

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 April 21, 2020 by remote access only in accordance with the March 27, 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:

Nathan Neese – President  
Vince Terracina – Vice President  
Thomas J. Rogers, Jr. - Secretary  
George “Bubba” Sykes – Assistant Secretary  
Dennis Daniel – 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 , Jesse Kennis, Kristi Hester and Makenzie Scales with Inframark, LLC, Mike Moyer and Michael Slack with Taylor Morrison, Garry Kimball with Specialized Public Finance Inc., Frank Krasovec with Norwood Investments and residents Eileen Grass and Rick Triplett.

3. PUBLIC COMMENTS

There were no public comments made.

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 Tom Rogers to approve the March 17, 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 that the market is holding strong and that the sales team is being creative during the COVID-19 crisis. A total of 444 homes have been sold to date with 379 transactions being closed. The average sales price in the District is \$525,351.

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

This item was not discussed.

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 report as included in the agenda package.

Michael Slack inquired about the timing of permitting. Mr. Lozano advised it should be ready to go by the end of the second quarter, which is still on schedule.

Dennis Daniel asked if the flow data is lagging. Mr. Lozano indicated it was by two months.

Mr. Slack also inquired about the timing of filing the 6<sup>th</sup> bond application with the TCEQ. Mr. Lozano stated that it should be ready to submit by the end of next week. The application will be placed on an expedited review.

9. RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF ENGINEERING PROJECT AND \$7,050,000 REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT BOND ISSUE

Attorney Bill Flickinger discussed the Resolution as included in the agenda package. Engineer Dennis Lozano advised that the bond application report included the cost of summary table. The bond issue amount is \$7,050,000. Mr. Lozano discussed the fact that the wastewater treatment plant expansion is included in the application but is not yet under construction. Financial Advisor Garry Kimball stated that this will be the District's last bond issue, which will use all the District's bonding authority. There was discussion as to whether or not the funds for the expansion will need to be put in escrow until that project funds. Attorney Bill Flickinger advised that the TCEQ Order might indicate the process to handle those funds. However, we should circle back to bond counsel on this issue. The Board discussed the process of issuing the bonds. Mr. Lozano reiterated that the bond application will be submitted on an expedited review. The TCEQ will have 90 days to review it and issue the final order. Mr. Kimball stated that if the Order can come out by September, then we can bid and possibly sell before November. Mr. Lozano advised that it must be sold by the end of the year. Mr. Lozano also advised that he will request a post-submittal meeting with the TCEQ to keep things moving.

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

This item was discussed above in Item No. 9.

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

Engineer Dennis Lozano advised that the project is still on schedule. Commissioning of the plant will occur in 2021. Dennis Daniel inquired about the timing of the project. Mr. Lozano advised that the project should be awarded in June or July.

12. 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

Michael Moyer discussed the ownership of common lots within the District and the upcoming conveyances to the HOA and the District. As of current date, Taylor Morrison owns everything except the Amenity Center, which was previously conveyed to the HOA. The Windmill Park with the playground will also be deeded over to the HOA. All the other common lots will go to the District. Dennis Daniel stated that the District will stand behind the mission of water, wastewater, drainage, water quality and maintaining the District. Attorney Bill Flickinger discussed the process of conveyance. The property will first be conveyed to the HOA and then from the HOA to the District. In reviewing the HOA documentation, Mr. Flickinger advised that

the provision that allows the Developer to request the property back will need to be waived. Michael Slack discussed the conveyance of the wastewater treatment plant and drip fields. During this process, a title policy may be needed. Those two pieces will need to be reviewed separately, as they may go directly to the District. Mr. Flickinger also discussed the possibility of annexation by Dripping Spring with Rick Triplett. Mr. Moyer asked Frank Krasovec about his common area in the private section, along with the pond outside the gates. Mr. Flickinger will need to start up the conversation with Mr. Krasovec's attorney once again. Mr. Moyer will expand the spreadsheet on the next steps with conveyance the timeline and send back to Mr. Flickinger. This document will be used as the working document moving forward.

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

Attorney Bill Flickinger reported that he is working an agreement between the District and HOA. A committee meeting should be held soon to finalize the documentation. President Nathan Neese would like to have the spreadsheet from Mike Moyer available for the meeting. Mr. Flickinger explained that usually the HOA will not maintain another entity's property. It might be that the District consider hiring the same management company as the HOA to manage the areas in need.

14. 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.

The 2019 Water Quality Report will be sent out as required. Everything is in compliance.

