

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 December 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. All Directors were present.

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, Kristi Hester with Inframark, LLC, Mike Moyer with Taylor Morrison, Bart Fowler with McCall Parkhurst, Jimmy Romell with Maxwell Locke & Ritter, and residents Gary Grass, Terri Sohn-Purdy, Nancy Barnes and Jim Henshaw.

3. PUBLIC COMMENTS

Director Eileen Grass would like to take a less active role in the District and would like to submit her resignation from the Board. Mrs. Grass will be glad to help in other ways. Mrs. Grass will mail her resignation letter to Attorney Bill Flickinger. Mr. Flickinger stated that her resignation will be effective eight days after receipt of her resignation letter.

Resident Gary Grass had some existing questions regarding easements within the District. After his review of the 2018 map showing the related easements, from a water quality standpoint, he is concerned that those easements may not be sufficient in coverage of the respective green

space/drainage areas surrounding the existing ponds and street culverts. President Dennis Daniel asked that the consultants conduct a thorough review of the easements and be able to respond to his concerns at the next meeting. Engineer Dennis Lozano stated that this task will need some research.

4. MINUTES OF PRIOR MEETINGS

Motion was made by President Dennis Daniel and seconded by Eileen Grass to approve the November 17, 2020 meeting Minutes as presented. The motion carried unanimously.

5. APPOINTMENT OF DIRECTOR TO FILL UNEXPIRED TERM OF OFFICE FOR RICK TRIPLETT; STATEMENT OF APPOINTED OFFICER AND OATH OF OFFICE

President Dennis Daniel asked for the Board's top nominations. After discussion, motion was made by President Daniel and seconded by Tom Rogers to appoint Terri Sohn-Purdy to fill the unexpired term of office for Rick Triplett. The motion carried unanimously. Nancy Barnes and Jim Henshaw thanked the Board for the opportunity.

Jeniffer Concienne swore Mrs. Purdy into office. Mrs. Purdy returned the Statement of Appointed Officer via e-mail and was asked to return the Statement and duplicate Oaths of Office via mail. Once those are received, the Oath of Office will be filed with the Secretary of State. Mrs. Purdy is now qualified to participate in the board meeting.

6. ELECTION OF OFFICERS

Election of officers needs to be conducted due to a change on the Board. After discussion, President Dennis Daniel entertained a motion. Motion was made by Nathan Neese and seconded by Tom Rogers to elect Terri Sohn-Purdy as Vice President. The motion carried unanimously.

7. 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

Mike Moyer reported on the building metrics in the District. There have been seven sales since the last board meeting. As of December 10th, a total of 479 homes have been sold, with 440 closings. The average sales price in the District is \$535,741. Mr. Moyer advised there are only 41 homes left to sell between Taylor Morrison and Frank Krasovec. Mr. Moyer also reported that Mr. Krasovec had another sale since the last board meeting.

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

This item was not discussed.

9. CHANGE ORDER FOR BASIN COVERS ON WASTEWATER TREATMENT PLANT

This item was not discussed.

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

This item was not discussed.

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 all required maintenance for facilities inspected for the bond application have been addressed and are in order.

Mr. Lozano discussed the wastewater flows as well as the WWTP unit usage analysis as included in his report. The plant is now running under 100%.

The WWTP expansion is on schedule. The excavation is complete for the construction of the new SBR and effluent storage basins. The reinforcing steel is being installed. There have been no construction complaints. There also appears to be improvements in connection with the odor controls.

Mr. Lozano discussed the Edwards Aquifer Recharge Zone wastewater line inspections. The final report is not ready. There appears to be a potential warranty issue. The good news is that section is still under the warranty timeframe. The initial assessment of an issue was an intruding seal ring in one of the wastewater lines. On a second look, it appears that it is a plastic drinking straw in the line, not an intruding seal ring. Mr. Lozano is asking for a second opinion from National Works before proceeding with further action.

