

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 August 15, 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
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, Greg Szuman and Jeniffer Concienne with Willatt & Flickinger, PLLC, Mark Kestner with Murfee Engineering, Makenzi Scales and Dragan Sonnier with Inframark and Allen Douthitt with Bott & Douthitt, PLLC.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC and resident Sandy Lake.

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 was made by Assistant Secretary John Genter and seconded by Secretary Ron Meyer to approve the July 18, 2023 meeting minutes as presented. The motion carried unanimously.

5. UPDATES REGARDING REUNION RANCH HOA MATTERS

Sandy Lake reported that the HOA received the effluent line schematics from its engineer. She reported that President Dennis Daniel also attended that meeting with the HOA's engineer and thanked President Dennis Daniel for his help. President Dennis Daniel noted that this topic will be discussed later in the agenda.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. Bookkeeper Allen Douthitt explained that the format of the requested changes to the budget was hard to follow, so he added notes to the Accounting Report that identified what was driving the budget. President Dennis Daniel liked the notes but requested that the consultants provide a story behind the numbers. As discussed, the consultants will be provided with the Accounting Report and have been asked to provide additional backup information on each item.

After discussion of the financials, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Vice President Terri Purdy to approve the financial and payment of the invoices and per diems as discussed. The motion carried unanimously. Motion was then made by Assistant Secretary John Genter and seconded by Assistant Secretary Gary Grass to approve the fund transfers as presented. The motion carried unanimously.

7. PROPOSED BUDGET 2023/2024

8. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2023 PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Attorney Bill Flickinger discussed the procedures for setting the proposed tax rate and reviewing the draft budget. Financial Advisor Garry Kimball provides the District with the appropriate debt rate to pay the District's bonds. The next board meeting will be scheduled for September 12th, which is a week earlier so that the District can meet the Hays County deadline of setting the tax rate by September 15th. Financial Advisor Garry Kimball discussed the tax rate split with the Board. The total proposed rate is \$0.6240 with M&O at \$0.2440 and Debt at \$0.3800. Bookkeeper Allen Douthitt discussed the District's proposed budget. President Dennis Daniel inquired about another rate increase. The Board decided to look at the rates each spring to be sure the District stays on plan. Assistant Secretary Gary Grass discussed the 210 effluent irrigation items that should be included in the budget. Vice President Terri Purdy expressed her concerns on the District's sludge hauling costs. Manager Makenzi Scales will pull that data and provide it for budget preparation. Bookkeeper Allen Douthitt noted that he cannot attend the September board meeting but will meet with the budget committee soon. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to adopt the Order Setting the District's Proposed Tax Rate for 2023 and Providing for Publication of Notice Thereof inserting the rates above. The motion carried unanimously.

9. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. Enforcement Policy for Watering Restrictions
- d. Disposition of Capital Project Funds
- e. Field Use Rules
- f. Committee Reports
 - i. Communications
 - ii. Utility Operations
 - iii. Land Use & Water Quality
 - iv. Finance, Budget & Audit
 - v. Water Conservation & Drought Management
 1. Debriefing on Boil Water Notice
 - vi. Operations Contract Review
 - vii. Wastewater Effluent Reuse

There was no action item for 9a.

Manager Makenzi Scales reported on a variance request for installing a pool. She will forward the information to the Water Conservation & Drought Management committee.

In regard to the Enforcement Policy for watering restrictions, Assistant Secretary Gary Grass asked Manager Makenzi Scales to prepare and discuss the enforcement procedures. Manager Makenzi Scales discussed the enforcement procedures as requested. Enforcement will begin on Sunday following the board meeting in the early morning hours and then every two days thereafter. Inframark will conduct drive-by inspections for watering violations. First time violators will be sent an email and if there is no response to that email, a door tag will be hung. Second time violators will be fined. However, the committee will review the information prior to the fine being assessed. President Dennis Daniel would like Inframark to conduct drive-by inspections between the hours of 8:00-10:00 a.m. three times per week. There was discussion of a letter being sent out to all residents prior to watering violation inspections. Manager Makenzi Scales noted that they can also provide an email blast to the residents' emails that they have on file. The Board also discussed installing signage near the mailboxes. The Communications committee will work on a draft letter and Inframark will mail and email it out to all residents. The Board authorized Inframark to move forward with this task. President Dennis Daniel discussed the possibility of a surcharge to residents that use over 25,000 gallons of water. Attorney Bill Flickinger stated that the Rate Order can be included on next month's agenda if the Board would like to move forward with the surcharge. President Dennis Daniel will give it some more thought and come back to the Board around October/November to discuss in detail.

Item 9d will be discussed in Closed Session.

