

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 18, 2023 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
Ron Meyer – Secretary
Gary Grass – Assistant Secretary
John Genter – Assistant Secretary

thus, constituting a quorum. Vice President Terri Purdy was absent.

Also present at the meeting were Hunter Hudson and Jeniffer Concienne with Willatt & Flickinger, PLLC, Mark Kestner with Murfee Engineering and Makenzi Scales and Dragan Sonnier with Inframark.

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

3. PUBLIC COMMENTS

No public comments were made.

4. MINUTES OF PRIOR MEETINGS

Assistant Secretary John Genter had a few revisions to the minutes as did President Dennis Daniel. After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary John Genter and seconded by Secretary Ron Meyer to approve the June 20, 2023 meeting minutes as revised. The motion carried unanimously.

5. UPDATES REGARDING REUNION RANCH HOA MATTERS

Sandy Lake reported on four HOA updates.

Sandy Lake stated that the HOA Manager Matt Bland sent out a meeting invite with Malone/Wheeler regarding the effluent piping schematics. The parking lot at the pavilion will be sealed and striped tomorrow. The HOA will have a new pool vendor by August and the HOA is working on budget items for the 2024 budget.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. The District's budget is looking good. President Dennis Daniel asked if a new column could be added to the budget for comments on items that exceed 10% and more than \$5,000 that is budgeted for year to date items.

Assistant Secretary Gary Grass asked if there has been any response from Hays County on the District's delinquent taxes. Bookkeeper Allen Douthitt reported that the District is now 98% collected. There was discussion of the new legislation that will provide tax information, including payment plans, deferred payments or delinquent taxes. Bookkeeper Allen Douthitt reported that there is approximately \$50,000 remaining this year in tax collection and about \$8,000 from the year prior, which he will consider in the upcoming budget.

Bookkeeper Allen Douthitt continued to discuss the financials with the Board. The per diem for Terri Purdy will be voided due to today's absence.

After discussion of the financials, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to approve the financials, payment of the invoices and per diems and authorize the fund transfers as discussed. The motion carried unanimously.

7. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. Disposition of Capital Project Funds
- d. Annual audit engagement letter from Maxwell, Locke & Ritter
- c. Committee Reports
 - i. Communications
 - ii. Utility Operations
 - iii. Land Use & Water Quality
 - iv. Finance, Budget & Audit
 - v. Water Conservation & Drought Management
 - vi. Operations Contract Review
 - vii. Wastewater Effluent Reuse

There were no action items for 7a & b.

Attorney Bill Flickinger noted that item 7c will be discussed in Closed Session at the end of the meeting.

Assistant Secretary Gary Grass and Assistant Secretary John Genter reviewed the annual audit engagement letter from Maxwell Locke & Ritter and recommended approval. The base fee was increased by \$500 to \$13,500 for preparation of the District's audit. President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the Maxwell Locke & Ritter annual audit engagement letter as presented. The motion carried unanimously.

President Dennis Daniel reported that matters related to utility operations will be discussed later on in the agenda.

Assistant Secretary Gary Grass inquired about the budget timeline. Bookkeeper Allen Douthitt stated that the District's certified values should come in soon. Bookkeeper Allen Douthitt will provide a draft budget in August and then the committee can work on it and have a final consideration at the September board meeting. Assistant Secretary Gary Grass would like to meet with Bookkeeper Allen Douthitt on having a 2-tiered budget.

Assistant Gary Grass reported that the West Travis County PUA went into Stage 2 Watering Restrictions. To follow the PUA's plan, the District should go into its Stage 3 Watering Restrictions. Assistant Secretary Gary Grass would like the Board to consider authorizing the Water Conservation & Drought Management Committee to have the authority to designate appropriate stages and respond to the PUA without waiting for the next board meeting. President Dennis Daniel inquired about the recent change from the PUA. Assistant Secretary Gary Grass indicated that there should be a 20% reduction in water use. There was discussion of the importance of communicating water conservation and drought management information with the residents by posting information on the District's website, sending out eblasts and posting signs within the District. After discussion, motion was made by President Dennis Daneil and seconded by Assistant Secretary Gary Grass to move to Stage 3 of the District's Drought Contingency Plan. The motion carried unanimously. Motion was then made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to designate the Water Conservation & Drought Management Committee authority to designate drought stages per the District's Drought Contingency Plan. The motion carried unanimously.

Assistant Secretary John Genter stated that the committee met and drew up a draft plan in regard to operations contract review. Once Vice President Terri Purdy returns from vacation, she will look at it and the committee may have something to report at next month's board meeting.

In regard to the wastewater effluent reuse project, President Dennis Daniel stated that it is ongoing and details on the pump station and schematic for the irrigation system will be discussed at next month's board meeting.

8. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Wastewater treatment plan
 - i. Effluent Irrigation Improvements and Authorizations; Review of Bids; Award of Contract
- b. Water Supply and Distribution Systems; LCRA Contract – current reservation
- c. Stormwater and Water Quality System
- d. Emergency Management Plan(s)
- e. Long-term Improvements and Asset Management Plan
- f. Approvals Related to Ongoing Construction Contracts
- g. Approvals to Upcoming Construction Contracts

Engineer Mark Kestner discussed his new format for his engineer's report to group certain items together. President Dennis Daniel noted that his report showed the BOD at 6 but that the manager's report reported it under 3.5. Manager Makenzi Scales reported that the 3.3 level in her report is correct. Engineer Mark Kestner advised that he will alter the charts to show the levels between 210 permit and non-permit levels.

There was discussion of the charts that Murfee and Inframark provide and the possibility of consolidating the charts due to the duplicate information. The committee of President Dennis Daniel and Assistant Secretary John Genter will work on this with Murfee and Inframark on having one set of charts for providing the information.

President Dennis Daniel discussed the enforcement of watering violations and asked the committee for recommendations. Assistant Secretary Gary Grass and Vice President Terri Purdy will work on this and come back to the August board meeting with a possible enforcement policy.

Engineer Mark Kestner will leave the details on the increased flows to Manager Makenzi Scales. It appears to be a meter issue not a flow issue. President Dennis Daniel noted that for several months, the District had an extra 20,000 gallon per day. Manager Makenzi Scales discussed the permitting meter error. The meter has re-circulation issues, which result in high reads. Engineer Mark Kestner stated that the permitted meter is the meter after the last treatment process. The Inframark Compliance Department provided information on the weir meter, but it is not computing correctly. Inframark has initiated getting a new meter. President Dennis Daniel asked if this was a new meter, and the answer was yes. President Dennis Daniel asked what re-circulates for the drip irrigation. There is a loop that allows for re-circulation. After discussion, President Dennis Daniel is not appreciating Inframark's Compliance Department not understanding the plant and its operations and asked that Manager Makenzi Scales pass that information on. This problem should have been jumped on within days to find a solution. To not understand where to measure flows is highly concerning to President Dennis Daniel. Manager Makenzi Scales understands and reported that the meter had been reading for the last two years without flow issues. This issue began in May. President Dennis Daniel asked if the District needs to ask for an exception to the TCEQ on the 90% capacity rule due to these high flows. Engineer Mark Kestner and Manager Makenzi Scales stated that no exception is needed unless the flows are high again. If so, the District can report on the meter issues. President Dennis Daniel asked to be notified as soon as this issue has been fixed. Assistant Secretary Gary Grass asked if the

new meter will be under warranty. Engineer Mark Kestner and Manager Makenzi Scales will check on the warranty.

Engineer Mark Kestner discussed the process of removing the mixers. An Inframark crane truck will be pulling the mixers. Inframark will notify the HOA Manager Matt Bland when this has been scheduled. Pictures will be taken of the mixer after removal in case the issue is covered under warranty and not the suspected clogging.

There was discussion about getting the alternative pricing for the effluent irrigation from the contractor. The alternative is switching from skid style pumps to submersible pumps. This alternative will not trip the re-bidding process. The contractor will hold the bid through mid-August. The District can expect to award the contract at the August meeting. President Dennis Daniel advised that the District needs to be ready to go in August. A report will need to be drafted to Stacey Pandy at the LCRA on the details for the extension. President Dennis Daniel asked Engineer Mark Kestner to provide it to the Board prior to releasing to the LCRA. President Dennis Daniel reported that they are trying to get the costs down so that the whole neighborhood can be irrigated with effluent. They are working on a 30% price cut.

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 Makenzi Scales discussed the Executive Summary as included in the agenda package.

In regard to the wastewater treatment plant and effluent subsurface irrigation, all District facilities are in compliance for the month of June. Both BOD and TSS were below 5 this month. The wastewater plant is running at 90%, the total flows are 2.163 MG and the average flows are 72,120 GPD.

It was reported that the drip skid pump parts have been ordered but are in low supply and it will have a lead time of about two months. In the meantime, Proscapes is working on a plan for a temporary repair. Manager Makenzi Scales stated that once she has the plan, she will report back to the committee.

Manager Makenzi Scales reported on the status of the chlorine contact chamber. During a site visit last month, it was noted that a broken pipe was causing sludge to leak into the chlorine contact chamber. The pipe was repaired and the basin was cleaned.

Manager Makenzi Scales reported on the bar screen in need of repair. It is hoped that this repair will be under warranty. President Dennis Daniel noted since the bar screen failed, there is no screening and now that the mixer is bad there has been compounding issues for months. Manager Makenzi Scales discussed the timeline of events due to the failures in the same area. President Dennis Daniel asked if there is manual screen on site, to which Manager Makenzi Scales stated there was not, due to it having a hole in it. No screening is being conducted at this time. It appears that the bar screen folded back against itself, causing the failure.

