MINUTES OF REGULAR MEETING

REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT

STATE OF TEXAS

COUNTY OF HAYS

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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 19, 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 (Via Zoom) Terri Purdy – Vice President Ron Meyer - Secretary Gary Grass – Assistant Secretary John Genter – Assistant Secretary

thus, constituting a quorum.

Also present at the meeting were Hunter Hudson, Greg Szuman and Jeniffer Concienne with Willatt & Flickinger, PLLC, Andrea Wyatt and Bryce Canady with Murfee Engineering, Allen Douthitt with Bott & Douthitt and Ronja Keyes with Inframark, LLC.

Attending via Zoom were President Dennis Daniel, Bill Flickinger with Willatt & Flickinger, PLLC, Evan Parker with Murfee Engineering, residents Blake Gentry (HOA Architectural Control Chair) and Pattie Webster (HOA Landscaping Committee member), Mike Moyer with Taylor Morrison and Daniel Heyl with Heyl Homes.

3. CITIZEN COMMENTS

There were no citizen comments at this time.

4. MINUTES OF PRIOR MEETINGS

Assistant Secretary John Genter had revisions to the minutes, which were provided to Jeniffer Concienne. Assistant Secretary Gary Grass also had a revision. Vice President Terri Purdy entertained motion. Motion was made by Assistant Secretary John Genter and seconded by Assistant Secretary Gary Grass to approve the June 21, 2022 meeting minutes as corrected. The motion carried unanimously.

5. STATE OF DISASTER DECLARED DUE TO DROUGHT

Vice President Terri Purdy discussed Governor Greg Abbott's state of disaster declaration due to the extreme drought. Attorney Bill Flickinger advised that the District should track all costs related to the drought because it may be possible to get reimbursed for those costs from federal or state funds. There probably will not be any costs, but it a good idea to keep it in mind.

6. PUBLIC HEARING ON DROUGHT CONTINGENCY PLAN

7. <u>AMENDED DROUGHT CONTINGENCY PLAN</u>

8. VARIANCES TO DROUGHT CONTINGENCY PLAN REQUIREMENTS

Items 6, 7 and 8 were discussed together.

Attorney Bill Flickinger discussed the process for the public hearing, comments and discussion of the Drought Contingency Plan. Engineer Andrea Wyatt has reviewed the District's Drought Contingency Plan in relation to the WTC PUA's Plan to match it up.

Secretary Ron Meyer asked if the District is required to have its own plan if the water supplier, which is WTC PUA has one. Attorney Bill Flickinger advised that by contract, the District is required to have its own Drought Contingency Plan to enforce watering restrictions against the District's customers.

Engineer Andrea Wyatt discussed the draft Drought Contingency Plan and summary. Attorney Bill Flickinger indicated that the coordination between the District and WTC PUA needs to be improved. The District should be notified directly when the WTC PUA plans on amending its plan or implements a new stage. There was detailed discussion of the stages, triggers, measures and consumption goals throughout the plan. Resident Blake Gentry noted that the WTC PUA has 5 stages, whereas the District only has 4 stages.

**Bookkeeper Allen Douthitt needed to get to another engagement, therefore, the Board moved to the Bookkeeper's report at this time.

**President Dennis Daniel returned to the Public Hearing on the Drought Contingency Plan. Vice President Terri Purdy opened the public hearing on the Drought Continency Plan.

Vice President Terri Purdy stated that the projects which are currently permitted, will not be subject to the WTC PUA's Drought Contingency Plan measures. Daniel Heyl addressed the Board and stated that he is a homebuilder in the private section within the District and has many projects going on. Daniel Heyl would like to discuss the watering restrictions in regard to his

