

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 was held at 2:00 p.m. on September 15, 2020 by remote access only in accordance with the March 16, 2020 Order by Governor Abbott temporarily suspending certain requirements of the Texas Open Meetings Act to advance the goal of limiting face-to-face meetings to slow the spread of COVID-19. The meeting was open to the public and notice was given as required by the Texas Open Meetings Act and as modified by the Governor's Order.

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  
Thomas J. Rogers, Jr. - Secretary  
Nathan Neese – Assistant Secretary  
Eileen Grass – Assistant Secretary

thus constituting a quorum. Vice President Rick Triplett was absent.

Also present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dennis Lozano with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Jesse Kennis with Inframark, LLC, Mike Moyer with Taylor Morrison, Garry Kimball with Specialized Public Finance Inc. and resident Ron Meyer.

3. PUBLIC COMMENTS

There were no public comments made.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion for approval of the Minutes. Motion was made by Tom Rogers and seconded by Eileen Grass to approve the August 18, 2020 meeting Minutes as presented. The motion carried unanimously.

5. PUBLIC HEARING ON TAX RATE

President Dennis Daniel opened the public hearing on the tax rate. Hearing no comments, the public hearing was closed.

6. ORDER APPROVING BUDGET FOR 2020/2021

7. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2020

Bookkeeper Allen Douthitt discussed the proposed budget. The assumption is based on a tax rate of \$0.875. President Daniel asked if the O&M rate of \$0.15 is achievable. Financial Advisor Garry Kimball discussed the status of the bonds. This current issue will be the District's last one. Mr. Kimball is comfortable with the current allocation between debt and O&M. President Daniel is concerned with the deficit budget. There was discussion of the estimate for the 210 conversion project. After discussion, motion was made by President Daniel and seconded by Nathan Neese to adopt the Order Approving the Budget and reduce the expenditure of the 210 conversion project to \$20,000 to cover only engineering. The motion carried unanimously.

Attorney Bill Flickinger discussed approving the appraisal roll and setting the District's tax rate. As recommended by the District's Financial Advisor, the debt rate will need to stay at \$0.725. The O&M rate will also stay the same as last year at \$0.15, for an overall tax rate of \$0.875. After discussion, motion was made by President Daniel and seconded by Tom Rogers to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2020. The motion carried unanimously.

8. DEVELOPER'S REPORT ON STATUS OF CONSTRUCTION WITHIN THE DISTRICT, DEVELOPMENT ENTITLEMENTS, PROVISION OF WATER, WASTEWATER AND DRAINAGE SERVICE 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

President Dennis Daniel would like to get a written report from Frank Krasovec on the status of the custom lots within the District, if he cannot attend the board meeting.

Mike Moyer reported on the building metrics in the District. A total of 470 homes have been sold to date. The average sales price in the District is \$532,559.

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

This item was not discussed.

10. ADVERTISEMENT FOR BIDS AND APPROVAL, AWARD, RECOMMENDATION AND ADMINISTRATION OF CONSTRUCTION CONTRACTS

Engineer Dennis Lozano discussed the bid opening that occurred on September 9<sup>th</sup>. Three bids were received. The low bidder was Excel Construction Services, Inc. in the amount of \$3,445,000. Excel bid the project with a deductive alternate for the time extension. Mr. Lozano reported that they pushed back on the 230-day time schedule (June 2<sup>nd</sup>). The contractor was given an option to the schedule that they were comfortable with. The deductive alternate extends the project to 350-days (September 30<sup>th</sup>) at a price of \$120,000. Mr. Lozano believes they were nervous on the equipment delivery, etc. during this time. President Dennis Daniel inquired about the odor control features for the new plant. Mr. Lozano discussed those features with the Board. President Daniel wants to be sure everything is done to make sure the odor disappears from the plant. Eileen Grass inquired about the expense of carbon cleaning. Mr. Lozano reported that the cost would run \$750 to \$2,000 per month. There was discussion of the reimbursement from the current bond issue. This current issue is the last bond issue. President Daniel asked Attorney Bill Flickinger to determine if the Bond Reimbursement Agreement only obligates reimbursement to the Developer with bond proceeds and/or with other District funds. There was also discussion on exploring the option of new bonds. Mr. Flickinger advised that action will require a bond election. After discussion, President Daniel is concerned with the expansion not being completed by next summer. President Daniel would like to get a change order quote to finish the covers immediately. He hopes Taylor Morrison will go along with this. President Daniel stated that odor control should have been a priority from day one due to the location of the wastewater plant. Mike Moyer agrees that this is the upmost important thing to get a handle on. The basins should be covered and Taylor Morrison has a vested interest in this Community. Mr. Moyer stated that he does not agree with the comments of Taylor Morrison's error with the design of this plant. They built the plant as permitted and it was designed prior to acquisition of the property. He wants to do what is right and also has a budget to manage. Financial Advisor Garry Kimball had to leave the meeting at 3:23 p.m.

