

MINUTES OF SPECIAL MEETING
OF
REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT

STATE OF TEXAS §
 §
COUNTY OF HAYS §

A special 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 September 12, 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:

- Terri Purdy – Vice President
- Ron Meyer – Secretary
- Gary Grass – Assistant Secretary
- John Genter – Assistant Secretary

thus, constituting a quorum. President Dennis Daniel was absent.

Also present at the meeting were Greg Szuman and Jeniffer Concienne with Willatt & Flickinger, PLLC, Mark Kestner and Intern Greg Alves with Murfee Engineering, Dragan Sonnier with Inframark and resident Fred McKenzie.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Makenzi Scales with Inframark, Garry Kimball with Specialized Public Finance Inc. and Allen Douthitt with Bott & Douthitt, PLLC.

3. PUBLIC COMMENTS

No public comments were made.

4. MINUTES OF PRIOR MEETINGS

Vice President Terri Purdy entertained a motion for approval of the minutes. Motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to approve the August 15, 2023 meeting minutes as presented. 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 with the Board. Bookkeeper Allen Douthitt discussed the detailed Accounting Report, which is getting hard to manage. His office reached out to the District's Manager and Engineer for further details on the noted variances for further explanation as requested by President Dennis Daniel. Assistant Secretaries John Genter and Gary Grass thanked him for all his work on this matter. Bookkeeper Allen Douthitt also asked if the Directors would like to receive their per diems via direct deposit. The Board agreed and will complete the necessary paperwork.

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

7. PUBLIC HEARING ON TAX RATE

8. ORDER ADOPTING BUDGET FOR 2023/2024

9. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2023

Items 7, 8 and 9 were discussed together.

Vice President Terri Purdy opened the public hearing on the District tax rate. Hearing no comments, the public hearing was closed.

Financial Advisor Garry Kimball discussed the proposed tax rate of \$0.6240. He reported that rate more than funds the operations and debt service for the District. Assistant Secretary Gary Grass inquired about the monthly spread due to the November constitutional amendment election and if it would delay the District's funds. Bookkeeper Allen Douthitt did not believe it would, as there is still a benefit to pay taxes by the end of the year. Bookkeeper Allen Douthitt reported that he met with the finance committee on the proposed budget and made a few tweaks from last month's meeting. The proposed budget will generate a \$180,000 surplus to help fund the District's reserve. Assistant Secretary John Genter stated that they had a good meeting and the proposed budget represents a fair budget. Secretary Ron Meyer and Bookkeeper Allen Douthitt discussed the reserve goal for the District.

After discussion, Vice President Terri Purdy entertained motions. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the Order Adopting Budget as presented. The motion carried unanimously. Motion was then made

by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2023 and inserting the rates for M&O and debt service as follows: M&O at \$0.2440, Debt at \$0.3800 for a total tax rate of \$0.6240 per \$100 of taxable value. The motion carried unanimously.

10. AMENDED INFORMATION FORM

The Amended Information Form was revised to include the adopted tax rate. The tax rate will also be included in the Notice to Purchaser. This document will be filed with the Hays County Clerk and filed with the TCEQ as required. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to adopt the Amended Information Form as presented. The motion carried unanimously.

11. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
 - i. Swimming pool project
 - ii. Landscaping/watering
- c. Public Hearing on Drought Contingency Plan
- d. Amended Drought Contingency Plan
- e. Public Hearing on Water Conservation Plan
- f. Water Conservation Plan
- g. Disposition of Capital Project Funds
- h. Field Use Rules
- i. Annual Insurance Renewal
- j. 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 was no action item for 11a.

Assistant Secretary Gary Grass reported on the two requested variances, which were granted. There was discussion of the enforcement procedures when the watering schedule is violated. The first violation, the resident will be sent a letter with the Appendix C attached from the Drought Contingency Plan. Manager Makenzi Scales will draft the letter and provide it to the committee for review. Resident Fred McKenzie reported that a lot of residents do not know how to program their sprinkler systems and could be a cause of high water use. Vice President Terri Purdy noted that an email was sent to residents on the current watering schedule.