ongoing projects and pleaded for the District to not stop his progress on his projects. Blake Gentry and Patti Webster discussed how the WTC PUA and the District's plans do not match and also asked the Board to please not revoke the current permitted projects. Blake Gentry addressed the Board as well. He is at the end of an 8-month pool project. He has already reduced the landscaping on his project. On June 10th he received a variance for his project. If the project is stopped now, he could lose a lot of money. Blake Gentry asked the District to please stick with the current plan and not change it in the middle of the season. Blake Gentry applauded the Board on moving forward with effluent irrigation for the common areas. Patti Webster stated that she owns a construction company and discussed the contractor's predicament in regard to the watering restrictions. President Dennis Daniel noted that the amendment to the Drought Contingency Plan is complicated and that the Board will continue to work through it and bring it back to the August board meeting for approval. As of today, the District will go into Stage 3 watering restrictions. Attorney Bill Flickinger advised that the District has to make all reasonable efforts to proceed with the plan and be as stringent as the WTC PUA's. Attorney Bill Flickinger recommended that all granted variances at this time should stand. Attorney Bill Flickinger will write a letter to the WTC PUA to request that communications be improved for notifications regarding amendments to the Drought Contingency Plan or when implementing a new stage of the plan. President Dennis Daniel and Vice President Terri Purdy reiterated that the Board will plan to adopt the Amended Drought Contingency Plan next month and will adhere to the District's Stage 3 restrictions in the meantime. Attorney Bill Flickinger noted that the Notice of Watering Restrictions will need to be revised as well. Secretary Ron Meyer and Secretary Gary Grass discussed enforcement of the watering restrictions. Blake Gentry commented that this is still unclear. No further restrictions will be placed on permitted projects at this time.

After the comments above, the public hearing was closed by Vice President Terri Purdy

After detailed discussion, President Dennis Daniel recommended a motion that the District to move to Stage 3 under the District's current Drought Contingency Plan based upon the WTC PUA's movement into Stage 3 and a presumption that the WTC PUA has a rational reason and further that any approved and authorized construction under progress today be allowed to continue in a timely manner and not waste water. The foregoing motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer. The motion carried unanimously.

Motion was then made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to direct the District's engineer and attorney to draft an Amended Drought Contingency Plan that conforms with the concept and ideas discussed today and bring back to the Board at the August board meeting for approval. The motion carried unanimously.

President Dennis Daniel asked that a draft be sent out for review two weeks ahead of the board meeting.

9. <u>BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS</u>

Bookkeeper Allen Douthitt discussed the financials with the Board. Mr. Douthitt also included a summary on the variances in the financials. Mr. Douthitt discussed the budget and the

goal of generating one-year of operating reserve. The budget discussion for the next fiscal year will start next month. Since the Board did not meet last month, due to lack of quorum, payment of the invoices will need to be ratified. There was discussion of the Environmental Solutions invoice for the odor control unit. That unit was removed several months ago and there should not be a payment due. Manager Ronja Keyes will look into this matter. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to ratify last month's payment of invoices and per diems. The motion carried unanimously. After discussion of the current financials, motion was made by Assistant Gary Grass and seconded by Secretary Ron Meyer to approve payment of the invoices and per diems and authorize the two fund transfers as discussed. The motion carried unanimously.

10. 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

A. Conveyance of directors' lot

Mike Moyer with Taylor Morrison reported that they closed on the last house a few weeks ago. Taylor Morrison is officially done with development in Reunion Ranch. President Dennis Daniel mentioned that the house on Katie Drive still has a blue barrier up. Mike Moyer will check on that.

Attorney Bill Flickinger discussed the purpose of a directors' lot. Now that the Board consists of all residents within the District, the directors' lot is no longer needed. There was discussion of the directors' lot being conveyed to the HOA with the same requirements and conditions as the other common area lots. After discussion, motion was made by President Dennis Daniel and seconded by Vice President Terri Purdy to request Taylor Morrison to transfer the directors' lot to the HOA with the same terms as the other common area lots. The motion carried unanimously. Mike Moyer will reach out to the HOA on this matter.

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

This item was not discussed.

12. <u>ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION AND ADMINISTRATION OF CONSTRUCTION CONTRACTS</u>

This item was not discussed.

13. 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

14. WASTEWATER TREATMENT PLANT EXPANSION

- A. Odor and noise issues
- B. Irrigation improvements proposal

15. <u>IMPLEMENTATION OF LONG-TERM DISTRICT IMPROVEMENTS AND ASSET MANAGEMENT PLAN</u>

Items 13, 14 and 15 were discussed together.

Engineer Andrea Wyatt discussed the need for a conveyor system to move solids from the press to the dump bin. Bids were solicited and two were received. The low bid was in the amount of \$54,500 from PW Tech. A concrete pad is recommended to be installed to support the dumpster and conveyor legs. Bollards are also recommended to be installed. This will be an additional cost. There was discussion of the cost of the concrete pad. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary to accept the engineer's recommendation for installation of the conveyor system and for the engineer to bring back a proposal for the concrete pad with bollards to protect the equipment. The motion carried unanimously.

