

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 16, 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
Terri Purdy – Vice President
Ron Meyer - Secretary
Gary Grass – Assistant Secretary
John Genter – Assistant Secretary (Via Zoom)

thus, constituting a quorum.

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

Attending via Zoom were Assistant Secretary John Genter, Bill Flickinger with Willatt & Flickinger, PLLC, Garry Kimball with Specialized Public Finance Inc., residents Jeff Lawler, Leslie Daniel and Mark Olsen.

3. CITIZEN COMMENTS

There were no citizen comments at this time.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion. Motion was made by Vice President Terri Purdy and seconded by Secretary Ron Meyer to approve the July 19, 2022 meeting minutes. The motion carried unanimously.

5. DEVELOPER'S REPORTS AND REQUESTS FOR ACTION
 - a. Hays Reunion Ranch LP building forecast
 - b. Taylor Morrison
 - i. Conveyance of directors' lot

President Dennis Daniel asked Jeniffer Concienne to request an update from Frank Krasovec for The Reserve development.

Attorney Bill Flickinger discussed the directors' lot conveyance to the HOA instead of to the District.

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

Bookkeeper Allen Douthitt discussed the financials with the Board. A summary on the variances was included in the financials. The bond payments will need to be ratified due to being paid yesterday. After discussion of the financials, motion was made by Assistant Gary Grass and seconded by Vice President Terri Purdy to approve payment of the invoices and per diems and authorize three fund transfers as discussed, along with ratification of the six bond payments. The motion carried unanimously.

7. PROPOSED BUDGET 2022/2023
8. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2022 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Items 7 & 8 were discussed together.

Financial Advisor Garry Kimball discussed the District's assessed valuation. The District is now finished issuing bonds and the debt service rate can be reduced in the calculation for the overall tax rate. There was discussion of the max tax rate the District can levee. Attorney Bill Flickinger discussed the publication of the Notice of Public Hearing on the Tax Rate. The maximum amount that will be published is \$0.6850 per \$100 of valuation. The M&O rate is \$0.2350, and the debt service is \$0.4500. Bookkeeper Allen Douthitt discussed the draft budget. There was discussion of adjustments to certain items. President Dennis Daniel would like to see the backup information for the items. President Dennis Daniel thanked Allen Douthitt and the budget committee for their hard work. President Dennis Daniel would also like to see the proposed budget posted on the website. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to adopt the Order Setting the District's Proposed Tax Rate for 2022 and Providing for Publication of Notice Thereof at \$0.6850 not to exceed the allowable amount as discussed above. The motion carried unanimously.

9. ITEMS FROM THE BOARD
 - a. Requests for common area modifications
 - b. Public Hearing on Amended Drought Contingency Plan

- c. Amended Drought Contingency Plan
- d. Variances to Drought Contingency Plan requirements
- e. 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

Secretary Ron Meyer stated that there were no requests for improvements to common areas.

President Dennis Daniel opened the public hearing on the Drought Contingency Plan.

Resident Jeff Lawler stated that he appreciates all the Board's hard work on the Drought Contingency Plan. The plan makes sense and aligns with the WTC PUA's plan. Mr. Lawler stated that he is trying to get a permit for his pool. The application was submitted and approved on July 6th and then the District went into Stage 3 watering restrictions. A permit was submitted to the City of Dripping Springs as well and that is where the process has stalled. Mr. Lawler reported that the City wants a letter from the WTC PUA to proceed. Mr. Lawler has not started construction and wants to be sure that he follows all the rules. Mr. Lawler asked for confirmation that his approval for the pool still stands. Attorney Bill Flickinger confirmed that his prior approval stands. Mr. Flickinger also confirmed that the water provider for the District is Reunion Ranch, not the WTC PUA. The District purchases water from the WTC PUA but WTC PUA does not regulate the District.

After comments, President Dennis Daniel closed the public hearing.

