directors present to pay the LCRA at the Board meeting that the bookkeeper is authorized to pay the invoice when it is received, subject to review by one director, which he recommends be the Board Secretary. If approved, this will be an on-going standing authorization. Bookkeeper Allen Douthitt agreed that will work with him.

Motion: Motion to authorize the District's Bookkeeper to pay the LCRA invoice when received, subject to review by Secretary Gary Grass or in his absence, by the Assistant Secretary.

**Motion by: Vice President John Genter
Seconded by: Assistant Secretary Mark Olson
President Dennis Daniel abstained from the vote. The motion carried.**

Vice President John Genter suggested that when the LCRA invoice is sent to Secretary Gary Grass for review and approval, he will need to respond to the District's Bookkeeper and cc Jeniffer Concienne with his approval.

11. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements

- c. 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
- d. Committee Reports & Review of Committee Assignments and Charters

Item 11a was not discussed.

Item 11b, variances to Drought Contingency Plan was discussed by Secretary Gary Grass. The HOA submitted a request to do minimum irrigation to keep the common area vegetation alive. Blake Gentry with the HOA reported on a change to the original variance request on the amount of acreage needed for irrigation. The original variance request was for 14-acres, which should have been for 21-acres per the Malone/Wheeler survey. Blake Gentry noted that the additional acreage makes the watering issue more extreme than first anticipated. The HOA has 50 active zones, and the controller(s) can only run one zone at a time. The current time frame allows approximately six minutes per zone for irrigation. The HOA is requesting additional time to irrigate with all the zones. Even if the HOA invests money for more controllers to run additional zones, it will only be a temporary investment until the effluent comes online in the fall. Blake Gentry understands that the District's hands are tied as they have to follow the LCRA and/or WTCPUA and is not sure of the District's flexibility but wants to plead the case to help avoid all the damage that this will cause to the landscaping. President Dennis Daniel talked through the details. The HOA asked Urban Dirt representatives to attend the meeting and provide a irrigation schedule so that the areas can get 1" of water per week. Hector with Urban Dirt indicated that more points of connection need to be added. As of right now, they can only run one station at a time. President Dennis Daniel discussed expanding the irrigation time for the HOA to 15 hours instead of seven hours from midnight to 10 a.m. and from 7 p.m. to midnight on its watering day, which is on Friday. The once per week watering will need to stay in place as mandated by the LCRA. The Board and Urban Dirt continued discussion on possible irrigation cycles. Blake Gentry is not asking for an additional day to irrigate; he just wants to be able to irrigate all the zones. President Dennis Daniel reiterated that when effluent is available, there still will not be enough to irrigate all the areas in the summer months to keep everything green. The effluent irrigation will need to be supplemented with potable water to keep everything green. Assistant Secretary Mark Olson noted as everyone was aware, that the drought is not going away and commends the HOA on going with more drip irrigation and being more efficient with its irrigation. Blake Gentry noted that drip irrigation takes a long time to get the water out and asked that the District plead the case on drip irrigation. Blake Gentry asked Urban Dirt if they can run several drip irrigation zones at the same time. Hector advised to do that, they will need to update the controllers. Blake Gentry stated that might be an option. President Dennis Daniel stated that as a community, they need to see how to move forward with irrigation and how they want the areas to look. At this time, one day a week watering is key and will have to stay in place. After discussion, Vice President John Genter and President Dennis Daniel summarized that the HOA should be allowed to water for 15 hours, once a week, which is double the timeframe and the HOA can possibly look at more controllers. That timeframe will allow 1/2" of water to the areas, which

should keep the grass alive. Engineer Mark Kestner said if the total amount of irrigation is monitored, and if the HOA is hitting the targeted amount for water reduction, the HOA may be able to water so long as it is documented. President Dennis Daniel and Engineer Mark Kestner have different opinions on this matter. Engineer Mark Kestner aligns with Blake Gentry's position and is happy to talk to the LCRA. After discussion, it was agreed that Engineer Mark Kestner will contact the LCRA and WTCPUA and come back to the June board meeting to educate the Board on what it can and cannot do and for the HOA to investigate its controllers and decide what they can or cannot do and if there is evidence to increase that variance, that the HOA come back with a submission at the June board meeting.

Motion: Motion to grant an irrigation variance for the HOA to irrigate from midnight to 10 a.m. and 7 p.m. to midnight on Fridays in Stage 2 of the District's Drought Contingency Plan.

President Dennis Daniel would like to amend that motion so that it is granted until effluent irrigation is available or if the District enters into a more severe drought stage.

Motion: Motion to grant an irrigation variance for the HOA to irrigation from midnight to 10 a.m. and 7 p.m. to midnight on Fridays in Stage 2 of the District's Drought Contingency Plan until the effluent irrigation is available or if a more severe drought stage is implemented and at that time the information will need to be revisited with the District's Engineer.