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

Attached to the report is the updated figure tracking wastewater flows, which includes calculated flow values produced per household. Engineer Andrea Wyatt advised that the flows are still on track and are actually a little bit under what was originally projected. They are not seeing the spikes that they saw last year and the year before.

The record drawings are still in progress for the wastewater treatment plan. Engineer Andrea Wyatt is still waiting on the electrical engineer's drawings.

There have not been many odor control complaints since the expansion was completed. Evan Parker has been going to the site to try to pinpoint what the biggest issues are noticed that a cover will finish the problem off. After rainfall, the odor comes back and then once it dries up, the odor goes away. Putting a cover on the dumpster seems to be a good solution. Engineer Andrea Wyatt has provided some options to Inframark on covers and costs. There is a big range in costs for these covers. A sectional cover seems to be a good option. Manager Ronja Keyes advised they can work with whatever the Board decides. President Dennis Daniel recommended the sectional cover and asked that the operator attempt to keep the sections in place as much as possible, removing a section when necessary for the conveyor to work and drop into it but to keep it covered as much as possible, particularly during inclement weather when sludge disposing is

suspended. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Gary Grass to move forward with the sectional cover as discussed. The motion carried unanimously. President Dennis Daniel amended his motion to include a cost of the sectional cover up to \$2,000. Assistant Secretary Gary Grass seconded that amendment. The motion carried was carried unanimously. This action will go through Inframark. Vice President Terri Purdy would like to get moving on this before the rain eventually starts back up.

Engineer Andrea Wyatt discussed the effluent sampling for turbidity and BODs for the 210 permit limits. In regard to the effluent irrigation design, updating the skid with a jockey pump has required a few changes to the original design and she is putting together bid documents as quickly as possible. She is hopes to be done soon with this project. There was discussion of delegating authorization to the committee to proceed instead of waiting until the next board meeting. This will be discussed under the committee assignments.

In connection with the Emergency Preparedness Plan, there still have not been any comments made by the TCEQ. The 90-day review and comment period has expired.

Engineer Andrea Wyatt is still working on the Wastewater Emergency Response Plan with Inframark. She would really like to see some committee input to make sure that the documents conform with what the Board wants.

A noise complaint was received on June 21st from a resident on Jayne Cove. Evan Parker visited the site and to record the observe the noise. A resident also provided a recording of the noise. It appears that the noise is coming from the odor control blowers, which are always on. Engineer Andrea Wyatt reported that one of the units had a motor failure recently, but that the noise continues. Manager Ronja Keyes will discuss the possibility of the noise being from an air leak. The equipment representative has visited the site to evaluate the units. If the sound is bouncing, this needs to be fixed as soon as possible. Engineer Andrea Wyatt reported that they are in constant communication with the residents to keep them up to date on the progress. President Dennis Daniel asked to keep the communications very direct and to give the resident an update as well. He does not want this to be a nuisance in the cul-de-sac. Assistant Secretary Gary Grass asked what has changed that the residents are now hearing the noise. It is possible that residents believed the noise was from the ongoing construction at first. Vice President Terri Purdy recently called in a noise complaint into Inframark for what sounded like a high-pitch alarm.

Engineer Andrea Wyatt discussed the District's capital improvement chart. The chart has been updated to include a heading on estimated completion and final completion date. The Mary Elise Pond aerator project has been completed. The 210 Irrigation skid cover cost should be updated to the total amount of the project. A new table will be submitted with the upcoming budget on new projects. Assistant Gary Grass discussed the budgeting for the 210 irrigation project.

16. EFFLUENT DISPOSAL AGREEMENT BETWEEN THE HOA AND DISTRICT

Attorney Bill Flickinger reported that the Effluent Disposal Contract with the HOA is in the agenda package and ready for Board approval. The 10% slope provision was removed from the contract and Exhibit B was revised to include a description of the irrigation areas instead of attaching a License Agreement with Hays County. The HOA advised that Hays County does not require a License Agreement to irrigate some of the common areas. Assistant Secretary John Genter stated that the HOA approved the Effluent Disposal Contract at its recent board meeting subject to removal of the 10% slope provision. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary John Genter to approve the Effluent Disposal Contract between the District and HOA as presented. The motion carried unanimously.

