

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 20, 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
Gary Grass – Secretary
Mark Olson - Assistant Secretary
Eric Hart – Assistant Secretary (Via Zoom)

thus, constituting a quorum. Vice President John Genter was absent.

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

Attending via Zoom were Assistant Secretary Eric Hart, Bill Flickinger with Willatt & Flickinger, PLLC, Allen Douthitt with Bott & Douthitt, PLLC, Mark Kestner with Murfee Engineering Company, Makenzi Scales and Mark Yentzen with Inframark, Garry Kimball with Specialized Public Finance Inc. and resident Leslie Daniel.

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 July 16, 2024 meeting minutes as presented.

**Motion by: Secretary Gary Grass
Second by: Assistant Secretary Mark Olson
The motion carried unanimously.**

5. UPDATES REGARDING REUNION RANCH HOA MATTERS

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials through June with the Board. The District came in over budget. Tax collection is catching up as an additional \$13,000 was collected. Hays County provided a tax delinquent report. President Dennis Daniel noted that there is still \$58,000 of tax money outstanding. There was discussion of delinquent taxes, tax lawsuits and liens against the property, as well as deferred taxes. Bookkeeper Allen Douthitt noted year-to-date, the District is running better than anticipated. Assistant Secretary Eric Hart inquired about the expenditures on the generator and lift station. President Dennis Daniel asked if the \$125,000 that was allotted for the pump skid would be spent within the next three months. Engineer Mark Kestner stated that a deposit will need to be made by September and the remaining amount will not be submitted until after the new fiscal year begins. President Dennis Daniel stated that he thought the project would be completed by October as discussed, many times. Engineer Mark Kestner reported that the pump skid will be installed in October, so the remaining costs will fall into next year. Secretary Gary Grass noted that after next year, the net impact of this project should be a wash. Assistant Secretary Eric Hart noted that the District's interest revenue can help with the costs of this project, as there should be a net positive with delaying some of the items.

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: Assistant Secretary Mark Olson
The motion carried unanimously.**

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

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

7. PROPOSED BUDGET 2024-2025
8. ORDER SETTING THE DISTRICT'S PROPOSED TAX RATE FOR 2024 AND PROVIDING FOR PUBLICATION OF NOTICE THEREOF

Items 7 and 8 were discussed together.

Attorney Bill Flickinger outlined the order on the tax rate and setting the public hearing for September 10th.

Financial Advisor Garry Kimball discussed his recommendation and advised that he is not proposing a change to the total tax rate of \$0.6240 but a slight allocation between the M&O rate and debt service rate. Keeping the same total tax rate, the average taxpayer will see a 3% increase which totals approximately \$156.00 on their annual tax bill. President Dennis Daniel inquired about the timing of refinancing some of the District's bond issues. Financial Advisor Garry Kimball replied by saying when an opportune time exists, he will notify the District. There was also discussion of arbitrage due to the interest rates being high. The budget committee met with Bookkeeper Allen Douthitt on a proposed budget. The Board discussed various revisions to the budget line items. President Dennis Daniel asked that Inframark come back with a budget item for the belt press that will be more efficient, as this item is costing more than the sludge hauls. Manager Makenzi Scales requested a budget item for a small shed at the wastewater plant site. After discussion, President Dennis Daniel asked that a revised budget be sent out next week so that the Board will have enough time to review it prior to the board meeting. Bookkeeper Allen Douthitt stated that he would be submitting a contract amendment soon.

After discussion, President Dennis Daniel entertained a motion.

Motion: Adopt the Order Setting the District's Proposed Tax Rate for 2024 and Providing for Publication of Notice Thereof, being a total tax rate of \$0.6240 and allocated \$0.2515 to M&O and \$0.3725 to debt service.

Motion by: Secretary Gary Grass
Second by: Assistant Secretary Mark Olson
The motion carried unanimously.