Vice President Terri Purdy opened the public hearing on the Drought Contingency Plan.

Resident Fred McKenzie commented that he likes to drink water, so it is hoped that all residents will abide by the current watering schedule.

After comment, the public hearing was closed.

The Board discussed the revisions to the Drought Contingency Plan and discussed the Stage 5 provisions. It appears that the language in the plan still needs to be refined. It does not match up well with the PUA's plan because the PUA is a wholesale provider and the District has retail customers. Secretary Ron Meyer asked if the District can have a document that shows the District will adhere to the WTCPUA's plan. The District's plan should not be redundant. After further discussion, Attorney Bill Flickinger recommends that the Drought Contingency Plan be sent back to the committee to rework it and come back to the October board meeting for consideration.

Vice President Terri Purdy then opened the public hearing on the Water Conservation Plan. Hearing no comments, the public hearing was closed.

Engineer Mark Kestner reported that the Water Conservation Plan is required to be reviewed every five years. There was discussion of sending the plan to the HOA for review. Attorney Bill Flickinger noted that the plan is a guideline for residents and are only recommendations rather than rules. The plan is used to help conserve water through the District. Per the District's Firm Water Contract with the LCRA, this plan is a requirement. After discussion, Vice President Terri Purdy entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to approve the Water Conservation Plan as presented. The motion carried unanimously.

In regard to the disposition of capital projects funds, there has been no comment from Taylor Morrison, other than they will look at it.

Secretary Ron Meyer discussed his edits on the proposed Field Use Rules since the last board meeting. He provided the rules to the HOA for review but has not yet received any comments from them. Once the rules are approved, they will need to be incorporated into the District's Rules and Regulations.

The District's annual insurance renewal documents have not yet been received by AJ Gallagher.

Vice President Terri Purdy reported that a notice was sent to residents regarding enforcement of watering restrictions.

Assistant Secretary John Genter reported that the committee is working with Inframark on the District's operations.

Assistant Secretary John Genter also reported that he has not received any comments on his Vendor and Supplier Assessment Form and will move forward with Inframark.

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
 - v. Application to TCEQ to renew TLAP
- 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.

Engineer Mark Kestner reported on the conveyer installation. It is hoped that this will be finished by the end of the month.

The District's Texas Land Application Permit expires in 2024. The deadline to file the renewal is in October. The application will be filed this week. Engineer Mark Kestner reported that the application will be for a 10-year renewal period instead of the usual 5-year and presented a copy for legal's file. Attorney Bill Flickinger inquired about execution of the application. After discussion, motion was made by Assistant Secretary John Genter and seconded by Secretary Ron Meyer to authorize the District's President or Vice President to execute the TLAP renewal application. The motion carried unanimously.

There was discussion of the effluent irrigation improvements and 210 authorization irrigation conversion project. Engineer Mark Kestner reported that he is deadlocked with the contractor and most likely will not be able to bring the costs down. After considerable discussion of going out to bid again and including additional projects, so that the project will be larger, it is hoped that will entice numerous contractors. After discussion, motion was made by Secretary Ron Meyer and seconded by Assistant Secretary Gary Grass to reject all bids for the effluent irrigation project as discussed. The motion carried unanimously. Engineer Mark Kestner will work with the Utility Operations committee in between meetings to put a bid package together for review/consideration at the October board meeting.

Engineer Mark Kestner reported that the new Lead and Copper Rule system inventory has begun and is due on October 16th. The District has a clean report with no concerns.

Vice President Terri Purdy asked about the timeframe for completion of the Wastewater System Emergency Response plan. Engineer Mark Kestner stated that his office is working on the plan and he should have a draft to review at the October board meeting. Attorney Bill Flickinger reiterated that the plan will need to be kept confidential and that Engineer Mark Kestner should work with the committee on this project.