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

Attorney Bill Flickinger suggested some information to take to the LCRA for consideration. As it is, residents have one meter, and the HOA has 17 individual meters. It may be possible to approach the LCRA with that information. The HOA will continue with one day per week watering, but certain meters will irrigate on different days, which will split the watering depending on the zone. President Dennis Daniel said the problem is that becomes a 30-hour watering zone. The long zones are on the same meters. After discussion, it was determined that will not work.

President Dennis Daniel would like the consultants and Board members who are requesting an action item to come to the future Board meetings to be prepared with a written motion for whatever action they are requesting.

Blake Gentry thanked the District for its help and looks forward to when the effluent is available.

Item 11c, overall plan to improve wastewater plant efficiency and effluent irrigation was discussed by President Dennis Daniel and Engineer Mark Kestner. The pump skid has been ordered and he is coordinating with Malone/Wheeler on the connection points for the effluent irrigation. Engineer Mark Kestner is talking with the contractors on getting the work done and

Inframark's capability of doing the work. He will bring proposals back for consideration at the June board meeting. Engineer Mark Kestner will also update Stacy Pandy at the LCRA on the status of the grant and the need to submit an extension request. Secretary Gary Grass informed the new directors that the LCRA provided a grant in the amount of \$100,000 to help fund the effluent irrigation project.

Motion: Motion to authorize the District's Engineer to work with the Operations Committee to request an extension to the LCRA grant.

Motion by: Secretary Gary Grass

Seconded by: Assistant Secretary Mark Olson

President Dennis Daniel abstained from the vote. The motion carried.

President Dennis Daniel asked Engineer Mark Kestner if this project will be completed by October, and he indicated it would. Vice President John Genter asked about any solutions to get it done sooner. Engineer Mark Kestner advised he could possibly press the vendor to get it done faster.

Item 11d, President Dennis Daniel asked if the Board had reviewed the committee assignments and if they had any questions or wished to be on a certain committee. President Dennis Daniel discussed the committee assignments and charters. Attorney Bill Flickinger stated for the Board to keep in mind that a committee member can only discuss a topic with the other committee member and not any other Board members until a posted board meeting is held.

Motion: Motion to accept the Committee Assignments and Charter as presented due to the Committees' specific authorizations to consider certain actions as outlined in the document.

Motion by: Vice President John Genter

Seconded by: Secretary Gary Grass

The motion carried unanimously.

12. **ENGINEER'S REPORT AND REQUESTED APPROVALS**

- a. Wastewater Collection and Treatment Plant
 - i. Recommendations on apparent high wastewater treatment flows being recorded
- 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 discussed his report with the Board.

There will be a payment request submitted at the June board meeting for the remaining retainage to close out the conveyor construction project. The conveyor is up and running.

Engineer Mark Kestner reported that the wastewater flows have been examined and the effluent weir readings are the source of the issue. MEC is coordinating with Inframark to recapture the data if possible. President Dennis Daniel stated that the flows have been running high for months and the District has been fighting this issue for over a year now. President Dennis Daniel asked if the engineer and operator are confident of the solution for this issue. Engineer Mark Kestner stated that the consultants are all on the same page and should have the numbers available shortly. The weir meter had a physical breakdown, was repaired and then the SCADA system was not connecting. Inframark's report shows this was fixed on April 15th and that the flows are probably around 60,000 gpd where they should be due to the buildout of the District.

Engineer Mark Kestner reported on the Texas Land Application Permit. TCEQ technical comments were received and responded to. TCEQ has had additional comments and MEC is preparing that response on the confirmation of the size of the holding tank and equalization basin. The TCEQ also had questions about the rotation of irrigation on the subsurface fields. President Dennis Daniel asked about the size of the District's storage tank. Engineer Mark Kestner reported the storage tank at full size is 225,000 gallons and has 220,000 gallons working volume. This equates to about four days of storage if needed. The equalization basin can also be filled if needed. Assistant Secretary Eric Hart asked if the misreads impacted the District's revenue and President Dennis Daniel advised it did not. President Dennis Daniel discussed the wastewater revenue with the new board members. The flows are under the permit level so there is no regulatory mandate. Assistant Secretary Mark Olson inquired about going over the permit limits during COVID and President Dennis Daniel advised it had. At that time, the limit was 50,000 gpd. Subsequently, the permit was amended for 80,000 gpd. The District should stabilize around 60,000 gpd.

There was discussion of the tables and reports included in the engineer's report.

13. 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
- j. Consumer Confidence Report (Annual Drinking Water Quality Report)

Manager Dragan Sonnier discussed the summary of activities since the last board meeting.

The Stage 2 Drought Contingency Plan signs have been placed throughout the District. They will arrange to remove all the signs, but the two in the main locations as they have been up for over two weeks. Assistant Secretary Mark Olson inquired about the status of the Stage 3 signage. Manager Dragan Sonnier stated that they have not yet been prepared but when it is time, he will work with the committee. The Stage 3 signs should be a different color than the Stage 2 signs so that they will stand out to the residents as being different signage. Assistant Secretary Mark Olson reported that a resident informed him that the drip field signs at the amenity center and front drip field are hard to read and dirty. Apparently, the protective film on the signs has failed. Manager Dragan Sonnier will check them out and make any adjustments as needed.

