

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 July 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  
John Genter – Vice President  
Gary Grass – Secretary  
Mark Olson - Assistant Secretary

thus, constituting a quorum. Assistant Secretary Eric Hart was absent.

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

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 and residents Leslie Daniel, Sandy Lake and Jay Patel.

3.     PUBLIC COMMENTS

No public comments were made.

4.     MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion for approval of the minutes.

**Motion: Approval of the June 18, 2024 meeting minutes as presented.**

**Motion by: Vice President John Genter**

**Second by: Secretary Gary Grass**

**The motion carried unanimously.**

5. UPDATES REGARDING REUNION RANCH HOA MATTERS

Sandy Lake discussed the results of the HOA's amenity survey. The HOA will work through potential locations for non-sports activity and a sports court. They will review the pros/cons for each location. The HOA would also like to educate new and existing residents on the roles of the HOA and WCID. Sandy Lake noted that it was rumored that a location on Adams Court has been chosen, but that is not accurate. President Dennis Daniel informed Sandy Lake that the District's Land Use Committee can work with the HOA on this matter. It might be necessary for the HOA to engage an engineer to look at feasible locations. There is a lot of information available on the District's website regarding criteria for improvements on common areas. Overall, the District is concerned with its assets and water quality. Impacts to impervious cover, drainage and runoff are also some of the District's concerns. When the HOA is ready, it can bring back a formal proposal on amenity locations for consideration by the District. Secretary Gary Grass noted that the District is a subsidiary of the State of Texas and has rules and regulations it must abide by. Sandy Lake stated that many residents in the District feel that the District does not want the HOA to use its own land for amenities but feels that some just may not understand the District's rules/regulations. Jay Patel stated that he looks forward to working with the District's committee on this matter. Engineer Mark Kestner noted that during the location process, the District will need to look at its permit requirements. President Dennis Daniel also discussed the need to protect the District's drip fields.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. Due to additional tax collection, the District's revenue was up this period. However, there still is \$74,000 of taxes that have not been collected. Of that amount, when collected, \$29,000 will go in the operating fund. The weather pattern this month has caused the water sales to dip. President Dennis Daniel discussed the cost of the irrigation skid and the District's budget. President Dennis Daniel requested Bookkeeper Allen Douthitt to contact Hays County TAC on an explanation of the delinquent taxes. There was also discussion on the sludge hauling costs, which is more accurately described as costs due to manually running the belt press. President Dennis Daniel also noted that the District's bond rating was upgraded to a BAA1 which would give the District a lower interest rate if the bonds were to be refinanced.

After discussion, President Dennis Daniel entertained a motion.

**Motion: Approve the District's financials and authorize payment of vendor invoices, per diems and fund transfers as discussed, except for payment to the LCRA.**

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

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

**Motion by: Assistant Secretary Mark Olson  
Second by: Secretary Gary Grass  
President Dennis Daniel abstained from the vote. The motion carried.**

7. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. Annual audit engagement letter from Maxwell Locke & Ritter
- d. 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
- e. Annual budget
- f. Committee Reports
  - i. Communications
  - ii. Operations
  - iii. Land Use & Water Quality
  - iv. Finance, Budget & Audit
  - v. Water Conservation & Drought Management
  - vi. Contractors' Review
  - vii. Agenda Review

Secretary Gary Grass discussed Item 7a. As reported last month, a homeowner is requesting access through the District's property and the HOA's common area to install a swimming pool, however the appropriate paperwork had not yet been submitted. The homeowner has now submitted the required Pool Application and Access Form as reported by Inframark and has provided a new route for access. The District's committee reviewed the route and agreed that it is less disruptive than the first proposed route, but still goes over the berm and drainage pipes in that area and at this time the committee recommends against approving the proposed route. Manager Makenzi Scales advised that there has not been a variance approval received from the City of Dripping Springs that she is aware of. The access area in question is very dense. President Dennis Daniel stated that the request will be tabled until all documentation is received. Assistant Secretary Mark Olson stated that perhaps the homeowner can work with the neighbor for a side yard access route.

There was no discussion on Item 7b.

Secretary Gary Grass discussed Item 7c, the District's annual audit engagement letter submitted by Maxwell Locke & Ritter. The 7% price increase from last year appears to be reasonable and the committee recommends approval. President Dennis Daniel noted that part of the reasonable price is that the District has solid books. Bookkeeper Allen Douthitt stated he would pass that statement along to Jessica Benson in his office. After discussion, President Dennis Daniel entertained a motion.

