

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 November 21, 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.

President Dennis Daniel will take the Manager’s Report before the Engineer’s Report this month.

2.     ROLL CALL OF DIRECTORS

A roll call of the Directors was taken. The Directors present were:

Dennis B. Daniel - President  
Gary Grass – Assistant Secretary  
John Genter – Assistant Secretary

thus, constituting a quorum. Vice President Terri Purdy and Secretary Ron Meyer were absent.

Also present at the meeting were Hunter Hudson and Jeniffer Concienne with Willatt & Flickinger, PLLC, Mark Kestner and Intern Greg Alves with Murfee Engineering, Dragan Sonnier and ElizaBeth Reeves with Inframark and Jessica Benson with Bott & Douthitt, PLLC.

Attending via Zoom were Bill Flickinger with Willatt & Flickinger, PLLC, Makenzi Scales with Inframark and residents Mark Olson, Linda Alvarez, Leslie Daniel 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.

Engineer Mark Kestner would like to point out a factual correction that was discovered after the last board meeting regarding the BOD levels. After review of information the BOD levels were in fact not over the permit levels. Attorney Bill Flickinger stated that the correction to that statement will be shown in this meeting minutes. After discussion, motion was made by Assistant Secretary John Genter and seconded by Assistant Secretary Gary Grass to approve the October 17, 2023 meeting minutes as presented. The motion carried unanimously.

5. UPDATES REGARDING REUNION RANCH HOA MATTERS

There were no updates provided.

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

Bookkeeper Jessica Benson discussed the financials and variances, along with the Quarterly Investment Report with the Board.

The District's budget variance ended favorable to plan this year. There was discussion of the operating reserve. If it has been met, it should be shown on the report. After discussion, it looks like the District is on target on its reserves.

There was discussion on the narrative for the variances. President Dennis Daniel discussed meeting with the bookkeeper on restructuring the information on the variances. The consultants must respond to the bookkeeper in a timely manner to explain the variance so that it can be contained within the report to the Board.

Engineer Mark Kestner reported on the increase in sludge hauling. The plant accounted for more solids earlier in the year due to aeration motors being out of service and now the plant is cycling those solids out so the sludge process is high right now. It should even out soon as a steady amount of hauling takes place. President Dennis Daniel noted that once the plant is stable and running correctly, sludge hauling should be routine and predictable.

There was continued discussion on the process for reporting on the budget variances.

Bookkeeper Jessica Benson discussed the District's Quarterly Investment Report. The District is earning more than 5.3% on its investment. This fund can be liquidated at any time if the District needed to access it.

After discussion, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the financials and authorize payment of the invoices and per diems and four fund transfers as discussed. The motion carried unanimously. Motion was then made by Assistant Secretary John

Genter and seconded by Assistant Secretary Gary Grass to approve the Quarterly Investment Report as presented. The motion carried unanimously.

7. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Variances to Drought Contingency Plan requirements
- c. Discussion only on Amended Drought Contingency Plan
- d. Discussion only on Water Conservation Plan
- e. Disposition of Capital Project Funds; Consent and Release Agreement
- f. Bar screen operation issues
- g. Overall plan to improve wastewater plant efficiency and effluent irrigation
- h. Rate Order
  - a. 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

There was no discussion on Items a & b above.

President Dennis Daniel prepared a redline of the Water Conservation Plan and would like to meet with Assistant Secretary John Genter and Engineer Mark Kestner and then come back to the Board for consideration at the December board meeting. If anyone has any comments, please provide them at this time. Assistant Secretary Gary Grass noted that the LCRA is not committed until May 2024 to revamp its Drought Contingency Plan due to the possibility of significant changes it might make. Assistant Secretary Gary Grass does not want to spend the time and effort now and then have to redo the DCP again soon. He would rather wait for both the LCRA and WTCPUA to provide its changes. There was discussion of the most recent Boil Water notice from the WTCPUA and how the District went to the extreme and went into Stage 5 of the DCP. However, WTCPUA did not take extreme measures. Attorney Bill Flickinger stated that the WTCPUA experienced pressure loss in the system, which triggered the Boil Water notice. President Dennis Daniel wants to be sure that the District has flexibility in its plan. Engineer Mark Kestner noted that the LCRA has recommended an odd/even watering schedule and WTCPUA has a different watering schedule which the District included in its plan. President Dennis Daniel prefers the odd/even watering schedule, as it easier to follow. Attorney Bill Flickinger stated that the District does not want to be more severe than the WTCPUA in its DCP stages. Once both plans are close to being considered, the committee should share them with legal for review prior to consideration. Both plans will be placed on the December agenda for consideration.

