

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 24, 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  
John Genter – Vice President  
Gary Grass – Secretary  
Mark Olson - Assistant Secretary (Via Zoom)  
Eric Hart – Assistant Secretary

thus, constituting a quorum. All Directors were present.

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

Attending via Zoom were Assistant Secretary Mark Olson, Bill Flickinger with Willatt & Flickinger, PLLC, Allen Douthitt with Bott & Douthitt, PLLC, Makenzi Scales with Inframark, Garry Kimball with Specialized Public Finance Inc. and residents Leslie Daniel, Sandy Lake and Debbie Hanley.

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 August 20, 2024 meeting minutes as presented.**

**Motion by: Vice President John Genter**

**Second by: Secretary Gary Grass**

**The motion carried unanimously.**

5. UPDATES REGARDING REUNION RANCH HOA MATTERS

Sandy Lake had a couple of updates to provide to the Board.

The HOA's election will be held in the next few days. The HOA's annual meeting will be held in October and at that meeting, the new members will be announced.

Malone/Wheeler contacted the HOA on additional details and information in connection with the effluent irrigation project. President Dennis Daniel will contact them and handle the information request. Sandy Lake will forward the email request to President Dennis Daniel for his use.

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

Bookkeeper Allen Douthitt discussed the financials through July with the Board, including the District's expenses and revenues. The financials were not updated when the board meeting got pushed out so the financials will catch up for August and September at the next board meeting. Secretary Gary Grass noted the remaining amount in the budget for sewer repairs and asked if that will be enough to finish out the year. Manager Makenzi Scales does not see that being an issue. All the larger projects will not be done until the next fiscal year. There was discussion of the wastewater treatment plant maintenance budget items for routine vs. non-routine, sludge haul budget and pond maintenance. Bookkeeper Allen Douthitt said that those amounts can be moved around to different categories. President Dennis Daniel asked about the reason for including other charges, such as labor in the sludge hauling item. There was discussion of being over budget on the pond maintenance and Manager Makenzi Scales advised that she was not part of the budget discussion last year for that item and did not provide any numbers. This year's charges included some outfalls that were grown up and needed maintenance and the higher-than-normal rainfall added to that expense. Something else is that the charges are being billed out quarterly and not monthly. President Dennis Daniel when reviewing the pond maintenance budget, noted it is going from \$11,000 to \$78,000. Again, Manager Makenzi Scales advised it is high because she did not provide the budget figure for last year. President Dennis Daniel requested that on future reports, he would like to add a page to identify the forecasted year end for +/- 5% and \$5,000 off and would like to have a short description to explain that amount. This information would have to come from the consultants. Bookkeeper Allen Douthitt understands the request but noted that he cannot provide a forecast. He will need that information from the consultants in enough time so that his office can make the deadline for the agenda package. President Dennis Daniel would like this information to be provided beginning the new fiscal year. The fiscal year will come to a close in six days. Tax collection is 98.72% collected, with approximately \$35,000

outstanding. Bookkeeper Allen Douthitt reported that the surplus funds have been used for the effluent irrigation project and the account has been cleared out.

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 Eric Hart  
The motion carried unanimously.**

Secretary Gary Grass reported that there was no LCRA invoice this month, nor a Murfee Engineering invoice. Bookkeeper Allen Douthitt stated it could be a timing issue or those invoices were already processed due to the cancelled board meeting.

7. PUBLIC HEARING ON TAX RATE

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

8. ORDER ADOPTING BUDGET FOR 2024/2025

9. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2024

Items 8 and 9 were discussed together.