There was a detailed discussion of the liquidated damages in the Excel contract pertaining to the wastewater treatment plant expansion.

After further discussion, motion was made by President Daniel and seconded by Nathan Neese to award the contract to Excel Construction Services, Inc. as the low bidder in the amount of \$3,445,000 and to reject the deduction alternate as submitted. The motion carried unanimously.

11. ENGINEER'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 AND PAST, PRESENT AND FUTURE BOND ISSUES; USE OF EFFLUENT TO IRRIGATE RIGHTS-OF-WAY; PROPOSALS FROM DISTRICT ENGINEER IN CONNECTION WITH USE OF EFFLUENT TO IRRIGATE RIGHTS-OF-WAY AND TIMELINE FOR SAME

Engineer Dennis Lozano discussed his report as included in the agenda package.

Mr. Lozano reported that the TCEQ should wrap up the bond application hopefully by next week.

There was discussion of the wastewater flows and protections. Mr. Lozano reported that the flows were measured at 92 gpm, 115 gpm then to down to 107 gpm and now back up to 117 gpm per household. The District is in violation of the permit and will need to be reported to the TCEQ.

Mr. Lozano reported that he is working with Attorney Bill Flickinger on the terms and conditions for the 210 conversion proposal. This item will be considered at next month's board meeting.

The wastewater line inspections were completed. It was reported that a manhole needs some work. Mr. Lozano will review the CCTV footage from the inspections and bring an analysis back to the next board meeting for review.

12. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 6<sup>TH</sup> BOND ISSUE

Financial Advisor Garry Kimball advised the Board that once the TCEQ final memo is issued, the District can move forward with issuance of the bonds. At the October meeting, the Board can consider the documentation, bid the bonds in November and close the transaction in December.

13. WASTEWATER TREATMENT PLANT EXPANSION; WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS

President Dennis Daniel asked what the District can do with the current wastewater plant to mitigate the odors. Engineer Dennis Lozano advised that they can install a temporary cover for the basins. Manager Jesse Kennis reported that he obtained two bids for that installation and they came in extremely high. The Board previously approved an expenditure of \$5,000. The two bids were between \$9,000 and \$27,000. After discussion, motion was made by President Dennis Daniel and seconded by Eileen Grass to increase the authorization to Inframark to complete the Phase 2 cover to the basin as expeditiously as possible at a cost not to exceed \$10,000. The motion carried unanimously.

14. COMMITTEES – ASSIGNMENT AND MEMBERSHIP

This item was not discussed.

15. COMMITTEE REPORTS.

- a. Trails/Ponds (Eileen & Rick)
- b. Property Conveyances, easements and/or License Agreements to the District or HOA from developer (Rick & Dennis)
- c. WTCPUA (Nathan & Dennis)
- d. Wastewater Treatment Plant Improvements and Odor Control (Dennis & Rick)

Eileen Grass reported on the trails and ponds within the District. Taylor Morrison finished the concrete work at the Windmill Park. All of the stacked wood near the nature trail has been hauled off. Mrs. Grass reported that they did a great job. There are still some issues with runoff caused by the decomposed granite. Mike Moyer reported that he sent information to the HOA and Perfect Cuts. The HOA will look at the maintenance of the trails. Mrs. Grass also discussed the pond maintenance. Aquatic Features informed her that the landscaper will handle the issues in question. Manager Jesse Kennis advised that he will seek approval if further work is needed from the landscaper.