Secretary Ron Meyer discussed the Field Use Rules. He would like to receive comments on the information and then go back to the HOA. The goal is not to discourage use of the fields, but to protect the District's assets. Signage should be located in several locations and at each drain field. Secretary Ron Meyer will get with the HOA Amenities committee to finalize the

language. Attorney Bill Flickinger stated that the rules will need to be incorporated into the District's Rules and Regulations and a summary will be published so that the rules can be enforced.

Assistant Secretary Gary Grass asked Manager Makenzi Scales to provide a debriefing on the recent Boil Water Notice. Manager Makenzi Scales reported that Inframark was not provided with the usual notice from WTCPUA that wholesale suppliers receive prior to the generic notification that was received by everyone. Apparently, WTCPUA did not have the appropriate contact information for Inframark. Manager Makenzi Scales reported that when the generic notice came out, it was unclear if the District was affected by the pressure loss in the WTCPUA's system. Inframark called the WTCPUA to confirm and it was reported that the District was in fact affected by the pressure loss. Therefore, Inframark began the steps of a Boil Water Notice. Inframark immediately sent staff to take samples and those samples were taken to the lab for testing. The lab provided an incorrect Public Water System number for the District causing the chain of custody to be no longer valid. This created a delay in the testing and the Inframark staff had to obtain new samples. Going forward, Inframark will not rely on the lab to provide the Public Water System number. While waiting for the test results to come in, the District must also wait for the WTCPUA to rescind the notice. Once the Boil Water Notice gets rescinded by the WTCPUA, the District gets TCEQ approval and the samples come back negative, then Inframark distributes the formal notice that the Notice has been rescinded. Vice President Terri Purdy is disappointed with the WTCPUA and its inconsistent information. President Dennis Daniel will be attending the next WTCPUA board meeting. President Dennis Daniel would also like to have red 4X6 signs with white lettering indicating Boil Water Notice is in effect with Inframark contact information on them. There was additional discussion as to why the District had to go into Stage 5 watering restrictions. The Board would like to add language that gives the District discretion to go into Stage 5 when a Boil Water Notice is in effect. The Drought Contingency Plan will be added to next month's agenda so that this provision can be revised.

Assistant Secretary John Genter discussed the Vendor and Supplier Assessment form that he created. He would like the committee to look at the vendors on an annual basis. Assistant Secretary John Genter would like the Board to review the form and get feedback at next month's board meeting.

President Dennis Daniel discussed the effluent reuse status. As stated earlier, the engineer for the HOA provided a schematic. After reviewing the information, it looks very doable to provide effluent to the whole District, as the piping is there.

10. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Wastewater Collection and Treatment Plant
 - i. Wastewater Flows and Trends
 - ii. Improvements
 - iii. Operational Issues
 - iv. Effluent Irrigation Improvements and Authorizations; Review of Bids; Award of Contract
- b. Water Supply and Distribution Systems

- i. Water Flows and Trends
- ii. LCRA Contract – current reservation
- c. Long-term Improvements and Asset Management Plan – 2024 Budget
- 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 the Engineer's Report as included in the agenda package.

The wastewater flows have normalized and have been tracked back to the flow meter at the treatment plan and the repairs have been completed.

Engineer Mark Kestner advised that he will bring the TLAP application to the next board meeting for review. The TLAP expires in 2024. The application will include a 10-year renewal period rather than the current 5-year renewal.

Engineer Mark Kestner discussed the current status of the effluent irrigation improvements and 210 authorization irrigation conversion project. The irrigation value engineering has been completed and a site visit was conducted to go over the changes to the project. The contractor is working on costs related to the project. It appears that the project is moving in the right direction. It is hoped that this will be squared away prior to the September board meeting. President Dennis Daniel noted that the bids expire next week. Engineer Mark Kestner advised that the contractor will extend the bids. Engineer Mark Kestner also stated that he will send out a draft letter this week addressed to the LCRA regarding the progress of the project. President Dennis Daniel asked that he just go ahead and send the letter to the LCRA and let them know he will update them again next month. The LCRA has already provided an extension. There was discussion of authorizing the committee to negotiate and accept the Change Order and get the effluent irrigation project moving or waiting until the September board meeting to move forward. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Vice President Terri Purdy to authorize the Wastewater Effluent Reuse committee to approve award of contract to Prota Construction in an amount not to exceed +/- 10% of the whole solution amount. The motion carried unanimously.

