

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 2:00 p.m. on March 17, 2020 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:

Nathan Neese – President
George “Bubba” Sykes – Assistant Secretary
Dennis Daniel – Assistant Secretary

thus constituting a quorum. Vice President Vince Terracina and Secretary Tom Rogers were absent.

Also present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Dennis Lozano with Murfee Engineering appearing via videoconference, Allen Douthitt with Bott & Douthitt appearing via videoconference, Jesse Kennis with Inframark, LLC appearing via videoconference, Mike Moyer with Taylor Morrison appearing via videoconference and resident Eileen Grass and Rick Triplett appearing via telephone conference.

3. PUBLIC COMMENTS

Attorney Bill Flickinger discussed the public comment section and asked if Eileen Grass or Rick Triplett had anything to discuss. Neither commented.

4. MINUTES OF PRIOR MEETINGS

President Nathan Neese entertained a motion for approval of the Minutes. Motion was made by Bubba Sykes and seconded by Dennis Daniel to approve the February 18, 2020 meeting Minutes as presented. The motion carried unanimously.

5. 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 homebuilding metrics. A total of 441 homes have been sold to date with a total of 375 closed. The average sales price in the District is \$524,607. The price has increased over \$4,000 since last month. Mr. Moyer reported that sales continue to hold strong. The final phase, Phase 3 Section 3 has been approved by the Commissioners Court.

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

Mike Moyer discussed and recommended approval of the following pay application:

Pay Estimate No. 14 submitted by JL Gray Construction, Inc. in the amount of \$19,910.70 for Phase 3 Section 3 Utilities; and

Pay Estimate No. 15 submitted by JL Gray Construction, Inc. in the amount of \$124,034.98 for Phase 3 Section 3 Utilities.

After discussion, motion was made by President Nathan Neese and seconded by Dennis Daniel to approve payment of the foregoing pay estimates as presented. The motion carried unanimously.

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

This item was not discussed.

8. 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
A. PROPOSAL FOR WASTEWATER LINE INSPECTIONS

Engineer Dennis Lozano discussed his proposal for the wastewater collection line televising and inspection. Mr. Lozano is recommending setting this up on a 5-year schedule. Mr. Lozano and Bookkeeper Allen Douthitt have a financial plan for these inspections. As of right now, there are funds available in the operations account. There was discussion of all the tasks needed to complete the inspections. Mr. Lozano will seek quotes for the additional work with the

cameras. The total expense should be approximately \$80,000. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Bubba Sykes to approve the Murfee Engineering Company proposal as presented. The motion carried unanimously.

Mike Moyer inquired about the schedule for the next bond issue. Mr. Lozano stated that the application is close to being submitted to the TCEQ. Once Mr. Moyer provides the requested information on the pay estimates, he is hopeful to send it out for initial review by all parties by the end of the month and submit the application to the TCEQ in April.

Mr. Moyer and Director Dennis Daniel discussed the process for the conveyance of the HOA property to the District. This project is still moving forward. It is hoped that all the documentation can be finalized and executed in early April. Mr. Daniel discussed the need for the District to contract with the HOA in regard to maintenance. There will also need to be an Assignment of the License Agreement with the County for the rights-of-ways.

Director Daniel asked if there have been any delays with the wastewater plant due to COVID-19. Mr. Lozano advised that he has not seen any yet.

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

This item was discussed in the Engineer's Report above.

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

This item was discussed in the Engineer's Report above.

11. COMMITTEE REPORTS.

- a. Trail/Map/Ownership committee (Trail system within the District; Map of the District/HOA property; conveyances, easements and/or license agreements to the District or HOA from developer)
- b. PUA Rate committee

This item was discussed under Item 8 above.

12. OPERATIONS AND MAINTENANCE REPORT

- A. Administrative
- B. Wastewater Treatment Plant
- 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
- N. Maintenance Items in connection with Pre-Purchase Inspection Letter submitted by TCEQ

Manager Jesse Kennis discussed his Executive Summary of the Manager's Report.

In regard to the District's water system, there are a total of 432 active connections. The average monthly water consumption was 3.8 million gallons. Water loss was measured at 6.27%.