17. CRITERIA FOR APPROVAL OF ANY MODIFICATIONS TO COMMON AREAS; ACCESS TO COMMON AREAS BY CONTRACTORS WORKING ON INDIVIDUAL RESIDENTIAL LOTS

A. Inframark proposal for cleanup of debris

18. REQUEST FOR MODIFICATION TO COMMON AREA

Items 17 and 18 were discussed together.

Secretary Ron Meyer discussed the criteria for approval of any modifications to common areas and access to common areas by contractors. There was discussion of the fact that any access to the common areas, which belong to the HOA, is the HOA's decision and approval. The District can charge for any damage that occurs to the facilities, but there is no legal authority to prevent the access. There was further discussion on the proposed criteria. Vice President Terri Purdy created an Application and checklist for the District's engineer and operator to complete when a request for modification is submitted for consideration. There was also discussion of the cleanup to the common areas. Inframark provided information on this matter. Since the HOA owns these areas, the information will be passed on to the HOA for review. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to adopt the committee's recommendation on Common Area Project Review Criteria as prepared by Secretary Ron Meyer. The motion carried unanimously.

Vice President Terri Purdy discussed the three requests for modification to the common areas. Attorney Bill Flickinger noted that these requests were submitted in May and the 60-day deadline is coming up. The requests have been reviewed in part and do not appear to be extensive. Two requests are on the same street, and one is a playground shade structure.

President Dennis Daniel recommended approval. Motion was made by President Dennis Daniel and seconded by Vice President Terri Purdy to approve the shade structure at the Windmill Park playground as presented. The motion carried unanimously.

President Dennis Daniel's only comment is that the District insist on appropriate erosion control for bare soil.

Motion was made by President Dennis Daniel and seconded by Secretary Ron Meyer to approve the project with the aerial photos and wildflower seeding with additional hedges, trees and plants, provided that appropriate erosion control is maintained until cover is reestablished and further suggest not to proceed until watering restrictions return to Stage 2. The motion carried unanimously.

Motion was then made by President Dennis Daniel and seconded by Vice President Terri Purdy to approve the project for planting hedges but not to proceed until watering restrictions return to Stage 2. The motion carried unanimously.

Assistant Secretary John Genter recommended in the future adding an application number to each request for easier identification.

19. COMMITTEE REPORTS, ASSIGNMENT AND MEMBERSHIP

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

President Dennis Daniel discussed the new committee assignment handout, including Standing Committees and Ad Hoc Committees.

After discussion regarding the Communications Committee (Terri & Dennis), motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to authorize the committee to approve an expenditure up to \$1,000 associated with District communication needs. The motion carried unanimously.

After discussion regarding the Utility Operations Committee (Dennis & John), motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to authorize the committee to approve any emergency expenditures as needed, which will then be brought to the Board for ratification. The motion carried unanimously.

After discussion regarding the Land Use & Water Quality Committee (Ron & Gary), motion was made by President Dennis Daniel and seconded by Assistant Secretary John Genter to authorize the committee to approve any emergency expenditures, which will then be brought to the Board for ratification. The motion carried unanimously.

The Finance, Budget & Audit Committee (Gary & John) will work with Bookkeeper Allen Douthitt on the upcoming budget.

After discussion regarding the Water Conservation and Drought Management Committee (Gary & Terri), motion was made by President Dennis Daniel and seconded by Assistant Secretary to authorize the committee to approve enforcement actions, variances and approvals, which will then be brought to the Board for ratification. The motion carried unanimously.

President Dennis Daniel advised that the LCRA has a new grant program regarding flume meters and asked that the committee look into the matter.

20. <u>OPERATIONS AND MAINTENANCE REPORT</u>

- A. Administrative
- B. Wastewater Treatment Plant
- 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. Expenditures, contracts, repairs, replacements and maintenance related to Operations and Maintenance Report

Manager Ronja Keyes discussed the Executive Summary.

In connection with the WWTP/ Collection system, the plant is running at 71% capacity. The District's total flows were 1,7 MG, which averages 57,000 GPD.

The odor control unit had a motor failure. The unit was turned off and found that the motor overheated. The motor is under warranty. However, it may take up to 12 weeks to receive the new motor.

Manager Ronja Keyes discussed the effluent lift station failure. The electrician installed a control relay as a temporary bypass that is working fine at this time. A replacement proposal will be forthcoming.

Inframark conducted the monthly inspection of the irrigation fields, and no issues were reported.