Engineer Mark Kestner discussed the water flows. It was reported that there was an increase in flows for potable water. President Dennis Daniel noted that the increased flows show that the District is off 400,000 gallons and believes it is enough to start looking as to why. This appears to be more than a timing issue. Inframark and Murfee will look to see what is happening. In the past, this was let go and before the District knew it, it was 1,000,000 to 2,000,000 gallons off. President Dennis Daniel believes that the broken meter at Emma and Margaret is part of that discrepancy. Manager Makenzi Scales noted that meter has used 26,000 gallons since it was replaced.

There was discussion of merging several improvement projects together for a bigger contract and that would possibly gain more interest from contractors if the effluent irrigation improvements contract falls through. President Dennis Daniel discussed surface irrigation improvements and would like to discuss if the HOA and District should work together on those improvements. This item will be brought back to the October board meeting for further discussion.

President Dennis Daniel asked Engineer Mark Kestner to provide a timeline on completion of the Wastewater System Emergency Preparedness Plan.

11. 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.

Inframark received the cost for a 4-CY dumpster to be installed at the wastewater treatment plant. It will be \$195.29 per month and will be serviced once per week. If the District needs another one, they can do so at any time. TDS will work with the District to access the dumpster with a double lock system. After discussion, motion was made by Assistant Secretary John Genter and seconded by Assistant Secretary Gary Grass to authorize the expenditure for the dumpster at the wastewater treatment plant.

Manager Makenzi Scales reported on maintenance items at the wastewater treatment plant. The mixers were removed and de-ragged and put back in service. However, there is still a continuing issue with the breaker tripping off and on and this will be investigated by an electrician. The issue with the chlorine contact chamber, that leaked sludge into the chamber through the broken pipe and valve has been repaired.

Manager Makenzi Scales stated that all District facilities are in compliance for the month of June. Both BOD and TSS were below 5 for the month. The wastewater plant is running at 72%, the total flows are 1.781 MG and the average flows are 57,480 GPD. Inframark has followed up a couple of times on the status of the deflection plate at the dewatering press. They are also still waiting on the replacement control panel at the effluent lift station. That should be installed soon. Manager Makenzi Scales reported on the repair of the drip skid pump. This repair will not be a temporary fix as discussed last month, it will be the final repair. There was also discussion of the bar screen repair. The communication with the vendor has not been going well.

However, they finally reported that they will be on site soon to take a look at the bar screen issue and will declare it as a warranty item. President Dennis Daniel asked if legal action should be taken at this time. Manager Makenzi Scales stated that if she has not received a date from the vendor as to when they are coming out, it should be a consideration. President Dennis Daniel noted that they should be held responsible for the issue at the mixers as well. Engineer Mark Kestner stated that he will give them a call to discuss. After further discussion, motion was made by President Dennis Daniel and seconded by Vice President Terri Purdy that if a satisfactory response is not received by Environmental Improvements to rectify the broken bar screen, that the District's attorney work with the District's engineer on a letter to send to the vendor on a possible claim against them. The motion carried unanimously.

Manager Makenzi Scales then discussed the Aquatic Features estimate for the annual sediment survey and report for the District's four ponds in the amount of \$1,000. This should take a couple of weeks to be completed. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the annual pond survey estimate as submitted. The motion carried unanimously.

President Dennis Daniel had several questions in regard to the Manager's Report. There was discussion of the tracking meter at the plant and its consumption. Manager Makenzi Scales will pull some data and provide it to him. President Dennis Daniel noted that the charts look better and thanked her for the changes. President Dennis Daniel inquired about the 90-day receivables. That information will be pulled and brought back next month. There was also discussion of the dips and flows of wastewater. Those flows should be steady. President Dennis Daniel asked that the actual reads be pulled, and the data be brought back to next months' meeting.

There was discussion of correcting the historical wastewater flow data, as the District did not actually discharge that amount of wastewater. Manager Makenzi Scales stated that they can do an average. President Dennis Daniel asked that those numbers be starred and provide a footnote that explains the discrepancy.

Assistant Secretary Gary Grass discussed the Aquatic Features report and noted that the wording of fountain should be changed to "aerator" and then the report should provide detail on the findings. Manager Makenzi Scales will get with Aquatic Features on that change.

12. ATTORNEY REPORT AND REQUESTED ACTIONS

- a. September board meeting schedule due to Hays County tax rate adoption deadline

Attorney Bill Flickinger reiterated that the September board meeting date will be moved up one week due to the Hays County deadline for setting the District tax rate.


**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. 9(d). The Board went into closed session at 5:48 p.m.

At 5:54 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.

Motion was made by Assistant Secretary Gary Grass and seconded by Vice President Terri Purdy to authorize the Board President to execute a letter to Taylor Morrison regarding the disposition of the District's capital project funds. The motion carried unanimously.

13. 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.



Terri Purdy, Vice President
Reunion Ranch WCID

ATTEST:



Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]