

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 March 16, 2021 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
- Terri Purdy – Vice President
- Ron Meyer - Secretary
- Thomas J. Rogers, Jr. – Assistant Secretary

thus constituting a quorum. Assistant Secretary Nathan Neese was absent.

Also present at the meeting were Bill Flickinger, Matt McPhail and Jeniffer Concienne with Willatt & Flickinger, PLLC, Evan Parker and George Murefee with Murfee Engineering, Allen Douthitt with Bott & Douthitt, Kristi Hester and Ronya Keyes with Inframark, LLC, Mike Moyer with Taylor Morrison and Frank Krasovec with Norwood Investments.

3. PUBLIC COMMENTS

No public comments were made.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion for approval of the Minutes of January 19th, February 16th and the special board meeting of March 2, 2021. Motion was made by Tom Rogers and seconded by Terri Purdy to approve the 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 SERVICES 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. A total of 483 homes have been sold, with 449 closings. The average sales price in the District is \$537,784.

Frank Krasovec reported out of his 39 lots, there are 11 left. Heyl Homes will take these remaining lots. The current listing price is \$2.1 million. Mr. Krasovec will talk to Mike Moyer on the transition to the HOA.

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

Pay Application No. 3 submitted by Excel Construction Services, LLC in the amount of \$94,500.00 for Excel Construction Services, LLC.

After discussion, President Dennis Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Ron Meyer to approve payment of the foregoing pay application 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, PENDING PERMIT APPLICATIONS, SALES OF LOTS TO BUILDERS, HOMEBUILDING WITHIN THE DISTRICT AND PAST, PRESENT AND FUTURE BOND ISSUES; USE OF EFFLUENT TO IRRIGATE RIGHTS-OF-WAY AND TIMELINE FOR SAME
9. WASTEWATER TREATMENT PLANT EXPANSION; WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS

10. ALTERNATIVES FOR ADDITIONAL ODOR CONTROL MEASURES AT THE DISTRICT'S WASTEWATER PLANT AND FUNDING FOR SAME, INCLUDING POSSIBLE AGREEMENT WITH TAYLOR MORRISON ON FUNDING FOR SAME

Items 9, 10 and 11 were discussed together.

Evan Park and George Murfee discussed the engineer's report and related items.

Mr. Parker reported that the wastewater flows were down due to the winter storm but will likely rise again.

There was discussion of the multiple flooding incidents due to the winter storm. Mr. Parker updated the Board on the wastewater treatment plant expansion as well as the 210 Conversion project.

In connection with the Edwards Aquifer Recharge Zone Wastewater Line Inspections and at the previous direction of the Board, a pressure test was done on the 140-foot pipe segment at the specific joint in question. After the test, the joint is acceptable, and Murfee Engineering recommends final acceptance of the inspection work.

Mike Moyer discussed the alternatives to the odor control for the District's wastewater treatment plant. The Taylor Morrison team looked at the options and prefers to wait and see if the expansion takes care of the odor issues. Once the expansion is completed, a third-party inspector can look at the improvements and decide if additional improvements are needed to control the odor at the plant. After discussion, Murfee Engineering and Inframark will define the scope of the inspection. There was also discussion of the timeline for determine if additional odor control is needed. The Board would like a 90-day evaluation period that includes all times of day, conditions and a committee of board members and residents. Vice President Terri Purdy stated that the closest residents to the plant need to be satisfied. Their experience and the scientific studies need to be considered. Mike Moyer advised that if the inspection shows additional measures need to be taken to control the odor at the plant, Taylor Morrison will step up and determine what costs are to be acceptable. They will consider contribution or covering all the costs that are determined when the time comes. After discussion, Mr. Moyer indicate he believe a 30 to 60-day evaluation period will be sufficient.

Manager Kristi Hester discussed the use of data loggers to determine odor. She can provide the necessary information to President Dennis Daniel for review.

11. REVIEW OF DISTRICT EASEMENTS AND LAND NECESSARY FOR DISTRICT OPERATIONS

Attorney Bill Flickinger advised that he is talking with HOA Attorney Bob Burton on these matters. Mike Moyer discussed blanket easement language. Mr. Moyer reported that the common areas will most likely be deeded to the HOA and the District will be provided access to what is needed. There was discussion of the location for effluent irrigation. President Dennis

Daniel advised that the District will join the HOA to find the best and most efficient way to use the effluent.

12. TIMING OF DEVELOPER REIMBURSEMENT FROM PROCEEDS OF LAST BOND ISSUE

Attorney Bill Flickinger advised that this topic is a nonissue.