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

Engineer Dennis Lozano advised that he is still working on pricing for the basin covers. The estimate will most likely be ready at the January board meeting. President Dennis Daniel stated that he would like to have a detailed discussion at that meeting. Director Nathan Neese asked Mr. Lozano to explain the need for the change order for the basin covers to Terri Purdy so that she will be up to speed with the process. Mr. Lozano explained the situation. There was discussion of the plant being hard to operate with full covers. There is also an impervious cover issue that will need to be explored with the City of Dripping Springs and Hays County. This is above and beyond usual operation for a plant. Mrs. Purdy inquired about other plants being fully covered. Mr. Lozano stated that he has not seen a completely covered plant in this manner. President Daniel asked Mr. Lozano to inquire with the manufacturer if they have a history of fully covered plants. Mr. Lozano advised that the effluent basin should not be covered, just the two main basins.

President Dennis Daniel advised that the Board will discuss another community meeting at the January board meeting.

13. PUBLIC SAFETY FOR RECREATIONAL USE ON DRIP INFILTRATION FIELDS

President Dennis Daniel discussed the safety for recreational use on the drip infiltration fields. Manager Kristi Hester advised that in normal conditions, the fields should not be an issue. The fields should not be wet, unless they are rained on. The drip infiltration is 18" underground. President Daniel discussed minimizing the effluent on the recreational fields. Mrs. Hester stated that due to the plant running at capacity, they will need to irrigate all the fields but she will consult with operations. There was discussion of posting signs around the fields to "Stay Off When Wet." There was discussion of when the rights-of-ways and common areas are irrigated with effluent, it will help alleviate the need to irrigate on the fields. Mrs. Hester advised that once the 210 irrigation is used, the recreational field can be irrigated only once a month to ensure it looks nice. President Daniel asked that Mrs. Hester work on the sign to be posted and bring it to the committee for review. President Daniel also asked that a notice to stay off fields when wet be posted on the District's website.

14. REQUEST BY MARIA PASQUALETTI FOR CONSENT TO LICENSE TO ENCROACH INTO PUBLIC UTILITY EASEMENT WITH POOL EQUIPMENT AND OTHER FACILITIES AT 420 MARY ELISE WAY

Attorney Bill Flickinger discussed the request from the owner at 420 Mary Elise Way asking for approval to encroach on the PUE so that the contractor can install the pool equipment pad next to her residence. She originally received approval from Inframark, but when she turned in the paperwork to the City of Dripping Springs, they indicated that approval must come from the WCID. President Dennis Daniel stated that her lot is a corner lot with the water quality pond behind it. The District sees no issues with access. After discussion, motion was made by Nathan Neese and seconded by Tom Rogers to approve consent to the License to Encroach Application

and Utility Providers' Consent Form issued by the City of Dripping Springs and to authorize President Dennis Daniel to sign the necessary paperwork. The motion carried unanimously.

15. BOND REIMBURSEMENT AUDIT RELATED TO THE ISSUANCE OF THE DISTRICT'S SERIES 2020 UNLIMITED TAX BONDS, AND AUTHORIZATION TO DELIVER THE BONDS AND DISTRIBUTE THE FUNDS IN ACCORDANCE WITH SUCH AUDIT

Jimmy Romell discussed the Agreed Upon Procedures for the District's 6th bond issue. This audit is required by the TCEQ prior to reimbursement to a developer. All the reimbursement will be provided to Taylor Morrison. Mr. Romell discussed the projected costs for the wastewater treatment plant expansion. In the application to the TCEQ, this project was included even though it has not yet been constructed. Once all these costs have been incurred, a supplemental Agreed Upon Procedures will be prepared and then the developer can be reimbursed those funds. At closing, the funds will go the capital projects fund account and will remain there until the project is ready to be reimbursed. Attorney Bill Flickinger inquired about the funds being held and then the supplemental Agreed Upon Procedures Report.

There is \$111,000 in available surplus bond proceeds. This is due to the lower interest rate from when the application was filed with the TCEQ. Engineer Dennis Lozano can file an application to the TCEQ to use the surplus bond proceeds at the appropriate time. These funds can be used for a number of projects that the District has.

Mike Moyer asked about the timing of all the reimbursements. Mr. Lozano advised that the TCEQ stated in the order that those funds cannot be expended until the plans have been approved and secured. Attorney Bill Flickinger has not looked at that question in detail. President Dennis Daniel stated that he prefers to pay the funds when the project is accepted for operation and maintenance.

President Daniel asked for an item on the January agenda regarding the timing of development reimbursement and Attorney Bill Flickinger to come back with any legal issues the Board needs to be aware of.

After discussion, President Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Eileen Grass to approve the Agreed Upon Procedures as presented. The motion carried unanimously.