The Board went through the Drought Contingency Plan and made additional changes. After a detailed discussion, motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to approve the Drought Contingency Plan with the changes as discussed subject to final review by the Committee. The motion carried unanimously. Motion was then made by President Dennis Daniel and seconded by Assistant Gary Grass to appoint the Water Conservation & Drought Management Committee Chair as the Designee in the Drought Contingency Plan for variances and the Designee for Health & Safety as Inframark. The motion carried unanimously. Inframark will work with the Committee and provide enforcement in regard to the watering restrictions. Motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to authorize Inframark to begin enforcement on daytime watering and work with the Committee on enforcement but withhold fines until publication of the Notice of Adopting of Amended Drought Contingency Plan. The motion carried unanimously. Attorney Bill Flickinger noted that although fines cannot be assessed at this time, notices can be sent to the violators.

There were no variances to consider in connection with the Drought Contingency Plan.

The committees reported on their items.

In connection with Communications, Vice President Terri Purdy indicated that she is preparing a Drought Contingency Plan summary for ease of reading by the residents. Manager Ronja Keyes stated that she is working on signage for Stage 3 and 4 watering restrictions.

President Dennis Daniel had nothing to report regarding Utility Operations.

In connection with Land Use & Water Quality, Secretary Ron Meyer reported that he will be meeting with the HOA tomorrow, along with Assistant Secretary Gary Grass on improvements to common areas.

In connection with Finance, Budget & Audit, Assistant Secretary Gary Grass stated that he will continue to work with Bookkeeper Allen Douthitt and Engineer Andrea Wyatt on the District's budget.

In connection with Water Conservation & Drought Management, Assistant Secretary Gary Grass discussed the Flume Project and will be obtaining more information from the LCRA. Manager Ronja Keyes noted that the Cost-Sharing Program will need to be completed first, before the LCRA will enter into another program. There was discussion of the many issues with the electronic meters, such as software issues and supply chain. President Dennis Daniel would like to know more about the Flume Project.

Assistant Secretary John Genter had nothing to report regarding the Operations Contract Review.

President Dennis Daniel asked if the approved Effluent Disposal Contract has been returned from the HOA. Jeniffer Concienne advised that she has not yet received it back.

10. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Wastewater treatment plan
 - i. Wastewater Flows and Trends
 - ii. Record Drawings Update
 - iii. Odor Control Update and Recommended Improvements
 - iv. Noise Issues and Abatement Options
 - v. Effluent Irrigation Improvements and Authorizations
- b. Emergency Management Plan(s)
- c. Long-term Improvements and Asset Management Plan
- d. Approvals Related to Ongoing Construction Contracts
- e. Approvals to Upcoming Construction Contracts
- f. Miscellaneous

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

The updated figure tracking wastewater flows was included in the Engineer's Report. The flows are as expected and may be leveling off.

Engineer Andrea Wyatt reported that the record drawings have been completed.

As previously reported, the odor at the WWTP has been minimal. Evan Parker is evaluating it on a regular basis. It appears that odor only occurs after it has rained. As discussed last month, a contractor has provided Inframark a quote for a DumpsterGuard cover in the amount of \$1,890. Inframark has since advised that the dumpsters provided by WWTS have roll-up covers included on them, so that the DumpsterGuard cover may not be needed. President Dennis Daniel agreed that the District can save the money at this time. The odor will continue to be monitored. Engineer Andrea Wyatt discussed the quote for the concrete slab for the dumpster to sit on, and the necessary bollards. The slab and bollards would be approximately \$14,800. This estimate will fall into next year's budget.

There was discussion of the noise issues and abatement options at the odor control system. A drop over enclosure package was provided by a sound enclosure manufacturer, however it does not offer the required access to the equipment for regular maintenance. The odor control manufacturer will be providing recommendations for additional sound abatement options. President Dennis Daniel noted that he hears a consistent noise as well.

Engineer Andrea Wyatt discussed the effluent irrigation improvements and samplings. Murfee Engineering has been in communication with a new skid manufacturer in an attempt to get information needed for the bidding documents. The manufacturer confirmed that the equipment will fit in the space and the bid documents will be updated. President Dennis Daniel asked about the timing of being able to deliver effluent for irrigation. Engineer Andrea Wyatt advised it will be around March/April 2023. There was discussion of the fact that the LCRA grant may need to be extended.

Engineer Andrea Wyatt reiterated that the 90-day TCEQ review and comment period has expired for the District's Emergency Management Plan. No comments were received.