9. RATE ORDER (WINTER AVERAGE MONTHS)

President Dennis Daniel discussed the possibility of changing the winter average months so that they will actually match the lowest use months. Currently the winter average usage is from December to February. Inframark will review the District's water usage and advise of the three lowest usage months and provide the less revenue amount for the District. Manager Makenzi Scales stated that it will not be hard to prepare this information and will bring it back to the Board for review at the September meeting. President Dennis Daniel advised that once a decision is made to change the winter average months, communication to the residents will be crucial. There was also discussion of a possible water rate change in October. The revenue for wastewater is neutral.

Bookkeeper Allen Douthitt left the meeting at 4:30 p.m.

10. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. TCEQ Violation Letter
- d. Overall plan to improve wastewater plant efficiency and effluent irrigation
- e. Committee Reports
 - i. Communications
 - ii. Operations
 - iii. Land Use & Water Quality
 - iv. Finance, Budget & Audit
 - v. Water Conservation & Drought Management
 - vi. Contractors' Review

Secretary Gary Grass discussed Item 10a. Secretary Gary Grass and Assistant Secretary Mark Olson met with the HOA committee on common area modifications and the proposed amenities. There appears to be issues with impervious cover and it was a struggle to come up with locations that are not close to neighbors or that would not disrupt certain features. President Dennis Daniel summarized the discussion by stating a location for a sports court would be difficult, the dog park has water quality issues and benches would be easy to provide. Assistant Secretary Mark Olson noted residents would like for more trails as well. Secretary Gary Grass emphasized to the HOA committee that they would need to utilize an engineer to help figure out a suitable location for the amenities. The District maps that were reviewed showed some possible locations for amenities at the end of Adams Court, but parking would be problematic.

There was no discussion on Item 10b.

Mark Yentzen, Vice President for Builder Services with Inframark discussed the Notice of Violation that was received from the TCEQ due to the recent TCEQ compliance inspection of the District's wastewater plant. TCEQ requested backflow preventor records and Inframark provided the records from 2020, 2021, 2022 but not 2023 or 2024. Inframark has since provided the 2024 records however, Inframark is unable to locate records for 2023. The Compliance Department within Inframark will draft a response to the TCEQ and run it through the District's attorney. Inframark will inform the TCEQ that they have tested and inspected the backflow preventor. Once the information is received by the TCEQ, the TCEQ should mark the violation as resolved and no further action will be required. This should not cause any enforcement action for the District. Due to this error, Mr. Yentzen is reviewing the process for the backflow prevention records and how to make it better. Tracking is through spreadsheets but he is looking at a software program to so as to receive emails for upcoming deadlines. Mr. Yentzen takes full ownership of the missed records in 2023 and if the District is assessed any fines, the District should contact Inframark and they will be happy to take care of those fines. President Dennis Daniel discussed the workorder process and triggers. With the size of Reunion Ranch, that process will work and can be set up immediately. TCEQ is only interested in the records for the backflow preventor at

the wastewater treatment plant, as it is designated as a high health hazard connection. The deadline for a response to the TCEQ is October 7, 2024. Attorney Bill Flickinger stated that the TCEQ has a list of connections that they deem a health hazard or a non-health hazard. This item will be updated at the September board meeting. President Dennis Daniel appreciated Inframark owning up to the mistake.

Engineer Mark Kestner discussed the District's overall plan to improve wastewater plant efficiency and effluent irrigation and advised that he is moving ahead with Engineer Dennis Lozano at Malone/Wheeler on this project. As stated above, it is hoped that the 210 irrigation project will be completed by October.

In connection with Committee reports, the following was discussed.

President Dennis Daniel discussed his letter to residents on residential water use. Once finalized, this letter will be posted on the District's website for informational purposes.

Secretary Gary Grass inquired about the effectiveness of the current aerator at the Windmill pond as requested last month. It was reported to Inframark that Aquatic Features does not usually issue a report on the effectiveness of the aerators, however, he stated that the aerator is saturating the pond twice daily which helps maintain a stable level of dissolved oxygen in the pond. The aerator contributes to keeping the water moving which prevents stagnation and helps prevent algae growth. The cost for additional aerators in the other ponds will be approximately \$15,000 to \$20,000.

