

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 3:00 p.m. on October 19, 2021 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:

Dennis Daniel – President
Terri Purdy – Vice President
Ron Meyer - Secretary
Thomas J. Rogers, Jr. – Assistant Secretary
Nathan Neese – 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, Andrea Wyatt and Evan Parker with Murfee Engineering, Kristi Hester and Kay Olsen with Inframark, LLC. and Allen Douthitt with Bott & Douthitt.

Attending via Zoom were Mike Moyer with Taylor Morrison and residents, Leslie Daniel, Pattie Schieck and Mark Olson.

3. PUBLIC COMMENTS

Resident Leslie Daniel wanted to express her concern about the amount of runoff/erosion in the District, especially with swimming pool installations, large landscaping projects and channelization around the Windmill pond. The ponds will be expensive when it comes to cleaning out the silt. Mrs. Daniel discussed using turf mats. In the past, Mrs. Daniel has asked that the erosion be cleaned up in the District and it has not yet been done so she is bringing the matter to the Board of Directors.

Secretary Ron Meyer asked Inframark to step-up with erosion control enforcement. Kay Olsen reported that Inframark is conducting weekly inspections. Manager Kristi Hester reported that a custom builder was recently fined \$500 for erosion control violations. There is also weekly inspection for swimming pool installations. Mr. Meyer noted that in the reports, it shows Taylor Morrison infractions being 1st offenses every time. Going forward they should be fined as well. Mrs. Daniel asked if the fine proceeds are being used to clean up the messes when the project is finished. Mrs. Hester explained withholding the fine amount from the builder deposit. In one instance, the mud is still there after the swimming pool had been finished for over a month.

Mike Moyer advised that Taylor Morrison built the channel so that the sidewalk would not be destroyed by runoff. Mr. Moyer advised that will install some matting in that area.

Resident Mark Olson stated that the trenching by Mary Elise pond has helped with the sidewalk not being covered with rain and runoff. He appreciates the effort. In the spring, a group reviewed the pond at Mary Elise. There was discussion about clearing out the stormwater outfall into the pond because it was clogging up. They also discussed improving the path to Mary Elise to the pond. President Dennis Daniel advised that those two items was included in the budget for maintenance. During the Engineer's Report later on, these items can be discussed at that time. He would like to see a list of items and when they will start to be worked on.

4. MINUTES OF PRIOR MEETINGS

President Dennis Daniel had a revision to the minutes, after which, he entertained a motion for approval of the September minutes. Motion was made by Tom Rogers and seconded by Ron Meyer to approve the Minutes of the September 14, 2021 meeting as presented. The motion carried unanimously.

5. 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. Currently the budget is \$50,000 over this month due to pump and hauling. After discussion, President Dennis Daniel entertained a motion. Motion was made by Nathan Neese and seconded by Tom Rogers to approve the invoices, per diems and two fund transfers as discussed. The motion carried unanimously.

6. ANNUAL INSURANCE RENEWAL WITH AJ GALLAGHER

President Dennis Daniel discussed the insurance coverage including cybersecurity for the consultants. Manager Kristi Hester discussed the SCADA system and how it is stored off-site through AVR. For the next board meeting, Mrs. Hester will provide additional information on cybersecurity for the SCADA system. When the SCADA system is accessed, it goes from a firewall. After discussion, motion was made by President Dennis Daniel and seconded by Tom Rogers to approve the District's insurance renewal, including cybersecurity coverage. The motion carried unanimously.

7. 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. As reported last month, there is a total of 485 homes sold. There are six homes left to complete out of the Taylor Morrison inventory. Out of those transactions, 479 have closed. The average sales price is still holding steady at \$538,927. As Mr. Moyer reported last month, the HOA directors' election will be held November 15th. Mr. Moyer is completing a checklist to transition the HOA by mid-November.

Mr. Moyer also stated that Taylor Morrison will fix the slopes on the channel as discussed earlier in the meeting.

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

Engineer Andrea Wyatt discussed the pay estimate and change orders. After discussion, President Dennis Daniel entertained a motion. Motion was made by Nathan Neese and seconded by Tom Rogers to approve Payment Application No. 9 submitted by Excel Construction Services, LLC in the amount of \$163,562.40 for the WWTP expansion project. The motion carried unanimously. Motion was then made by Terri Purdy and seconded by Tom Rogers to approve Change Order No. 5 submitted by Excel Construction Services, LLC in the amount of \$5,074.00 for modification to the fence for sludge hauling dumpster. The motion carried unanimously. Lastly, motion was made by Tom Rogers and seconded by Terri Purdy to approve Change Order No. 6 submitted by Excel Construction Services, LLC in the amount of \$14,066.00 for additional electrical duct to accommodate the dewatering equipment feed pump. The motion carried unanimously.