13. 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.

TDS needed some additional information and is processing the paperwork for the 4-CY dumpsters, and it is hoped that it will be installed by late September or early October.

Manager Makenzi Scales reported on the mixers. The overload component, along with the rags was determined to be the issue causing the tripping. The overload has been replaced and there have been no reported issues since August 22nd.

It was reported that all District facilities are in compliance for the month of July. Both BOD and TSS were below 5 for the month. The wastewater plant is running at 73%, the total flows are 1.802 MG and the average flows are 58,160 GPD.

The dewatering deflection plate has been installed. There was discussion on the effluent lift station. The panel is scheduled to be installed on September 13th. This action was approved back in January. The pump 1 soft starter needs to be replaced. It is over eight years old and only has a 10-year lifespan. The soft starter has been tripping regularly, as often as once per week. Manager Makenzi Scales provide a quote for this work, which is at a cost of \$2,051.70. Assistant Secretary Gary Grass noted that the cost does not include labor. Manager Makenzi Scales reported that Inframark will install it at its regular cost. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to approve the quote from Guardian in the amount of \$2,051.70 to replace the soft starter. The motion carried unanimously.

Manager Makenzi Scales reported on the drip skid repairs which have been completed. However, another leak was reported. Proscapes has already been contacted for the repair.

There was discussion of the bar screen repairs. It was initially installed in September 2021. Due to that timeframe, this repair will be out of warranty. It was determined that the instructions that the tech went by caused the bar screen to be installed incorrectly and it was rotating backwards. At that time, the vendor's tech switched the wiring to correct the position. Inframark has not made any repairs, adjustments or modifications to any of the wiring. In December 2022, it was also determined that it was running backwards again. This has been an issue twice. Manager Makenzi Scales provided a quote of \$23,518.98 to correct the issue. Inframark and Murfee Engineering will be working together to come up with a new plan and possibly installing a new bar screen that will cause less issues. The fine grit bar screen tends to have more issues. Manager Makenzi Scales has requested records from Environmental Improvements from September 2021 through December 2022 to see if any service calls were made and if so, who worked on the wiring. Inframark will provide some options to move forward with the bar screen repairs. Assistant Secretary John Genter noted there were issues right after it was installed. Manager Makenzi Scales confirmed that it was installed per the manual, but it was running backwards at that time. Vice President Terri Purdy discussed the issue being an installation issue right off the start, which has caused multiple issues for the District. Manager Makenzi Scales hopes to have an update for the Board at next month's board meeting.

Manager Makenzi Scales reported on the stormwater conveyance and pond maintenance items. Aquatic Features will no longer block out the information on the aerators in the report, so next month, he will provide information on that. Aquatics Features is also increasing their rates. The rate increase will be 3%, which totals an additional \$21 per month.

The Boil Water Notice signs have been ordered. Secretary Ron Meyer asked that Inframark to provide information on data from one year to the next and correlate when the water restrictions were implemented, to see if the District saw any savings. He would like to have this information for the October board meeting. Vice President Terri Purdy discussed the billing report for consumption. Manager Makenzi Scales will check on a graph for that comparison data on a month-to-month basis.

Two accounts were written off, due to moving and not paying their accounts. One was paid and will fall off next month.

14. ATTORNEY REPORT AND REQUESTED ACTIONS
a. BLX Arbitrage Rebate Summary; Bond Series 2018

Attorney Bill Flickinger discussed the BLX Arbitrage Rebate Summary for the District Bond Series 2018. The report was clean and the District did not make any money off of bond interest. The report will be filed in the District's records. After discussion, motion was made by Secretary Ron Meyer and seconded by Assistant Secretary John Genter to approve the BLX report as submitted. The motion carried unanimously.

15. ADJOURN

Vice President Terri Purdy adjourned the meeting at 4:25 p.m.



Dennis B. Daniel, President
Reunion Ranch WCID

ATTEST:



Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]