**Motion: Approve the annual audit engagement letter submitted by Maxwell Locke & Ritter as presented.**

**Motion by: Secretary Gary Grass**

**Second by: Assistant Secretary Mark Olson**

**The motion carried unanimously.**

Engineer Mark Kestner reported on Item 7d regarding the overall plan for wastewater plant efficiency and effluent irrigation. He is making headway with the project and will be scheduling another meeting with Engineer Dennis Lozano to discuss the connection point for the effluent. Also, the skid information will go out next week. The project is on schedule and the site improvements can be completed on schedule as well. President Dennis Daniel reported that he met with Engineer Dennis Lozano regarding the effluent improvements. There will be some stranded areas that will not have effluent available for irrigation, such as areas on Emma Loop, Margaret Circle, Katie Drive and Jacksdaw Drive. Assistant Secretary Mark Olson asked about the timeframe for completion of the effluent irrigation project. It is hoped that the project will be completed by October 2024.

Bookkeeper Allen Douthitt discussed the upcoming budget/tax rate process. The certified values will be sent out by Hays County towards the end of July. Once those are received, Financial Advisor Garry Kimball will prepare the tax worksheets and recommend a debt service rate. At that point, the budget can be built. The proposed budget and tax rate will be discussed at the August board meeting and notice will be arranged to be published on a proposed tax rate. Approval of the budget and tax rate will occur at the September board meeting. President Dennis Daniel discussed the forecasted and capital reserves. Engineer Mark Kestner will send the current plan to Jeniffer Concienne for distribution to the Board. There was discussion of a possible water rate increase. The tax rate can be increased up to 3.5%. Bookkeeper Allen Douthitt indicated that an increase of 3.0% on operations and maintenance rate should be sufficient. President Dennis Daniel agreed but does not want to get behind the curve. Attorney Bill Flickinger elaborated on the process of setting the budget and tax rate. Next month, a public hearing date will be set for the September 10<sup>th</sup> board meeting. As stated above, the budget and tax rate will be adopted in September. Hays County requires the tax rate to be adopted no later than September 15<sup>th</sup>, therefore the regular September board meeting date was moved up a week to accommodate that schedule.

In connection with the Committee reports, the following was discussed.

Assistant Secretary Mark Olson reported that the communications committee will be working on reformatting the District's website. There is a lot of information contained on the website and if the HOA has any suggestions for ease of reading and locating documents, to please let him and Vice President John Genter know. There was also discussion regarding communication to the residents on their irrigation rain sensors and how to replace the battery. He sees a lot of irrigation heads going off right after a rainfall. The committee will be drafting some communication on this topic and will ask the HOA's management company to send out the information by email blast.

Secretary Gary Grass discussed the use of the LCRA grant funds and capital funds for the 210 effluent irrigation project. The construction costs will be marked against the LCRA grant and the engineering costs will be taken from the capital funds.

President Dennis Daniel discussed his chart relating to residential water use within the District. He provided information on usage for a three-year period from 2021 through December 2023. After this information has been finalized, President Dennis Daniel would like to post this on the District's website. The Board provided their comments on the chart. Manager Makenzi Scales offered to help with the information contained in the chart. President Dennis Daniel will update the chart and come back to the next board meeting for discussion.

Assistant Secretary Mark Olson stated that it would be nice to only have one sign posted in the District on the current Watering Schedule. After discussion, it was determined that the sign near the mailbox will remain posted and the others will be removed.

8. ENGINEER'S REPORT AND REQUESTED APPROVALS

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

Engineer Mark Kestner discussed various engineering items.

A tour of the wastewater treatment plant will be beneficial to the new directors if they wish to participate. Vice President John Genter inquired about the lead and copper inventory report to the TCEQ. Engineer Mark Kestner was waiting to see if the TCEQ provided any additional information but will probably go ahead and submit it soon. President Dennis Daniel asked about the TLAP status. Engineer Mark Kestner reported that the permit is in technical review at the TCEQ. He expects a draft permit out by the end of the year. There was discussion of the status of the Emergency Management Plan for wastewater. The plan is 80% and will be sent to the committee for review and comment. Engineer Mark Kestner will conduct a water system presentation at the August board meeting. President Dennis Daniel would like additional

information added to the Wastewater Flow Chart and the WWTP Limit Chart. Engineer Mark Kestner will update those charts as requested.

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

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

The pump at Lift Station 1 needed repair. The faulty pump was due to a bad bearing was pulled and replaced. Manager Dragan Sonnier presented a quote to get the faulty pump repaired so that there will be spare pump available. Zone Industries quoted \$4,876.99 to repair the pump including a one-year warranty.

**Motion: Approve the quote from Zone Industries to repair the Lift Station 1 pump in the amount of \$4,876.99.**

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

Manager Dragan Sonnier discussed the required pond maintenance in several areas. Some of the maintenance items will be costly. After discussion, due to budget constraints and the timing of the new fiscal year, additional information on the costs and repairs will be brought back to the August board meeting for review.

There was discussion of the 210 limits for turbidity. Manager Makenzi Scales stated that Inframark only checks the limits for the wastewater permit and not the 210 permit. President Dennis Daniel reiterated that he would like to see those limits on the chart and has been requesting that information for a while now. Manager Makenzi Scales stated she would get the parameters for the 210 limits from the District's engineer and have them included on the permit chart.