Ms. Wyatt indicated that the handrail issue will not impact the expansion project. The contractor will fix that issue when they can since that is not an operational issue. This will fall under a separate contract rather than under the expansion contract.

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

This item was not discussed.

10. 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
 - a. Proposal for Emergency Preparedness Plan; SB 3

11. WASTEWATER TREATMENT PLANT EXPANSION; WASTEWATER TREATMENT PLANT IMPROVEMENTS AND MODIFICATIONS; ALTERNATIVES FOR ADDITIONAL ODOR CONTROL MEASURERS AT THE DISTRICT'S WASTEWATER PLANT AND FUNDING FOR SAME, INCLUDING POSSIBLE AGREEMENT WITH TAYLOR MORRISON ON FUNDING FOR SAME, INCLUDING POSSIBLE AGREEMENT WITH TAYLOR MORRISON ON FUNDING FOR SAME; PROPOSAL FOR THIRD-PARTY ODOR CONSULTANT/INSPECTOR

Items 10 and 11 were discussed together.

Evan Parker discussed the Engineer's Report as included in the agenda package.

Attached to the engineer's report is the updated figure tracking wastewater flows, which includes the adjusted flow. President Dennis Daniel noted that after buildout, it should stay about 75% capacity. President Daniel noted that the expansion is substantially complete, but as he understands, the District is not yet wasting, treating or reducing sludge at this point. Engineer Andrea Wyatt advised that is correct because there is not enough volume of sludge to start up the dewatering process. The quality of the effluent is good. Manager Kristi Hester stated that everything is going in the right direction.

In regard to the wastewater treatment plant expansion, the start-up for the improved SBR 1 was a success. Both treatment trains are now operational in addition to the new lift station, filter and chlorine contact basin. The contractor has finished cleaning out the existing equalization basin and has converted it to a sludge holding basin which is also operational at this time. The next steps include site cleanup, construction of a new fence and sludge dewatering equipment startup scheduled for next month. Mr. Parker noted that barring any unforeseen issues, there should be no more tanker trucks removing liquid waste from the site. Engineer Andrea Wyatt and Mike Moyer inquired about the completion date. Mrs. Wyatt will get that from Excel Construction and let Mr. Moyer know what it is.

Mr. Moyer also inquired about the process to release the \$2.2 million in reimbursement to Taylor Morrison. Attorney Bill Flickinger advised that the first step is to get an engagement letter from Maxwell Locke & Ritter on the agenda for consideration. Then they will be able to start preparing for the bond reimbursement audit at the appropriate item. Mr. Moyer asked if a partial

release of reimbursement can be done.

Mr. Parker discussed SB 3 requirements. There was discussion of the proposal from Murfee Engineering for implementation of the Emergency Preparedness Plan. Due to the winter storm of 2021, SB 3 was created. This requires the District to maintain 20 psi for an outage lasting 24 hours or longer. There was discussion of obtaining a letter of assurance from the PUA to go along with the plan submission. Mrs. Wyatt will work with legal to draft this letter. The cost will not exceed \$26,000. A letter to the PUC and other entities listing the District's critical infrastructure will be filed by the November 1st deadline. The TCEQ deadlines are in March for submission of information and June for implementation of the plan. As the Board is aware, the District receives its water from the PUA. After discussion, President Dennis Daniel entertained a motion. Motion was made by Terri Purdy and seconded by Ron Meyer to approve the Murfee Engineering proposal for the Emergency Preparedness Plan as presented. The motion carried unanimously.

Mrs. Wyatt discussed the Design and Construction Phase Services for the installation of the 210 conversion pump skid proposal. This proposal is in the amount of \$27,000. The time frame for this project is to bid out in spring and constructed it in the summer of 2022. There will need to be coordination with the HOA on how the effluent is used. The District Operations committee of President Daniel and Vice President Purdy will work on this matter. After discussion, motion was made by President Daniel and seconded by Tom Rogers to approve the Murfee Engineering proposal for this project as submitted. The motion carried unanimously.

President Daniel advised that the Odor Evaluation proposal will be tabled until summer of 2022.

12. COST SHARING PROGRAM WITH THE LCRA

Evan Parker reported that he sent the draft LCRA application to legal for review. After review by legal, they will send to President Dennis Daniel for review and execution. The Application will be filed by the November 1st deadline. The total cost of the project is approximately \$207,000, and the District is applying for \$100,000 to be reimbursed from the costing sharing program.

13. IMPLEMENTATION OF LONG TERM DISTRICT IMPROVEMENTS AND ASSET MANAGEMENT PLAN

President Dennis Daniel would like to have a schedule of things that need to be done that within the District, such as, access pass/pathways, cleaning of entry ways, installation of aerator to name a few. Mr. Daniel would like the schedule to be prepared by the next board meeting. Resident Mark Olson would like to talk to the contractor as to what will work regarding the slope issue.