Attorney Bill Flickinger reported that the District received a favorable response from Taylor Morrison on use of the surplus bond proceeds. There was discussion of the Consent and

Release Agreement as included in the agenda package. This will document the release of those funds to the District. The document was sent to Taylor Morrison for comment. The typo on the date will be corrected, as pointed out by Assistant Secretary Gary Grass. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the Consent and Release Agreement between the District and TM and authorize the Board President and District Attorney to make any changes as requested by Taylor Morrison. The motion carried unanimously. President Dennis Daniel and Attorney Bill Flickinger pointed out that any major changes to the document will be brought back to the Board for discussion.

Manager Makenzi Scales discussed the bar screen issue and the proposal from Rage Construction for \$4,700 to weld the bar screen. Rage Construction is concerned with the thickness of the screen and is not confident as to how long the repair will last. There was discussion again on the full replacement cost of the bar screen, which is approximately \$24,000 with labor and materials. There was also discussion of Rage Construction fabricating a new screen. If the contractor is approved to move forward with the temporary weld, they can begin work the first or second week of December. Assistant Secretary John Genter went over the three scenarios for repair to the bar screen. Engineer Mark Kestner stated that the reverse wiring of the bar screen should have never happened, and especially not twice. It is possible to install a lockbox over the wiring to prevent any tampering. Assistant Secretary Gary Grass is concerned with the temporary costs of this repair. President Dennis Daniel stated that hopefully this temporary repair will last until the bar screen can be rebuilt. After discussion, motion was made by Assistant Secretary John Genter and seconded by President Dennis Daniel to proceed with the patch to the bar screen for \$4,700 by Rage Construction and proceed with investigation of full replacement of the bar screen with either Rage Construction or the original contractor. The motion carried unanimously.

Engineer Mark Kestner stated in response to both the issues in bidding of the irrigation system and the desire to have the irrigation system but not pay a premium to have it during inflation, he discussed his handout on the WWTP's efficiency and irrigation upgrades sequencing. Engineer Mark Kestner discussed the series of steps to achieve the largest set of efficiencies. The first step would be to install an irrigation pump in the existing effluent clearwell, the second would be to install valving to allow use of the irrigation pump for drip field use, next would be to update all of the SCADA software programming including the solenoid valves, fourth would be to install a second pump and the remainder of the plumbing and decommission both effluent pumps and the drip skid. Assistant Secretary John Genter noted that the drip skid has been maintenance heavy since he came on the Board and surely the new one would not be. President Dennis Daniel summarized that the plan as to look at the entire wastewater plant and breaking off the effluent project in parts over time. The whole plant should be more efficient over the next 2 to 5 years. If the District proceeds on this route, he would like to see a more structured and solid plan come to the Board next month for approval. President Dennis Daniel would like to proceed with design of Step 1 immediately. The filter needs to be brought up with Step 1 if possible. That extra filter will help with not allowing solids to clog up the system. President Dennis Daniel would like to work with the engineer and the committee member to incorporate comments and bring back to the Board for formal approval at next month's board meeting. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to proceed with design of Step 1 to install one irrigation pump with filtration and the nominally necessary controls to make it work and to not exceed \$6,600 in costs for design of Step 1. The motion carried

unanimously. Assistant Secretary John Genter would like to align expected routine maintenance and replacement cost with the next phase. President Dennis Daniel would like the system up and running by May of 2024.

There will need to be changes to the HOA's irrigation system to make it work properly. President Dennis Daniel would like to approach the HOA with a plan to fix the irrigation system. The District has several sources of funds to improve the irrigation system so that it can accept the irrigation when ready. Assistant Secretary John Genter supports this idea. Assistant Secretary Gary Grass said it makes sense for the District to manage and fund this project. Attorney Bill Flickinger commented that the current Effluent Disposal Agreement with the HOA will likely need to be amended. President Dennis Daniel would like Inframark to review and comment on this plan as well.