Attorney Bill Flickinger stated he will arrange a Zoom meeting before the next board meeting with the committee to discuss the conveyance of property to the District. The next board meeting is scheduled for October 20<sup>th</sup>.

Nathan Neese did not have anything new to discuss regarding the PUA.

16. MAINTENANCE AGREEMENT BETWEEN REUNION RANCH HOA AND THE DISTRICT FOR MAINTENANCE OF OPEN AREAS AND RIGHTS-OF-WAY

This item can be added to the committee report and removed as a separate item.

17. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant; Odor Control Measures and Complaints
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution & Collection System
- F. Billing Adjustments
- G. Delinquencies
- H. Customer Meter Issues
- I. Customer Complaints
- J. Stormwater conveyance and pond maintenance
- K. Landscaping
- L. Notices to residents on water quality
- M. Notice of Violations Issued by TCEQ dated August 5, 2019; Exit Interview from TCEQ site visit of July 10, 2020
- N. Maintenance Items in connection with Pre-Purchase Inspection Letter submitted by TCEQ
- O. Out of District Water/Wastewater Service Requests

P. Policy Regarding Use of Greenspace and other District Property

Manager Jesse Kennis discussed the Executive Summary with the Board.

The District currently has 468 active connections. 1.5 million gallons of water were consumed in August. The District incurred another water gain of 1.12%. Inframark will continue to monitor the situation. Mr. Kennis reported that 11 delinquent letters were mailed out and as of today, all accounts have been paid.

There was a flow excursion for the 107.6% capacity at the wastewater plant. Mr. Kennis reported that the air scrubber was installed on the bar screen basin.

Mr. Kennis discussed the need for the annual winter rye. Motion was made by Tom Rogers and seconded by Eileen Grass to approve the winter rye overseeding at the drip fields in the amount of \$6,716. The motion carried unanimously.

Mr. Kennis reported on the pump damage at Lift Station 1 (Adam Court). The pump was damaged due to large amounts of construction debris in the lines. The second pump sustained damage as well and needs to be repaired. In between meetings, the committee approved ordering of a spare pump under emergency conditions. Mr. Kennis recommended ordering a new replacement pump. This would give the lift station two good pumps and one spare. President Dennis Daniel asked about doing pump and haul if needed instead of ordering a new pump. He stated that double failure of the pumps is unlikely. The decision of ordering another new replacement pump will be brought back to the next board meeting for discussion. Motion was made by Tom Rogers and seconded by Eileen Grass to ratify and approve the purchase of a new pump by the committee under emergency conditions. The motion carried unanimously. Motion was then made by Nathan Neese and seconded by Tom Rogers to approve the expenditure to repair the pump instead of purchasing a new one. The motion carried unanimously. The Board discussed the type of debris in the lines/pumps. Mr. Kennis reported that gravel made its way into the wastewater treatment plant. That was probably due to construction of the new taps. There was also a plug left in one of the lines after testing. Other items included pieces of 2X4s and PVC. President Daniel asked about filing a claim with the builder. Attorney Bill Flickinger will look into that option.

18. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 17 ABOVE

This item was not discussed.

19. EXTENSION OF MORATORIUM ON DISCONNECTIONS OF WATER SERVICE FOR NON-PAYMENT

President Dennis Daniel stated he would like to continue the moratorium from month to month. After discussion to extend the moratorium month to month, motion was made by President Dennis Daniel and seconded by Eileen Grass to continue the moratorium on disconnections of

water service for non-payment until the next board regular board meeting. The motion carried unanimously.