The District's water accountability is at 93% accountability for the month of June. Assistant Secretary Gary Grass asked what the District is going to do to get it up to 100%. Manager Ronja Keyes repaired an irrigation leak and hopes that will bring it up. A night survey can also be done. The PUA's master meter was calibrated recently. President Dennis Daniel questioned the leak. Manager Ronja Keyes advised that the leak was on Reunion Ranch Boulevard at the beginning of the bridge. There could also be an underground leak. President Dennis Daniel reported that the water loss has continued for a year now and these leaks need to be found. President Dennis Daniel will gather data from Inframark to provide an analysis on the

water loss. Manager Ronja Keyes noted that the Samco survey was confusing. President Dennis Daniel asked Inframark to please look at the HOA irrigation system that may possibily be unmetered.

Manager Ronja Keyes discussed the unauthorized discharge that was reported by President Dennis Daniel. The spill was reported at a manhole and ran down the street and into the storm drain. President Dennis Daniel called it in, which went to dispatch. The operator was notified to troubleshoot why they did not receive a callout. The lift station was then pumped down. Inframark should have received a call out on the high run times. However, it was discovered that the ARS team from Houston disabled the alarm during preventative maintenance and failed to turn it back on. There will be no charge to the District regarding the spill. The TCEQ was notified as required.

In regard to delinquencies, eight letters were mailed out and four door tags were hung. However, there were no disconnects as of today.

Manager Ronja Keyes discussed a complaint from a resident on Stage 3 watering restrictions. The resident requested immediate action, so she apologized for asking the HOA to send out an email blast. However, in the future she will contact the committee prior to action.

In regard to the noise complaint at the odor control unit, it appears to be an air leak. The line is scheduled to be replaced today. President Dennis Daniel noted that he and Vice President Terri Purdy will craft a message on the air leak and noise mitigation with the HOA.

Pond inspection reports were included in the agenda package. No additional proposals were received for the pedestrian walkway to the Mary Elise Pond. Manager Ronja Keyes has reached out to Lone Star Paving. Assistant John Genter asked if there were any Eagle Scouts available for the task. This will be a good project to include in the upcoming budget.

The erosion control report was included in the Manager's Report.

President Dennis Daniel noted that the emergency phone number needs to be updated on the lift stations and at the plant. It currently has the customer service line listed. That number has now been changed to the dispatch line. Vice President Terri Purdy noted that the District's website contact numbers should be updated as well. Jeniffer Concienne will arrange for the District's website to be updated. The Board asked that the emergency number be shared with them.

Assistant Secretary John Genter asked about the District's authority to issue a stop work order against contractors who continue to be fined and fail to correct the erosion control issues. Attorney Bill Flickinger advised that the District cannot issue a stop work order but can continue to fine the contractor and authorize Inframark to correct the issue and charge the contractor for the work. Assistant Secretary John Genter noted that one contractor has already been assessed four fines.

21. PENDING ENFORCEMENT BY TCEO

Attorney Bill Flickinger reported that the Final Agreed Order is on the TCEQ's agenda for July 20th. Engineer Andrea Wyatt and Attorney Greg Szuman have prepared the Notice of Commencement letter, certificates and cover letters in advance. Once the Final Agreed Order is received all of the information will be filed at that time.

22. REGARDING RESOLUTION ANNUAL REVIEW DISTRICT INVESTMENT POLICY AND INVESTMENT STRATEGIES

Attorney Bill Flickinger discussed the annual review of the District's investment policy and strategies. No changes are recommended at this time. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to approve the Resolution Regarding Annual Review of District Investment Policy and Investment Strategies as presented. The motion carried unanimously.

23. ANNUAL AUDIT ENGAGEMENT LETTER SUBMITTED BY MAXWELL LOCKE & RITTER

Attorney Bill Flickinger discussed the process for the District's annual audit. Maxwell Locke & Ritter has done a job in preparing the District's annual audits. The fee has increased by \$500 from last year. After discussion, motion was made by Assistant Secretary John Genter and seconded by Vice President Terri Purdy to approve the engagement letter from Maxwell Locke & Ritter to begin preparation of the District's annual audit. The motion carried unanimously.

24. **ADJOURN**

Vice President Terri Purdy adjourned the meeting at 6:40 p.m.

Dennis B. Daniel, President

Reunion Ranch WCID

ATTEST:

Ronald F. Meyer, Secretary Reunion Ranch WCID

[SEAL]

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