13. PUBLIC SAFETY FOR RECREATIONAL USE OF DRIP INFILTRATION FIELDS

Manager Kristi Hester worked with Vice President Terri Purdy on signage for the drip fields. Mrs. Hester showed the Board the signs. Mrs. Hester and Mrs. Purdy will walk the District for the appropriate location for the signs.

15. COMMITTEE REPORTS, ASSIGNMENT AND MEMBERSHIP

- A. Wastewater Treatment Plant Improvements and Odor Control (Dennis & Terri)
- B. Communications (Terri & Dennis)
 - i. Communication channels with customers/residents; website modifications, including posting District documents on website.
- C. WTCPUA
- D. Trails/Water Quality

Vice President Terri Purdy reported that she set up the eblast function on the District's website. As of today, there are 30 residents signed up to receive eblasts.

President Dennis Daniel would like to reform the Trails/Water Quality Committee. The committee will now be referred to as Water Quality/Land Use and asked Secretary Ron Meyer to chair the committee. Mr. Meyer will be happy to and will invite resident Eileen Grass to join him on the committee.

15. 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 & 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
- Q. Pump rentals
- R. Impact of winter storms on operation of water, wastewater and water quality systems; system performance as designed and system failures; actions take to address system failures; recommendations for repairs or improvements to system

Manager Kristi Hester discussed the Executive Summary with the Board.

The District currently has 502 active connections. 5.5 million gallons of water was purchased for the reporting period. The District incurred a 5.38% water loss. Mrs. Hester reported 10 delinquent letters were mailed out, however there were no disconnects of water service. There is one resident on a payment plan.

Flows at the wastewater treatment plant totaled 1.23 MG, which averages 44,000 GPD. Plant capacity is at 88%. The effluent flows are skewed due to the fact the winter storm impacted the drip system pump operation. Mrs. Hester discussed the affect of the winter storm on the District's wastewater treatment plan. Due to the road closures, the operators were not able to access the plant for several days. This caused the bar screen area to blind over and overflow into the new construction area. There was also a broken water line at the pump building and on the potable water line near the RPZ. There was an overflow into the new construction area again related to the malfunction of the effluent pump controls. A report will be sent to the TCEQ on the excursion. Mrs. Hester discussed the need to be more proactive in preventative measures in case of an event like this in the future. President Dennis Daniel inquired about a claim to FEMA due to the winter storm. Mr. Daniel asked Inframark and Murfee to check on the avenues that are available from FEMA.

President Daniel also reported an odor from the irrigation fields next to Reunion Ranch Boulevard across from the amenity center. That area should be inspected for any issues.

The LCRA Cost-Sharing Application was submitted to the LCRA yesterday. This application included the 210 conversion project.

Vice President Terri Purdy discussed an issue with tanker trucks sitting idle during the late evening hours in front of residents. The homeowners are asking that the trucks sit elsewhere when waiting to haul loads. Manager Kristi Hester advised that this was an emergency issue to help

prevent overflow of the plant. Mrs. Hester will speak to the contractor and ask that they sit elsewhere when waiting.

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

This item was not discussed.

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

Bookkeeper Allen Douthitt discussed the financials and updated cash activity report with the Board. Nathan Neese's per diem will be voided due to his absence. The District's monthly budget looks good and year to date is on plan. Today's consideration will include invoices, per diems and four fund transfers. After discussion, motion was made by Tom Rogers and seconded by Terri Purdy to approve the invoices, per diems and fund transfers as discussed. The motion carried unanimously.

18. RATE ORDER

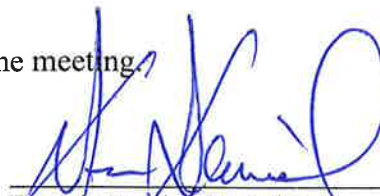
Manager Kristi Hester recommended taking February water usage out of the winter averaging due to the winter storm. There was discussion of any issues arising out of the storm to be brought to the Board for review. After discussion, President Dennis Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Terri Purdy to remove the February water usage from the winter averaging calculations due to the winter storm. The motion carried unanimously.

19. INSURANCE CLAIM/FINES AND CHARGES TO BUILDERS AND CONTRACTORS FOR DAMAGE TO LIFT STATIONS AND PUMPS DUE TO TRASH AND DEBRIS

Attorney Bill Flickinger advised that he is refining the insurance claim for damage to the lift stations and pumps due to trash and debris and will file it on behalf of the District.

20. ADJOURN

President Dennis Daniel adjourned the meeting.



Dennis Daniel, President
Reunion Ranch WCID

ATTEST:

A handwritten signature in black ink, appearing to read "Ronald F. Meyer", written in a cursive style. The signature is positioned above a horizontal line.

Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]