Texas Disposal Systems is still working on a cost proposal for a trash receptacle at the wastewater plant. Inframark put some trash cans around the area and cleaned it up. President Dennis Daniel asked about the location of the dumpster. Manager Makenzi Scales stated it will be located right inside the fence near the sludge box. There will also be a double-lock system that will need to be worked out with Texas Disposal Systems. The receptacle will be an 8-cubic yard dumpster.

President Dennis Daniel discussed the issue of residents closing off valves in the drip fields. Manager Makenzi Scales recommends valve lock boxes in those areas.

There was discussion on the ponds within the District in regard to sludge management. Aquatic Features recommended that this be done on an annual basis and recommends doing another round of checks soon. President Dennis Daniel would like to know the effectiveness of the aerator and if it should be used in the other ponds before the District spends the money on another aerator. Assistant Secretary Gary Grass asked that they include the information in the reports so that they can see the outcome. Assistant Secretary Gary Grass made a motion and seconded by Secretary Ron Meyer to proceed with the next sludge check on the three ponds, not to exceed \$1,500. Assistant Secretary John Genter asked if \$1,500 is a reasonable number. Alternatively, we can hold the motion and act on a firm bid next month. President Dennis Daniel reported that a vote was on the table and the Board continued to discuss this matter. Assistant Secretary John Genter would prefer to have an actual bid. President Dennis Daniel can offer an amendment to delay the motion until next month. Attorney Bill Flickinger noted that the motion will need to be withdrawn or push the vote. Assistant Secretary Gary Grass would like to move forward with his motion. President Dennis Daniel advised the vote failed. President Dennis Daniel asked that Aquatic Features provide a cost for another aerator so that can be included in the upcoming budget.

President Dennis Daniel noted that he cannot read the scanned charts in the manager's report. This could be due to rescanning the package for distribution to all parties when it is received from Inframark. Manager Makenzi Scales will enlarge the text as well. There was discussion of incorrect data on the wastewater flow chart for the month of June. Secretary Ron Meyer asked if comments can be included on the reports if there is an anomaly that needs attention.

Manager Makenzi Scales introduced Dragan Sonnier to the Board. Mr. Sonnier is a recently hired Account Manager and will be taking over the account in the future. Mr. Sonnier discussed his background and experience.

10. ATTORNEY REPORT AND REQUESTED ACTIONS

- a. Resolution on Director's Fees
- b. Resolution Regarding Annual Review of District Investment Policy and Investment Strategies; Code of Ethics and Financial Investment, Travel and Professional Services Policy
- c. Amended Information Form (revised Notice to Purchaser)

Attorney Bill Flickinger discussed three changes in relation to the recent legislation.

Attorney Bill Flickinger discussed the increase in per diems to a maximum of \$221 per day. If adopted, the increased rate will take effect tomorrow. President Dennis Daniel is unsure if the Board should vote on this increase. President Dennis Daniel asked about the verified statement that is filed by each director. Bookkeeper Allen Douthitt provides a sign-in sheet at the Board meetings. We will work together to be sure it is in line with the Resolution. Attorney Bill Flickinger stated that the Board works hard and pays taxes on the per diems and he is of the opinion that the directors deserve the per diems. It was noted that some directors do not take a per diem for certain District work, which is their choice. Secretary Ron Meyer agrees with Attorney Bill Flickinger and also noted that they are voting for the future directors as well. After discussion, motion was made by Secretary Ron Meyer and seconded by Assistant Secretary John Genter to adopt the Resolution Authorizing Director's Fees as presented. The motion carried unanimously.

Attorney Bill Flickinger discussed the minor adjustments to the District's Investment Policy per recent legislation. The per diem amount was increased to \$221 and language clarifying Re-purchase Agreement provisions, which do not affect the District. After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to adopt the Resolution Regarding Annual Review of District Investment Policy and Investment Strategies; Code of Ethics and Financial Investment, Travel and Professional Services Policy. The motion carried unanimously.

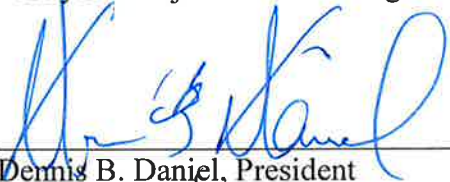
Attorney Bill Flickinger then addressed the change to the Notice to Purchaser attached to the Amended Information Form due to recent legislation. The heading font was enlarged and there was additional language regarding the District's bonds inserted into the form. After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to adopt the Amended Information Form as presented and authorize the filing with the TCEQ and Hays County Clerk. The motion carried unanimously. The Notice to Purchaser will also be posted on the District's website.

**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 No. 7(c). The Board went into closed session at 4:39 p.m.

At 4:58 p.m., President Dennis 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.


11. ADJOURN

President Dennis Daniel entertained a motion to adjourn. Motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to adjourn the meeting at 4:58 p.m.



Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:



Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]