Mr. Kennis discussed the wastewater system. For March, the BOD was in compliance but the TSS was not. However, in the last four weeks, both have been in compliance and there have been no excursions. The flows peaked at 43,000 gallons per day. This is most likely due to the Stay-at-Home order and the 4" of rain that the District received. Mr. Kennis would like to install

a chart recorder to monitor the flows more closely. Mr. Kennis stated that the recorder will be rented, rather than purchased. The District had a \$1,500 expenditure due to a pump failure. The pump has been fixed and is back in operation.

Mr. Kennis discussed the compliance action plan as requested for Dennis Daniel. The immediate solution will be to complete the sludge box installation. There are several items needed to complete the installation, which total \$22,327. Those items include purchase of a polymer pump for \$12,827, electrical control modification at \$4,900 and site prep work at \$4,600. The long-term solution is the plant expansion that will be completed in 2021. Dennis Daniel discussed the overall cost for the sludge box project, which is about \$75,000. Mr. Daniel thought the sludge box was a temporary fix. Mr. Kennis stated that it may be a permanent fix due to not having a good solids management plan. Mr. Daniel is still concerned about the odor issues and the extra costs for the maintenance. Mr. Kennis does not believe the sludge box will cause odor issues. Mr. Daniel would like to know the salvage cost for the sludge box and would prefer this be a temporary fix. Mr. Kennis will work with Bookkeeper Allen Douthitt to capture the costs. Mr. Daniel expressed that the District needs a solid wastewater treatment plant that operates well. He understands the process and thanked the consultants for their efforts. After discussion, motion was made by Dennis Daniel and seconded by President Neese to approve the expenditure of \$22,327 to complete the sludge box installation. The motion carried unanimously.

15. EXPENDITURES, CONTRACTS, REPAIRS, REPLACEMENTS AND MAINTENANCE RELATED TO OPERATIONS AND MAINTENANCE REPORT IN ITEM 14 ABOVE

This item was not discussed.

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

Attorney Bill Flickinger reported that at the last meeting, the Board approved the moratorium on disconnections of water service for non-payment until the next board meeting. Dennis Daniel asked Manager Jesse Kennis if there have been any requests for payment plans. Mr. Kennis advised there had not. After discussion to extend the moratorium month to month, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Tom Rogers to continue the moratorium on disconnections of water service until the next board regular board meeting. The motion carried unanimously.

17. COMMUNICATION CHANNELS WITH CUSTOMERS/RESIDENTS

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the updated cash activity report that was sent out today. All of the payments will be processed through the bookkeeper's account. Mr. Douthitt discussed the over-collecting of PUA impact fees. Section 3 was platted after the PUA lowered the impact fee. Inframark was unaware of the change in impact fees and continued to collect the higher amount from Taylor Morrison. Mr. Douthitt's office worked with the PUA on the overpayment. The District will now reimburse Taylor Morrison \$156,377. Engineer Dennis Lozano asked if this will affect the bond application. Mr. Douthitt advised that if \$12,000 was used for the impact fees in Section 3, then yes because that rate is too high. The District was over budget through February due to the maintenance/repairs at the wastewater treatment plant. Today's consideration will include payment of vendor invoices, per diems and five fund transfers. After discussion, President Nathan Neese entertained a motion for approval. Motion was made by Dennis Daniel and seconded by Tom Rogers to approve payment of the vendor invoices, per diems and authorization of the five fund transfers as presented. The motion carried unanimously.

**19. WEST TRAVIS COUNTY PUA MATTERS**

This item was not discussed.

**20. RATE ORDER**

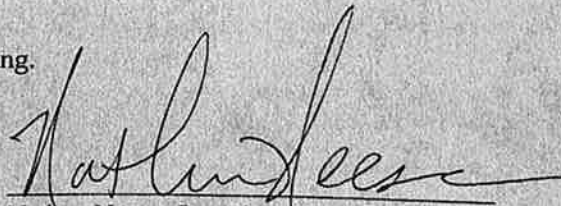
Attorney Bill Flickinger advised that this item is on the agenda so that the effluent charge can be discussed if the Board chooses to do so.

**21. DIRECTORS ELECTION**

Attorney Bill Flickinger advised that next month, the elected directors will be sworn into office. No action is needed today.

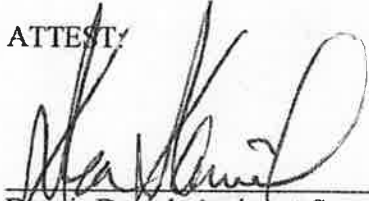
**22. ADJOURN**

President Nathan Neese adjourned the meeting.



Nathan Neese, President  
Reunion Ranch WCID

ATTEST:

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

Dennis Daniel, Assistant Secretary  
Reunion Ranch WCID

[SEAL]