Financial Advisor Garry Kimball discussed the proposed tax rate, which is the same as last year at \$0.6240. This rate is sufficient for the District's needs and feeds into the proposed budget. The split between M&O and debt was calculated at \$0.2515 and \$0.3725. Financial Advisor Garry Kimball left the meeting at 3:35 p.m. Bookkeeper Allen Douthitt discussed the proposed budget with Board. The consultants provided input on various line items, as well as the Board. Some of the bigger items were shifted into next fiscal year, such as the effluent irrigation project. By doing that, the District is in a good place and helps with the reserve. However, it will put a burden on this upcoming fiscal year. Bookkeeper Allen Douthitt will make the necessary changes to the budget as discussed. There was discussion of the upcoming LCRA increase for raw water, which was not included in the budget. The increase is \$10 from \$155 to \$165 per acre-foot. Per the District's contract, it has 350 acre-feet reserved capacity. This LCRA increase will be effective in January 2025, so it will be only for nine months of the fiscal year. An additional \$26,025 will be added to the water purchase budget. Manager Makenzi Scales discussed the 18% increase in operations costs. Assistant Secretary Eric Hart asked about an automation process to run the belt press. Engineer Mark Kestner stated that the consultants will be meeting soon to discuss that process. Manager Makenzi Scales reiterated that for the first six to seven months after the belt press was installed, Inframark was not charging the District. President Dennis Daniel asked if this sludge system was a bad decision and if sludge hauling would have been a cheaper

option at this point. Engineer Mark Kestner stated that if the belt press was unmanned, which was the intent, it would have been cheaper. Manager Makenzi Scales stated that Inframark does not recommend running the belt press unmanned.

After discussion, President Dennis Daniel entertained motions for the budget and tax rate.

**Motion: Adopt the Order Approving Budget, with the appropriate changes to the line items as discussed, excluding the LCRA Firm Water Reservation Fee expenditure.**

**Motion by: Secretary Gary Grass  
Second by: Assistant Secretary Eric Hart  
President Dennis Daniel abstained. The motion carried.**

**Motion: Approve the LCRA Firm Water Reservation Fee expenditure line item in the budget, including the upcoming rate increase.**

**Motion by: Secretary Gary Grass  
Second by: Vice President John Genter  
President Dennis Daniel abstained. The motion carried.**

**Motion: Adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2024, being a total tax rate of \$0.6240 with a split of \$0.2515 to M&O and \$0.3725 to debt service.**

**Motion by: Secretary Gary Grass  
Second by: Assistant Secretary Eric Hart  
The motion carried unanimously.**

10. AMENDED INFORMATION FORM

Attorney Bill Flickinger explained that since the tax rate remained the same, the Amended Information Form does not need to be revised. No action is needed.

11. BLX ARBITRAGE RERATE REVIEW; UNLIMITED TAX BONDS; SERIES 2019

Attorney Bill Flickinger reported that the District received a clean opinion on its Series 2019 unlimited tax bonds. BLX reviews the District's bond issues on a five-year schedule. This report shows that no arbitrage occurred and nothing is due to the IRS as reported by BLX.

After discussion, President Dennis Daniel entertained a motion.

**Motion: Approve BLX opinion on the District's 2019 unlimited tax bonds.**

**Motion by: Vice President John Genter  
Second by: Secretary Gary Grass**

**The motion carried unanimously.**

12. RATE ORDER (WINTER AVERAGE MONTHS)

President Dennis Daniel discussed the possibility of changing the winter average months so that the average will be taken from the lowest water usage months. Currently the winter average is November, December and January and the proposed change is January, February and March. Attorney Bill Flickinger reported that per the District's Drought Contingency Plan, if the District is in Stage 2 or higher watering restrictions, there will be no watering from November to February. If that is the case, then March could see a higher water use. President Dennis Daniel asked if the change would impact the District's revenue. Bookkeeper Allen Douthitt reported that it is hard to predict but in theory, there will be less revenue. After discussion, Bookkeeper Allen Douthitt and Manager Makenzi Scales will get together to determine if the change would be revenue neutral. President Dennis Daniel asked the Board if the change is worth it. After further discussion, this item will be tabled and taken off the agenda for consideration.

Attorney Bill Flickinger advised getting word out to the residents on winter averaging would be helpful so that they can save on their wastewater rate. Assistant Secretary Mark Olson will draft a communication on that topic.

13. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. TCEQ Violation Letter
- d. Amendment to Bookkeeping Services Contract
- e. Amendment to Engineering Contract
- f. Overall plan to improve wastewater plant efficiency and effluent irrigation
- g. Protocol for enforcement of District Rules and processing of pool applications
- h. District Rules and Regulations
- i. 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 13a. The HOA provided several sites for possible amenity locations. Inframark will review those sites for any District facilities. President Dennis Daniel noted that site selection is very important in terms of water quality and drainage. Inframark will get with Engineer Mark Kestner on review of these sites as well.

There was no discussion on Item 13b.

Regarding 13c, Inframark responded to the TCEQ on the Notice of Violation. The TCEQ has not responded any further. This item can be removed from the agenda.

Item 13d was tabled until next month.

Vice President John Genter discussed 13e, Amendment No. 3 to Engineering Services Contract. The amendment was reviewed and discussed. Over the years between 2017-2022 there was a 14% increase and between 2024-2026 there will be a 12% increase. President Dennis Daniel asked if the amendment will be effective June 1<sup>st</sup> as shown in the contract. Attorney Bill Flickinger advised that if the amendment is approved, it will be effective upon approval. Engineer Mark Kestner advised that he was not in the rate increase discussion at Murfee and knows that civil engineers are hard to find at this time and are in high demand, which runs the price up. After discussion, the Board would like to have more information regarding the increase and possibly have Vice President Bryce Canady attend the October board meeting for further discussion. This item was tabled until next month.

Engineer Mark Kestner discussed Item 13f, the District's overall plan to improve wastewater plant efficiency and effluent irrigation. The skid is on its way and will hopefully be delivered soon. President Dennis Daniel asked if the completion schedule is still on track for October, which Engineer Mark Kestner advised it is. Murfee Engineering started the solicitation of the effluent irrigation line. They will have a drone fly over the wastewater plant site to include with plans. Contractors like to see that picture. Again, it is hoped that the effluent irrigation project will be completed by the end of October.

Secretary Gary Grass discussed Item 13g, Protocols for enforcement of District rules and processing of pool applications. Attorney Bill Flickinger prepared protocols and worked with the committee on this topic. Once approved, these protocols can be posted on the District's website and Inframark and the HOA can send out an email blast. This will hopefully make the process clearer for all involved. President Dennis Daniel provided some revisions to the Protocols. Assistant Secretary Eric Hart inquired about the inspection fees. There is an Inframark workorder that shows a charge of \$247, whereas the District's Rate Order shows \$100. Attorney Bill Flickinger stated that if a resident misses a required pool inspection, they can be fined \$500.

After discussion, President Dennis Daniel entertained a motion.

**Motion: Adopt the Protocols for Pool Applications, Approvals, Deposits, Inspections, Violations, Fines and Damage Assessments as discussed.**

**Motion by: Secretary Gary Grass  
Second by: Vice President John Genter  
The motion carried unanimously.**

After discussion of the protocols, Manager Makenzi Scales will get with Secretary Gary Grass and legal counsel to review the inspections fees and work on the Rules and Regulations. This item was tabled until the next board meeting.

In connection with Committee reports, the following was discussed.

President Dennis Daniel discussed his letter to residents on residential water use. Now, correspondence regarding conservation and winter averaging will need to be drafted. February will be a good timeframe for the conservation information.

Assistant Secretary Mark Olson reported that correspondence on sprinkler system battery replacement was sent out. There will also be some website formatting occurring soon. Vice President John Genter will provide some suggestions on the formatting.

Secretary Gray Grass updated the Board on current pool projects in the District. One resident has a new pool contractor and will be submitting a new pool application and access request to use the common area.

President Dennis Daniel discussed the implementation of Stage 2 watering restrictions per the WTCPUA. This was due to lack of pumping and piping compacity. The combined storage projections for Lakes Buchanan and Travis were included in the agenda package.