Assistant Secretary Gary Grass discussed the proposed changes to the District's Rate Order. Manager Makenzi Scales will be ready next month to discuss changes to the rates charged to the District. Inframark is preparing a full audit of all the rates. Attorney Bill Flickinger addressed the impact fees. The WTCPUA changed the way it collects impact fees. Previously, impact fees were collected based on the date of final platting. Now, it is collected when service is requested. The amount of the impact fee in the rate order is incorrect and it is recommended that language be added to state the impact fee is what the WTCPUA currently charges and for the rate order to be effective immediately. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve the District's Rate Order as presented. The motion carried unanimously. Attorney Bill Flickinger stated that impact fees go to the WTCPUA to essentially build its capital improvements. However, this impact fee is a pass through for the District.

President Dennis Daniel advised that the committee reports will be skipped this month.

**\*\*President Dennis Daniel then moved to the Manager's Report.\*\***

9. OPERATIONS AND MAINTENANCE REPORT AND REQUESTED APPROVALS

- a. Administrative
- b. Improvement of wastewater treatment plant operations
- c. Sludge hauling expense
- d. Wastewater treatment plant and effluent subsurface irrigation
- e. Wastewater collection system
- f. Water distribution system
- g. Update on Enforcement Policy for Watering Restrictions
- h. Stormwater conveyance and pond maintenance
- i. Customer matters, complaints, reports and updates
  - i. Mud on Jayne Cove
- j. Request by resident to encroach into easement for construction of swimming pool
- k. 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.

Inframark is moving forward with several roll-off carts instead of a dumpster at the wastewater treatment plant. These carts will be placed inside the fence at the plant.

There was discussion of the water conservation and boil water notice signs throughout the District. Some of the signs that were posted were incorrect, as they were misprinted and new signs are being made. A resident contacted President Dennis Daniel on having too many signs posted within the District. President Dennis Daniel suggests when the District moves to new stage, Inframark should put the signs out for a week, 10-days max. If the event is urgent, leave the signs up for the duration of the event. There have been other complaints from residents on the same matter. Assistant Secretary Gary Grass believes that the signs address the need to comply with the District's water suppliers. Assistant Secretary John Genter would suggest that the sign at the mailbox and the sign at the stop sign exiting the neighborhood is very effective and should remain. President Dennis Daniel asked Inframark to remove the signs except at those two locations. It was also noted that watering schedules and boil water notices are published on the District's website. President Dennis Daniel asked that if the new signs have not be printed yet, hold off as the District may change the watering schedule all together. Manager Makenzi Scales will inform the sign company.

Manager Makenzi Scales reported that approval has been sent to the contractor to pour the rock on the drive at the wastewater treatment plant entrance. In the meantime, a jet truck has been scheduled to clean up the mud off of Jayne Cove. Inframark is trying to clean it up quickly and it will be of no charge to the District. They will also emphasize to the operation staff to not go into the mud with the trucks. The rock should also go into the plant area a bit, not only the entrance.

The wastewater treatment plant flows have gone back down. All facilities are in compliance for the month. The plant is running at 75% and the total flows are 1.848 mg, with an average flow of 59,616 gpd. Inframark is not as concerned with potential I&& issues but will still monitor the numbers.

The pump 1 soft starter has been delivered to the shipping company and sent to Inframark. It should arrive soon and will be scheduled for installation. The digester has been installed and is up and running without issue.

Manager Makenzi Scales stated that winterization to the District's facilities will begin soon.

It was reported that tree trimming is needed around the wastewater treatment plant fence. This issue is a TCEQ compliance matter and Zane Furr provided a proposal of \$1,500.00 to trim the trees. It was observed that the limbs are resting on the top of the fence. President Dennis

Daniel asked how the trees will be trimmed along the fence line, as he does not want it to appear that they were just wacked off. Manager Makenzi Scales reported that the trees must be 5' up from the fence and 10' out from the fence. It appears that the trees were planted too close to begin with. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to approve the tree trimming around the wastewater treatment plant fence as presented. The motion carried unanimously.