20. COMMUNICATION CHANNELS WITH CUSTOMERS/RESIDENTS; WEBSITE MODIFICATIONS

President Dennis Daniel reported that the notices published on the District's website have its own section now. Mr. Daniel would like Jeniffer Concienne to look into the option of having a constant contact tab so that residents can opt-in and receive District updates instead of having to look at the website for the notices.

21. ANNUAL INSURANCE RENEWAL WITH AJ GALLAGHER

Attorney Bill Flickinger reported that the District received advanced notice of a change to the District's excess liability. The inclusion of this endorsement clarifies that exposures related to the pandemic are excluded. The Board then discussed the annual insurance coverage and the addition of cyber security protection if they choose to accept it. After discussion, motion was made by President Dennis Daniel and seconded by Nathan Neese to approve the annual insurance renewal without the cyber security protection. The motion carried unanimously.

22. BOOKKEEPER'S REPORT ON THE FINANCIAL AFFAIRS OF THE DISTRICT, INCLUDING AUTHORIZATION OF PAYMENT OF BILLS

Bookkeeper Allen Douthitt discussed the financials with the Board. Today's consideration will include payment of vendor invoices, per diems and fund transfers. The District's budget is off plan due to the sludge box and sludge hauling. The District should be ok going forward. After discussion, President Dennis Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Eileen Grass to approve payment of the vendor invoices and per diems and approval of the fund transfers as presented. The motion carried unanimously.

23. WEST TRAVIS COUNTY PUA ADJUSTMENT TO WHOLESALE WATER BASE FEE

This item was discussed above under the Committee Reports. President Dennis Daniel asked this item be moved to the Committee Reports and no longer listed as a separate item.

24. BLX ARBITRAGE REVIEW FOR DISTRICT'S 1<sup>ST</sup> BOND ISSUE AND SMALL ISSUER EXCEPTION FOR 2015 BONDS

Attorney Bill Flickinger discussed the report issued by BLX for the District's first bond issue. BLX determined that no arbitrage rebate calculation is required for the Series 2015 issue. Motion was made by Nathan Neese and seconded by Tom Rogers to accept the report submitted by BLX as presented. The motion carried unanimously.

25. RATE ORDER

26. RULES AND REGULATION GOVERNING WATER AND SANITARY SEWER FACILITIES, SERVICE LINES, COMMUNICATIONS, EROSION CONTROL AND DISTRICT PROPERTY; WAIVER OF POOL DEPOSIT; FINES AND CHARGES TO BUILDERS AND CONTRACTORS FOR DAMAGE TO LIFT STATIONS AND PUMPS DUE TO TRASH AND DEBRIS


Attorney Bill Flickinger reported that the rate order is included on the agenda due to the adoption of the tax rate and budget. This is a backup in case the Board wants to consider a rate change.

In between Board meetings, an owner wanted to build a pool. They were directed to certain procedures and after further review, those procedures were not exactly correct. The rate order was reviewed for any fees related to construction of a pool. However, none were found. After further review the fees and deposits were included in the District's rules and regulations, not the rate order. Due to that, there was a lot of confusion for the owner. President Dennis Daniel would like to waive the deposit of \$1,500 for the owner due to all the confusion. Mr. Flickinger reported that the only fee or deposits mentioned in the rules and regulations are for a pool. These fees need to be moved to the rate order and not included in the rules and regulations, as that is not the place for them. Mr. Flickinger stated that he will prepare a redline draft of these documents and provide them at the next board meeting for consideration. If there are any of changes that need to be made, those can be done at this time. President Dennis Daniel reported that they originally told the owner there was not a fee because it was not found in the rate order, and then had to come back and say there was. There was just too much confusion. Bookkeeper Allen Douthitt has held that check and will return it to owner.

After discussion, motion was made by President Dennis Daniel and seconded by Tom Rogers to waive the pool deposit in the amount of \$1,500 for the owner on Jacksaw and return his check to him. The motion carried unanimously.

27. ADJOURN

President Dennis Daniel adjourned the meeting.

  
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Dennis Daniel, President  
Reunion Ranch WCID



ATTEST:



Nathan Neese, Assistant Secretary  
Reunion Ranch WCID

[SEAL]