Secretary Gray Grass discussed the issues with pool construction processes, including the application, deposits, notifications and contractors parking on District land. It appears that some homeowners only receive HOA approval and then stop at that point. Homeowners constructing pools must receive approvals from the HOA and District. Both the HOA and District require deposits for pool applications and there is an additional deposit to the District when access to District land is requested. There was discussion of how to implement fines when homeowners do not follow the procedures. Inframark will provide a list of pool construction projects to the committee that will show information on submittal of applications, deposits and access requests. Assistant Secretary Mark Olson and Manager Makenzi Scales discussed the homeowners that have missed required pool inspections. After discussion, President Dennis Daniel stated that missing any of the District requirements is not acceptable and appropriate action should be taken. Attorney Bill Flickinger stated that the District has Rules and Regulations with remedies that can apply to these matters. President Dennis Daniel would like a written protocol on fining. One homeowner that missed an inspection asked if they could just pay the fine instead of complying with inspection process due to being too far into the construction process. Attorney Bill Flickinger advised that his office would work with the committee on all matters relating to pool construction.

Manager Makenzi Scales left the meeting at this time.

President Dennis Daniel discussed the combined storage projections for Lakes Buchanan and Travis. The Board liked this information and would like to see if updated periodically.

The committee is working on contractor's review and will bring recommendations to the Board in the near future.

11. 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

President Dennis Daniel asked for clarification on the weir readings and recapturing of the historical data. Engineer Mark Kestner stated that the weir has been fixed but they are still working on recapturing of the historical flows. President Dennis Daniel also noted that the Emergency Preparedness Plan has not yet been sent the committee for review as show on the report. The report will need to be updated to reflect that status.

Engineer Mark Kestner discussed the Water System Overview as included in the agenda package.

12. 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.

It is time for winter rye again. Landscaper Zane Furr has submitted a proposal for \$6,192.00 for the spreading of rye grass seeds in October.

Motion: Approve the proposal from Zane Furr for rye grass spreading in the amount of \$6,192.00.

Motion by: Secretary Gary Grass
Second by: Assistant Secretary Mark Olson
The motion carried unanimously.

There was discussion of the charts included in the manager's report. There was a request to add the number of homes to the 12 Billing Month History Revenue by Category Chart. Secretary Gary Grass asked about the spike in wastewater flows. Manager Dragan Sonnier was not sure but will look into it and get back with the Board.

President Dennis Daniel asked if Inframark has yet determined the reason why the tracking meter has so much consumption. Manager Dragan Sonnier will look into it and let him know.

President Dennis Daniel asked that the 210 permit levels be added on the chart with the rest of the limits at the wastewater treatment plan.

President Dennis Daniel discussed the Water Violations for July. He would like to see a column added to include the detail of the violation and the status. Also, the Water Violation chart should be a running detail of events. After the residents are warned and a reminder is sent, the next violation should result in a fine.

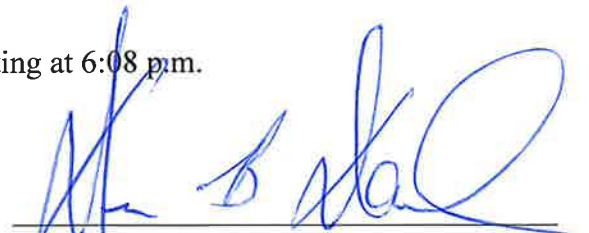
Assistant Secretary Mark Olson asked about the status of the list of pool construction projects. Manager Dragan Sonnier stated that list is still being drafted.

10. ATTORNEY REPORT AND REQUESTED ACTIONS

Attorney Bill Flickinger had nothing to report.


11. ADJOURN

President Dennis Daniel adjourned the meeting at 6:08 p.m.



Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:



Gary Grass, Secretary
Reunion Ranch WCID

[SEAL]