16. ALL ACTIONS AND DOCUMENTS NECESSARY OR CONVENIENT, OR BOTH, FOR THE DISTRICT'S 6TH BOND ISSUE

No further discussion was had on this topic.

17. COMMUNICATION CHANNELS WITH CUSTOMERS/RESIDENTS; WEBSITE MODIFICATIONS; INCLUDING POSTING DISTRICT DOCUMENTS ON WEBSITE

President Dennis Daniel discussed the District's website with the Terri Purdy. After discussion, additional documents will be posted on the District website. Mrs. Purdy will get with Jeniffer Concienne on taking advantage of the website's capabilities.

18. COMMITTEES – ASSIGNMENT AND MEMBERSHIP

19. 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)

President Dennis Daniel discussed Items 18 and 19 together.

President Daniel would like to add a committee and would like to appoint Terri Purdy to Chair the Communications Committee, along with himself.

The WWTP Committee will be President Daniel and Terri Purdy. The Trails/Pond Committee will be renamed to Trails/Water Quality and will be determined at the January board meeting.

The WTC PUA Committee will remain with Nathan Neese and President Daniel.

Eileen Grass reported on the Trails/Ponds status. The District landscaper, Zane Furr, did a lot of mowing and removed the weeds around the ponds. The wet ponds will need work. Mrs. Grass asked that Inframark use street names when identifying the ponds so that it will conform with Zane Furr's reports. Gary Grass stated that it is hard to see what is open and what work has been closed out. Manager Kristi Hester discussed the formatting of the reports. Mrs. Hester advised that she will include a month-to-month summary of the reports so as to make it easier for the committee.

20. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant; Odor Control Measures and Complaints; All actions necessary to bring the wastewater treatment plant into compliance with TCEQ permit and to mitigate odor problems
- C. Wastewater Grinder Stations
- D. Effluent Irrigation System & Fields
- E. Distribution & Collection System & Lift Stations
- 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; TCEQ Notice of Enforcement for Compliance Evaluation Investigation; dated September 25, 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 Kristi Hester discussed the Executive Summary with the Board.

The District currently has 489 active connections. 8.8 million gallons of water was purchased for the reporting period. The District incurred a water gain of 0.34%. Mrs. Hester reported 13 delinquent letters were mailed out, however there were no disconnects of water service. President Dennis Daniel asked to please notify him of any potential disconnects. He would like to be sure they are offered a payment plan before disconnection.

Flows at the wastewater treatment plant totaled 1.54 MG, which averages 49,000 GPD. Plant capacity is at 98%. Mrs. Hester reported that there were no excursions of BOD & TSS.

Mrs. Hester reiterated that wintertime is a good time to clean the ponds. An erosion and pond inspection was conducted on November 19th.

21. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 20 ABOVE

This item was not discussed.

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. Mr. Douthitt also discussed the procedures for per diems and the W-2 with Terri Purdy. Today's consideration will include payment of vendor invoices, per diems, including one for Terri Purdy, and two fund transfers. After discussion, President Dennis Daniel entertained a motion. Motion was made by Nathan Neese and seconded by Tom Rogers to approve payment of the vendor invoices and per diems and approval of the fund transfers as presented. The motion carried unanimously.

23. RATE ORDER


There was discussion of the pool deposit of \$1,500. Manager Kristi Hester advised that is a proper amount for a pool deposit. Mrs. Hester also discussed missed inspection charges with recent pool construction. Those amounts will come out of the initial deposit. No further discussion is needed on this topic.

24. FINES AND CHARGES TO BUILDERS AND CONTRACTORS FOR DAMAGE TO LIFT STATIONS AND PUMPS DUE TO TRASH AND DEBRIS

Attorney Bill Flickinger discussed the possible claim for damages to the lift stations and pumps due to trash and debris from the contractors. However, he still has not seen the invoices related to the damage so he can make a recommendation. Manager Kristi Hester will check on the pump issue with Manager Jesse Kennis. Engineer Dennis Lozano also stated he will get with Jesse Kennis on a draw down test of the pump.


25. ADJOURN

President Dennis Daniel adjourned the meeting.



Dennis Daniel, President
Reunion Ranch WCID

ATTEST:



Nathan Reese Secretary
Reunion Ranch WCID

[SEAL]