14. COMMITTEE REPORTS, ASSIGNMENT AND MEMBERSHIP

- A. District Operations (Dennis & Terri)
- B. Communications (Terri & Dennis)
- C. WTCPUA (Nathan & Dennis)
- D. Water Quality/Land Use (Ron & Terri)
- E. Audit/Budget (Nathan & Dennis)
 - i. Consider draft audit by January, 2022

President Dennis Daniel advised that he and Vice President Terri Purdy met regarding District Operations and Communications. They discussed the upcoming directors election that will be held in May.

There was nothing to report on about the WTCPUA.

Secretary Ron Meyer noted that the silt fencing around the lowest pond has not yet been removed. Mr. Meyer will contact Mike Moyer again on this request.

President Daniel and Assistant Secretary Nathan Neese will review the draft audit in January.

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 and Resident Complaints
- J. Stormwater conveyance & pond maintenance
- K. Landscaping
- L. Notices to residents on water quality
- M. Out of District Water/Wastewater Service Requests
- O. Policy Regarding Use of Greenspace and other District Property
- P. Maintenance access

Manager Kristi Hester advised that Kay Olsen will be presenting the Executive Summary for the Board going forward. Mrs. Hester will continue to attend the board meetings as well.

Kay Olsen reported that the District received TCEQ correspondence on interactive water features, which does not apply to the District.

In connection with the WWTP/ Collection system, the District's total flows were 1.3 MG, which averages 42,000 GPD for the month of September. The plant is running at 84% capacity. All facilities are in compliance for the month of September.

Ms. Olsen reported on maintenance issues. The drip skid had no flow so the filters were cleaned. They are still having intermittent issues, so they are troubleshooting the valves and performing backwashing. The old basin is now online. The pump in the pre-EQ basin was not working in auto mode due to an old panel part. The pump was placed in manual mode to prevent an overflow. Due to this issue, emergency pumping was done for off-site disposal of sludge. Aqua-Tech will make the necessary repairs. The SBR1 sludge pumps are not working well. The sensor was fixed but they are troubleshooting pumps 1 and 2. Ms. Olson also reported that they performed complete electrical inspections at Lift Stations 1 and 2 and replaced phase failure devices at both of the lift stations. There was an irrigation field with standing water noted. The zone was turned off and repairs will need to be made. PIOS submitted a proposal for \$3,550. After discussion, President Daniel entertained a motion. Motion was made by Tom Rogers and seconded by Terri Purdy to approve the PIOS proposal on drip irrigation repairs as presented. The motion carried unanimously.

There was discussion of the annual winter overseeding of the drip fields with rye grass. Secretary Ron Meyer inquired about dry patches on the irrigation fields and if that would be a violation from the TCEQ. Manager Kristi Hester indicated that it was possible.

In connection with the Water System, there are 524 active connections. There was 14.4 MG of water purchased for September. This reporting period showed a 7.1% water loss. President Daniel has noticed a water loss trend. Manager Kristi Hester reported that the PUA will be sending the meter calibrations for review. If those do not look acceptable, then night testing will be considered.

Assistant Secretary Nathan Neese left the meeting at 4:45 p.m.

Ms. Olson reported that the erosion control inspections are conducted each week. The reports are being sent to the homeowner/contractor/builder. The builders have been provided with the District's Rules and Regulations.

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

This item was not discussed.

17. 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; PROPOSED AGREED ENFORCEMENT ORDER AND RELATED FINES; TCEQ NOTICE OF VIOLATION FOR COMPLAINT INVESTIGATION DATE JUNE 16, 2021

Attorney Bill Flickinger reported that the main issue is still in abeyance with the TCEQ and he will now check on the status.

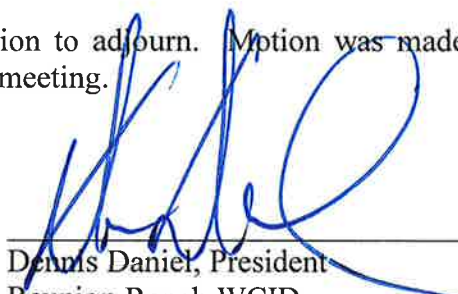
The alleged violations dated June 16, 2021 has been taken care of and can be removed from the agenda.

18. DIRECTORS' ELECTION – MAY, 2022

President Dennis Daniel advised that the next directors' election will be held in May, 2022. President Daniel, Nathan Neese and Tom Rogers are up for re-election. Both Mr. Neese and Mr. Rogers advised that if residents are interested, they would step aside.


19. ADJOURN

President Dennis Daniel entertained a motion to adjourn. Motion was made by Tom Rogers and seconded by Terri Purdy to adjourn the meeting.



Dennis Daniel, President
Reunion Ranch WCID

ATTEST:



Ronald F. Meyer, Secretary
Reunion Ranch WCID

[SEAL]