President Dennis Daniel would like to take this time for Inframark to report on an incorrect invoice that was sent to Taylor Morrison for \$52,000 that included past due work dating back to 2013 through 2023. Manager Makenzi Scales informed the Board that Inframark's Builder Services Department and Builder Tap tracking system was an all-manual system and as previously reported were not operating as efficiently as should have been. The balance within those systems

will be moved to a different department for tracking. The goal of moving the balances over to the AR system is that the AR system is an automatic tracking system and the information will be tracked properly. In the process of the changeover, it generated an incorrect invoice to Taylor Morrison without any backup information. Once Taylor Morrison received the invoice, they contacted the District to inquire about the charges and were alarmed to be receiving the invoice. Inframark then pulled the work orders to cross-check with the invoice that was sent to Taylor Morrison. Inframark reached out to Bookkeeper Jessica Benson for assistance. Bookkeeper Jessica Benson provided information to Inframark showing that in fact all the charges had been paid by Taylor Morrison. Manager Makenzi Scales discussed the builder invoice process. Inframark would receive the Taylor Morrison payments and then send the payments to the District's bookkeeper. Over time, Inframark's processes and employees changed and those builder payments were not checked and balanced properly. Several years ago, when Taylor Morrison was leaving the District, its account was reconciled with the District's bookkeeper and an Inframark employee and all current charges were paid. It appears that steps were missed on the Inframark side and Manager Makenzi Scales takes full responsibility for that oversight and has spoken with Michael Slack at Taylor Morrison to provide an update and advise that there is no outstanding balance owed. Vice President John Genter asked about the aged receivables from the other builders within the District. The District's bookkeeper provided that information to Inframark as well and Inframark is communicating with those builders. President Dennis Daniel stated that he spent a lot of hours on this issue this month and stated that Inframark should not send out an invoice to a builder unless they know what it is for. President Dennis Daniel appreciates the acknowledgement of the issue by Manager Makenzi Scales.

President Dennis Daniel asked about the tracking meter's recent consumption of 368,000 gallons. Last year the consumption was zero. Manager Makenzi Scales reported typically those tracking meters are in-District meters. She will pull a full list to review. President Dennis Daniel said that the District only has one tracking meter at the WWTP. Manager Makenzi Scales stated that it could be a fire hydrant or a meter at the plant but will look into the matter and report back with additional information. That usage is an exorbitant amount of water.

President Dennis Daniel likes the historical usage chart but there appears to be a meter reading timing difference between Inframark and PUA. Maybe adding a column for a three-year or one-year accumulative number up to that month would be helpful. With that added column, the amounts should add up or be very close. Manager Makenzi Scales will work on the chart and provide a draft to the Board for comment prior to next month's board meeting. There was discussion of the amount of connections being wrong for the average flow of wastewater. The connections should be 518 instead of 535. Manager Makenzi Scales will check the data and make the necessary adjustment.

President Dennis Daniel inquired about the 2024 Critical Load Report that was included in the agenda package. Manager Makenzi Scales reported that it is an internal report but is provided to the District for their information. The report provides information on all District facilities and assets and the critical load that they are pulled from. The report informs the appropriate agencies what the District needs to power and what it needs to do in the event of a storm so that they can determine what priority the District is to get the facilities up and running.

President Dennis Daniel would like to see a report at next month's board meeting on how effective the Windmill pond aeration is and if aeration should be included in the budget for the other ponds. Before it is budgeted, President Dennis Daniel would like to see the data on its effectiveness. Manager Makenzi Scales noted that the sludge level in the aerated pond is proof to see if it is working. Assistant Secretary Mark Olson asked if the sludge is measured in all the ponds. Manager Makenzi Scales stated that Aquatic Features checks the sludge levels in the ponds.

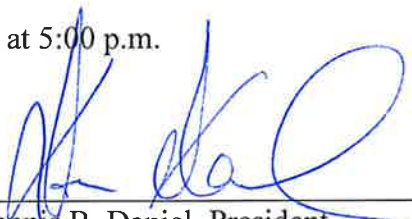
Secretary Gary Grass reported that there were no watering violations to report. Attorney Bill Flickinger reminded the committee that resident information cannot be included on the report for the agenda package, as that is confidential information. Manager Makenzi Scales acknowledged that all resident information will be redacted before inclusion in the agenda package.

10. ATTORNEY REPORT AND REQUESTED ACTIONS

Attorney Bill Flickinger had nothing to report.

11. ADJOURN

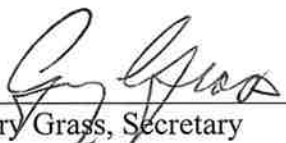
President Dennis Daniel adjourned the meeting at 5:00 p.m.



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Dennis B. Daniel, President  
Reunion Ranch WCID

ATTEST:



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Gary Grass, Secretary  
Reunion Ranch WCID

[SEAL]