There was discussion of the easement encroachment request. This is the property whereby work already began before the easement encroachment request was granted. The residents are installing a swimming pool. The swimming pool contractor misunderstood the approvals. The contractor is willing to reimburse the District for Inframark's cost of going out and installing erosion controls measures. They also agreed to provide erosion control moving forward and will cease use of the easement until the Board has considered the request. President Dennis Daniel asked if a deposit was collected and at what amount. Manager ElizaBeth Reeves stated the deposit is \$1,500. President Dennis Daniel advised that amount is insufficient to repair the drainage area that has been damaged by the contractor. For most pool installations, this is not any issue because they are not next to a District easement. The Board could look at adding language in the rate order for special requests and have a deposit in accordance with the work needed. Attorney Bill Flickinger said there are two different issues going on here. One is installing a pool, the second is accessing a District facility, which is on HOA land. This is not a standard request under the rate order. Damage to any District facility is a violation of the District's rules. Attorney Bill Flickinger stated that the Board is well within its authority to come up with a remedy for this situation. Before any further access to the easement, the homeowner/contractor could be required to deposit funds for the repairs and be responsible for any further damage or the Board could deny access altogether. As the Board is aware, this area is a critical District facility as a drainage area. Manager Makenzi Scales will get an estimate to bring the area back up to proper usage. President Dennis Daniel asked that Engineer Mark Kestner review the estimate and concur with the findings. The integrity of this drainage area has most definitely been threatened. Engineer Mark Kestner will also review the erosion plan to ensure it is adequate. Assistant Secretary Gary Grass asked if the installation of the pool could be finished without accessing this area. Manager Makenzi Scales indicated that she did not believe so. President Dennis Daniel reported that the HOA has routinely allowed homeowners to use the easement area with a hefty deposit. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary John Genter to allow use of the easement but mitigate any damage and have sufficient deposit funds in hand to restore the area if the homeowner or contractor fails to do so. The motion carried unanimously. Linda Alvarez with the HOA reported that the HOA collected a \$10,000 deposit from the homeowners, but it has now come to her attention that when it was collected, the deposit was held and not cashed. The HOA will now be discussing if deposits should be cashed rather than held in the future. This request came to the HOA and the homeowners were told point blank by the HOA that they could not proceed with use of the easement until the WCID approved the access.

Linda Alvarez discussed her concern of the HOA getting behind on WCID taxes due to receiving two separate invoices from Hays County. Bookkeeper Jessica Benson will ask the County why separate invoices were sent. It was pointed out that the issue has self-resolved but still was a hit to the HOA.

8. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Wastewater Collection and Treatment Plant
  - i. Wastewater Flows and Trends
  - ii. Improvements
  - iii. Operational Issues
  - iv. Proposed improvements to increase wastewater plant efficiency and to provide effluent irrigation; authorization in connection with same
- b. Water Supply and Distribution Systems
  - i. Water Flows and Trends
  - ii. LCRA Contract – current reservation
- c. Long-term Improvements and Asset Management Plan
- 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 that the LCRA had a meeting with its water customers to discuss possible once a week watering in the future. Murfee Engineering will track this matter and keep the District informed.

There was discussion about a mutual aid program for disaster programs. After discussion, it does not appear this program fits this District. No action was taken on this matter.

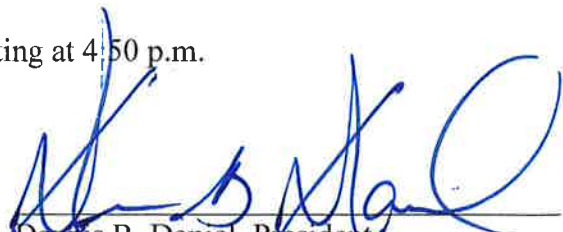
10. ATTORNEY REPORT AND REQUESTED ACTIONS

- a. Update on investigation of bar screen issues

Attorney Bill Flickinger reported on the status of the investigation into the bar screen issues. A third-party professional engineer has been hired to review the wastewater treatment plant functions and will visit the site to inspect the bar screen, and review documentation from Inframark and Murfee Engineering. They will also check for any recourses, warranty items, liability and/or insurance claims.

11. ADJOURN

President Dennis Daniel adjourned the meeting at 4:50 p.m.



Dennis B. Daniel, President  
Reunion Ranch WCID



ATTEST:

A handwritten signature in black ink, appearing to read "Gary Grass", written over a horizontal line.

Gary Grass, Assistant Secretary  
Reunion Ranch WCID

[SEAL]