The committee is still working on contractor's review and will meet next month to discuss.

14. 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

The engineering report and updated capital plan was included in the agenda package.

Engineer Mark Kestner reported that he will be processing Pay Estimate No. 2 from Process Water Technologies for the conveyor in the amount of \$7,475.00 for consideration at next month's meeting.

15. 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.

The bar screen repair should be completed by October per the contractor.

Secretary Gary Grass asked if the consumption numbers from the reports should be the same. Manager Makenzi Scales stated yes and no and advised it was probably a timing issue. Secretary Gary Grass also noted that the daily average amounts are different in the reports. Manager Makenzi Scales noted that one of the amounts was a typo and she will have it corrected. Vice President John Genter asked if there are any concerns with 95.75% water accountability since it is usually 100%. President Dennis Daniel stated that amount raises a flag to him and if it continues, the District most likely has a problem. Manager Makenzi Scales will look at the data more closely. Vice President John Genter stated that if the amount is off again next month, it should be checked out.

Manager Makenzi Scales reported that the West Travis County PUA is temporarily moving from chloramine to free chlorine for its disinfection measures. The conversion will begin on October 7<sup>th</sup> and continue through October 28<sup>th</sup>. Inframark will be providing a billing insert and notice to the customers no later than September 30<sup>th</sup>. Manager Makenzi Scales reported that the District will increase its flushing times to burn off the chlorine. The water used when flushing will be tracked but not billed.

Assistant Secretary Eric Hart inquired about the collection report and the \$54,000 amount. Attorney Bill Flickinger noted that the Taylor Morrison billing was in error. Manager Makenzi Scales advised that they will provide a notation on the report that that amount was in error.

President Dennis Daniel reiterated that the tracking meter should not have that much consumption and still has not received an explanation as to why it is so high. Manager Makenzi Scales stated that the tracking meter is used for washing down the plant, sampling purposes, filling basins, etc. On an average, 250,000 gallons is a lot and has been happening now for several months. This amount equals to about 8,000 gallons a day. Manager Makenzi Scales will talk to operations to what they can do to cut down on the water consumption.

President Dennis Daniel asked about the status of the pool construction list. Manager Makenzi Scales stated that they are working with the HOA for a complete list. Hopefully by the next two weeks, we can get that to the Board.

There was discussion of the wastewater flow spike that occurred in July. Manager Makenzi Scales reported that there was a backwash issue with the skid. President Dennis Daniel asked that Inframark verify that information and provide an update in their report for next month.

President Dennis Daniel reiterated that he would like to see the 210 limits added to the chart in the manager's report. Manager Dragan Sonnier advised that he has the numbers but was not sure why it was not included in the report. These limits will be included in next month's report.



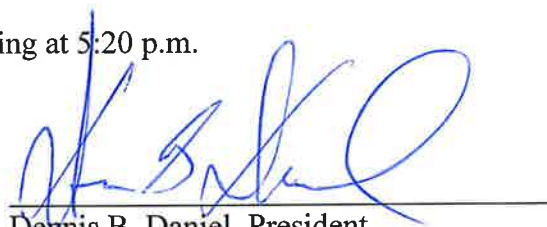
Vice President John Genter commented on the pond reports and asked if there was any concern on the algae bloom or was it normal. Manager Makenzi Scales advised that it was normal to see that around this time of year. President Dennis Daniel asked about adding more aerators to the District's capital plan and/or if that is any value to the District. Manager Dragan Sonnier reported that the new account manager with Aquatic Features is working on some data regarding the performance of aerators. Once that information is received, he will provide it to the Board for review.

16. ATTORNEY REPORT AND REQUESTED ACTIONS

Attorney Bill Flickinger had nothing to report.

17. ADJOURN


President Dennis Daniel adjourned the meeting at 5:20 p.m.



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Dennis B. Daniel, President  
Reunion Ranch WCID

ATTEST:



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Gary Grass, Secretary  
Reunion Ranch WCID

[SEAL]