In regard to the bar screen repair, the contractor advised that they are still waiting for the mesh to be delivered before the repair can be made. Inframark will continue to press the contractor for completion as this should have been done months ago. The repair is holding fine, but this project needs to be completed.

Manager Dragan Sonnier discussed the repair to the weir meter. The data was not computing accurately. Southern Flow came out to investigate and found that one issue was that it was on a 24-hour loop and not a rolling cycle. That issue has been corrected. Additionally, a multiplying factor was causing the reads to be off by roughly 30%. Since those repairs, the weir meter should be recording correctly moving forward.

There was discussion of a one-time adjustment request by a resident whose sprinkler controller malfunctioned causing extremely high run times and resulting in their water bill being \$1,317. The resident initially thought it was a leak due to the higher than usual water bill, but the irrigation contractor informed them that the controller run times were “bizarre” and adjusted the controller to the proper settings. The irrigation contractor recommended a replacement controller if the problem persisted. After discussion, the Board noted that the request is not a leak adjustment, as there was no leak and the District’s Rate Order does not provide for any other type of billing adjustments. Manager Dragan Sonnier had a calculation for the adjustment in the amount of \$578.50. This request will need to be reviewed further and a determination of the calculation for the adjustment. The Board asked Manager Dragan Sonnier to contact the resident and advise that the Board is working on this matter. This will be brought back to the June board meeting for discussion and consideration. President Dennis Daniel asked that Manager Dragan Sonnier provide the calculation to legal counsel so that they can send it to the Board for review. President Dennis Daniel also advised that the District needs to be consistent with the community. Attorney Bill Flickinger discussed leak adjustments per the District’s Rate Order. The Board will need to be careful on how it addresses this request.

Manager Dragan Sonnier reported that Inframark has two boxes of District cash receipts from 2013 through 2015 and is requesting that those boxes be shredded pursuant to the District’s Records Retention Policy. Attorney Bill Flickinger advised that cash receipts only have to be preserved for three years after that fiscal year, so these qualify for shredding and asked that Inframark be sure to document that action for the District’s records.

14. 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 reiterated that as discussed at last month's board meeting, he has separated the District's four policies into free standing policies. The policies were included in the agenda package for review.

The Investment and Financial Management Policy is reviewed on an annual basis. There were no significant changes to this policy. The Code of Ethics Policy was significantly updated to include changes on disqualifications and conflicts of interest. The other two policies are the Fees of Office and Expense Reimbursement Policy and the Professional Services and Bond Policy.

President Dennis Daniel asked the committee if they reviewed the Investment Policy and if there were any questions or changes. The committee confirmed their review of the Investment Policy and had no changes. Vice President John Genter entertained a motion.

Secretary Gary Grass left the meeting at this time.

Motion: Motion to adopt the Resolution Regarding Annual Review of Investment and Financial Management Policy and Investment Strategies as presented.

**Motion by: Vice President John Genter
Seconded by: President Dennis Daniel
The motion carried unanimously.**

Motion: Motion to adopt the Resolution Adopting Code of Ethics Policy as presented.

**Motion by: Assistant Secretary Mark Olson
Seconded by: Vice President John Genter
The motion carried unanimously.**

Motion: Motion to adopt the Resolution Adopting Fees of Office and Expense Reimbursement Policy as presented.

**Motion by: Vice President John Genter
Seconded by: Assistant Secretary Mark Olson
The motion carried unanimously.**

Motion: Motion to adopt the Resolution Adopting Professional Services and Bonds Policy as presented.

**Motion by: Vice President John Genter
Seconded by: Assistant Secretary Mark Olson
The motion carried unanimously.**

Attorney Bill Flickinger pointed out the Consumer Confidence Report (“CCR”) as included in the Manager’s Report for review and comment. Jeniffer Concienne provided revisions to Manager Dragan Sonnier. ElizaBeth Reeves reported on the CCR. When the report is finalized, it will be posted on the District’s website.

President Dennis Daniel discussed the timing of the agenda package and asked that when it is received by all parties, that they read through the package thoroughly so that everyone can move through the board meeting with ease and have questions and concerns ready to be discussed. Vice President John Genter reiterated to ask questions when needed so that all can be educated on what the District does.

Assistant Secretary ^{Mark} ~~Mark~~ Olson reported that Belterra is supposedly running out of water during the night due to the watering restrictions as prescribed by the WTCPUA and was wondering if the District is concerned with the same issue. President Dennis Daniel noted that instance was a specific issue with the WTCPUA tanks and pipes that serve that area, which is different from the District’s water supply pipes.

Assistant Secretary Eric Hart asked if there was a handbook for directors. Attorney Bill Flickinger suggested a Zoom meeting with the new directors for an orientation.


15. ADJOURN

President Dennis Daniel adjourned the meeting at 5:17 p.m.



Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:



Gary Grass, Secretary
Reunion Ranch WCID

[SEAL]