Mr. Kennis discussed the status of the District's wastewater system. The upset at the wastewater treatment plant caused BOD and TSS excursions. Eighteen inches of sludge was cleaned out of the ground storage tank. There were filamentous bacteria found that does not settle well. There will be chemicals put in the basin to kill it off. Director Daniel asked if the TCEQ has contacted the District on the excursions. Manager Jesse Kennis has not heard from the TCEQ. Director Daniel indicated that by the next Board meeting, he would like to see a plan on compliance. Mr. Kennis advised that they have adjusted the cycle to improve the aeration at the plant.

A report on the repairs to the irrigation drip fields was included in the agenda package. Director Bubba Sykes inquired about all the repairs needed. Mr. Kennis advised that it was just normal wear and tear issues.

Mr. Kennis reported that he met with Andrea Axmann from Murfee Engineering to determine where the sludge box should be located.

Mr. Kennis stated that at the April board meeting, he will have a proposal of the items needed to install the sludge box.

13. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 13 ABOVE

Manager Jesse Kennis discussed the proposal from Pio's Waste Water and Plumbing Services for the work needed to the irrigation drip fields. The repairs totaled \$6,925. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Bubba Sykes to approve the proposal by Pio's as presented. The motion carried unanimously.

14. COMMUNICATION CHANNELS WITH CUSTOMERS/RESIDENTS

This item was not discussed.

15. 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 per diems for Vince Terracina and Tom Rogers will be voided due to their absence. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Bubba Sykes and seconded by Dennis Daniel to approve payment of the vendor invoices, per diems and authorization of the fund transfers as presented. The motion carried unanimously.

Attorney Bill Flickinger discussed the amount of reserves to run the District in light of the COVID-19 outbreak. Director Dennis Daniel would like to review the District's revenue and any drops for the next Board meeting.

Moving forward, the Board of Directors will only meet by remote access until the COVID-19 crisis is under control.

Mr. Flickinger discussed a temporary emergency order to allow the President/Vice President to continue to run the District during the COVID-19 crisis. The order will provide for the President/Vice President to approve payments and transfers of all obligations of the District, a moratorium on water service disconnections, granting of extended payment plans for water service and acquisition of equipment for remote board meetings. Mr. Flickinger would like to add an additional item to the order to provide for emergency repairs and services. After discussion, the following motions were made: 1) Motion was made by Bubba Sykes and seconded by Dennis Daniel to adopt the Temporary Emergency Order Delegating Authority to the Board President to Approve Certain Actions needed to Continue Functioning of the District During the COVID-19 Virus Crisis Including Authorization for the Board Vice President to Act if the Board President is Unavailable or Unable to Act as revised. The motion carried unanimously. 2) Motion was made by Dennis Daniel and seconded by President Nathan Neese to impose a temporary moratorium on disconnections of water service until next month's meeting. The motion carried unanimously. 3) Motion was made by Dennis Daniel and seconded by Bubba Sykes to authorize extended payment plans in connection with water service, provided that it is brought to the Board President for review. The motion carried unanimously.

16. WEST TRAVIS COUNTY PUA MATTERS

This item was not discussed.

17. RATE ORDER

This item was not discussed.

18. DIRECTORS ELECTION

Attorney Bill Flickinger discussed the Order Declaring Unopposed Candidates Elected to Office and Cancelling Election due to no contest. Assistant Secretary Dennis Daniel executed a Certification of Unopposed Candidates. As discussed previously, residents Eileen Grass and Rick

Triplett submitted their Applications for Place on Ballot. Vince Terracina and Bubba Sykes both submitted Notices to Withdraw their Applications. Mrs. Grass and Mr. Triplett both will be elected to a four-year term to begin in May. After discussion, motion was made by Dennis Daniel and seconded by Bubba Sykes to approve the Order Declaring Unopposed Candidates Elected to Office and Cancelling Election as presented. The motion carried unanimously.

19. CYBERSECURITY; H.B. 3834 REQUIRED TRAINING

Attorney Matt McPhail discussed H.B. 3834 in connection with cybersecurity. This bill was passed to help prevent cyberattacks. The required training will be on an annual basis and must be completed by June 14th of each year. Once the directors complete the training, it will be reported to the appropriate authority. Mr. McPhail advised that the directors will receive a per diem for this training.


20. ADJOURN

President Nathan Neese adjourned the meeting.



Nathan Neese, President
Reunion Ranch WCID

ATTEST:



George S. Sykes, Assistant Secretary
Reunion Ranch WCID

[SEAL]