Murfee Engineering is still working on the District's Wastewater System Emergency Response Plan. Inframark has provided comments and input. Engineer Andrea Wyatt would like to schedule a committee meeting, along with the District Manager, within the next two weeks to review the information so far.

The Long-Term Improvements and Asset Management Plan will be updated to delete the completed projects and add the items for the next fiscal year.

11. OPERATIONS AND MAINTENANCE REPORT AND REQUESTED APPROVALS
 - a. Administrative
 - b. Wastewater treatment plant and effluent subsurface irrigation
 - c. Wastewater collection system
 - d. Water distribution system

- e. Stormwater conveyance and pond maintenance
- f. Customer matters, complaints, reports and updates
- g. Customer billing and delinquencies
- h. Authorizations for expenditures related to contracts, repairs, replacements, operation improvements and maintenance

Manager Ronja Keyes discussed the Executive Summary.

In connection with the WWTP/ Collection system, the plant is running at 68% capacity. The District's total flows were 1.69 MG, which averages 54,600 GPD. All facilities are in compliance for the month of July. Manager Ronja Keyes reported on the SBR control upgrade. A recent power outage caused several SBR failures and Inframark installed battery backups to the SBR 1 & 2 control panels. There were no leaks reported during the monthly inspection of the irrigation fields. There was discussion of the winter rye seeding over 12 acres. This is a TCEQ requirement. President Dennis Daniel noted to be sure that this cost is included in the annual budget. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to approve the winter rye seeding in the amount of \$7,200. The motion carried unanimously.

The District's water accountability remained at 93% accountability for the month of July. Inframark repaired a small leak located on the District's side of the meter during a move out/move in request. Inframark's billing department requested re-reads on the 2" irrigation meter on Reunion Ranch Boulevard due to low usage. Manager Ronja Keyes reported that meter has been replaced and she is hopefully that will now bring the water accountability to 99%. President Dennis Daniel stated that he is still concerned and has been for a year now. There was discussion of the possibility of the loss due to builder accounts. Those meters are not being read until an owner's account is created. President Dennis Daniel advised that although that may be some of it, there is still 1,000,000 gallons missing. President Dennis Daniel advised that Manager Ronja Keyes provided him with water use data that he will analyze. After discussion, it is the consensus that the water loss is due to unmetered irrigation meters. Manager Ronja Keyes stated that she has met with Urban Dirt on this matter. Inframark is reading the irrigation meters on a weekly basis.

Inframark received a TCEQ notice on lead and copper rule. Manager Ronja Keyes has provided that information in the agenda package. Sampling has been completed and the lab results are forthcoming. A database of service lines/material are due to the TCEQ by October 2024.

Manager Ronja Keyes reported that the monthly pond inspections were completed and there are no open work orders. All looks good.

Manager Ronja Keyes discussed a previous billing adjustment several months ago for an owner whose pool refill line leaked under the pool deck. The line was capped and rerouted and the owner was then provided with an adjustment. The owner has now requested an additional \$500 adjustment to the water bill, along with a request for a sewer adjustment in the amount of

\$195. After discussion, the Board decided that they needed additional information before a decision can be made. This item will be considered at the September board meeting.

In regard to delinquencies, 22 letters were mailed out and six door tags were hung and there were 2 disconnects.

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 any 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.

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.

12. ATTORNEY REPORT AND REQUESTED ACTIONS

- a. TCEQ Agreed Enforcement Order
- b. Open Records Request by Save our Springs

Attorney Bill Flickinger reported that the final TCEQ Agreed Order was received. His office, along with the District's engineer is preparing a package to send to the TCEQ. This matter relates to a 2020 TCEQ inspection of the wastewater treatment plant. The violations could only be cured when the plant expansion was completed. The TCEQ agreed to an extension but fined the District \$12,000. The TCEQ allowed the fine to be used to fund the compliance.

Attorney Hunter Hudson reported on the Open Records Request by Save Our Springs Alliance. The requested information was sent to Save Our Springs, which consisted of sampling information, TCEQ correspondence on the violations and third-party information in regard to the District's 210 permit.

13. ADJOURN

President Dennis Daniel adjourned the meeting at 6:21 p.m.



Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:

A handwritten signature in black ink, appearing to read "Ronald F. Meyer", written over a horizontal line.

Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]