

MINUTES OF SPECIAL MEETING  
OF  
REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT

STATE OF TEXAS           §  
  §  
COUNTY OF HAYS         §

A special meeting of the Board of Directors of Reunion Ranch Water Control and Improvement District, open to the public, was held at 3:00 p.m. on September 13, 2022 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 (Via Zoom)  
Ron Meyer - Secretary  
Gary Grass – Assistant Secretary  
John Genter – Assistant Secretary

thus, constituting a quorum.

Also present at the meeting were Hunter Hudson and Jeniffer Concienne with Willatt & Flickinger, PLLC, Andrea Wyatt with Murfee Engineering and Ronja Keyes with Inframark, LLC.

Attending via Zoom were Vice President Terri Purdy, Bill Flickinger with Willatt & Flickinger, PLLC, Garry Kimball with Specialized Public Finance Inc., Allen Douthitt with Bott & Douthitt and residents Leslie Daniel and Brett Sharp.

3.     CITIZEN COMMENTS

There were no citizen comments at this time.

4.     MINUTES OF PRIOR MEETINGS

President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary John Genter and seconded by Secretary Ron Meyer to approve the August 16, 2022 meeting minutes. The motion carried unanimously.

\*President Dennis Daniel moved to Item Nos. 8-12 at this time.

8. WHOLESALE RATE ADJUSTMENT BY WTCPUA

Bookkeeper Allen Douthitt received the wholesale rate notice from the WTC PUA. The District's monthly fee has been decreased but will go back up in one year. President Dennis Daniel attended that WTCPUA meeting whereby they discussed the rate study.

9. FINANCIAL REPORTS AND REQUEST FOR AUTHORIZATION FOR PAYMENTS OF BILLS

Bookkeeper Allen Douthitt discussed the financials with the Board. The District's budget year to date looks good and wastewater treatment plant maintenance is on budget for the month. President Dennis Daniel noted that year to date, plant repairs are over budget. After discussion of the financials, President Dennis Daniel entertained a motion. Motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John Genter to approve payment of the invoices and per diems and authorize fund transfers as discussed. The motion carried unanimously.

10. PUBLIC HEARING ON TAX RATE

President Dennis Daniel opened the public hearing on the tax rate. Hearing no comments, the public hearing was closed.

11. ORDER ADOPTING BUDGET FOR 2022/2023

12. ORDER APPROVING THE DISTRICT'S APPRAISAL ROLL AND SETTING THE DISTRICT'S TAX RATE FOR 2022

Items 11 and 12 were discussed together.

Financial Advisor Garry Kimball discussed the District's proposed tax rate. The tax rate has been reduced by \$0.14 from last year. The allocation of the tax rate is \$0.45 for debt rate and \$0.2350 for O&M, for a total tax rate of \$0.6850 per \$100 of assessed valuation. Financial Advisor Garry Kimball has no suggested changes from the published notice.

Bookkeeper Allen Douthitt discussed the District's proposed budget and the updates from the committee and consultants. The wastewater treatment plant improvements line item shows \$190,000. President Dennis Daniel asked for a breakdown of those charges. Bookkeeper Allen Douthitt presented backup information on those charges between non-routine and routine maintenance as provided by Murfee Engineering and Inframark. President Dennis Daniel thanked the budget committee for their work. Bookkeeper Allen Douthitt continued to discuss the key assumptions and reserve analysis in connection with budget. President Dennis Daniel asked in the future for a "Target" heading under the Reserve Analysis. President Dennis Daniel would like to see the District be conservative and build its reserve back up. Assistant Secretary John

Genter thanked Bookkeeper Allen Douthitt for all his responsiveness to the committee and his hard work on the budget.

After discussion of the budget and tax rate, President Dennis Daniel entertained a motion on the budget. Motion was made by Assistant Gary Grass and seconded by Assistant Secretary John Genter to approve the budget as presented which included moving \$10,000 from water to wastewater under routine maintenance line item. The motion carried unanimously.

President Dennis Daniel entertained a motion on the tax rate. Motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to adopt the Order Approving the District's Appraisal Roll and Setting the District's Tax Rate for 2022 with a total tax rate of \$0.6850 and allocated as \$0.45 for debt rate and \$0.2350 for O&M. The motion carried unanimously.

5. DEADLINES FOR SUBMISSION OF MATERIAL FOR BOARD CONSIDERATION

President Dennis Daniel discussed the deadlines for submission of material for Board consideration. All backup material for the agenda package should be submitted by noon on Thursday, the week before the board meeting. This timing will allow for the agenda package to be completed and provided to the Board and consultants for adequate review prior to the Board meeting. The Board should review the material prior to the Board meeting so that the Board can go directly into questions at the meeting. The Board should also include any backup that they have for the agenda package as well. This should allow the Board meetings to run smoothly. Attorney Bill Flickinger indicated that if material does not get included in the package, it will not be addressed unless it is an emergency.

6. DEVELOPER'S REPORTS AND REQUESTS FOR ACTION

- a. Hays Reunion Ranch LP building forecast
- b. Taylor Morrison
  - i. Conveyance of directors' lot

Jeniffer Concienne reported that Frank Krasovec has sold all his lots in the Reserve and that Mr. Krasovec's attorney is making sure things have been transferred to the HOA. He also expects Heyl Homes to sell out by the year end or shortly thereafter. President Dennis Daniel asked attorney Bill Flickinger to contact attorney Bill Bryant on details of the conveyance of areas to the Reunion Ranch HOA. Attorney Bill Flickinger will request that the conveyances have the same requirements as the other deeds to Reunion Ranch HOA.

Attorney Bill Flickinger reported that the conveyance of the directors' lot is still pending. Once he receives the recorded deed from Taylor Morrison, he will notify the Board.

7. ANNUAL INSURANCE RENEWAL WITH AJ GALLAGHER

The insurance proposal has not yet been received. Once it is received, Jeniffer Concienne will forward it to the committee for review prior to the October board meeting.

13. AMENDED INFORMATION FORM

Attorney Bill Flickinger reported that by statute, the District's Information Form will need to be updated any time that the District's information changes, such as the tax rate. Attached to the Amended Information Form is a Notice to Purchaser that will also be updated with the new tax rate. After review, motion was made by Assistant Secretary John Genter and seconded by Secretary Ron Meyer to adopt the Amended Information Form and authorize the filing with the Hays County Clerk and TCEQ. The motion carried unanimously.

14. ITEMS FROM THE BOARD

- a. Requests for common area modifications
- b. Drought Stage
- c. Variances to Drought Contingency Plan requirements
- d. Committee Reports
  - i. Communications
  - ii. Utility Operations
  - iii. Land Use & Water Quality
  - iv. Finance, Budget & Audit
  - v. Water Conservation & Drought Management
  - vi. Operations Contract Review
  - vii. Wastewater Effluent Reuse

Secretary Ron Meyer reported that he received three Applications from the HOA for modifications to common areas. At this time, the HOA is only exploring options and feedback for the requested improvements. The District will need to reject these Applications due to needing more information and feedback from Inframark and Murfee Engineering on location and functions. The Board then discussed each Application. The first Application AAC#1; Sports Court, was proposed to be in location that was on top of the drain fields. Engineer Andrea Wyatt will create bullet points on the issues to present to the HOA. After discussion, motion was made by President Dennis Daniel and seconded by Secretary Ron Meyer to reject Application AAC#1 Sports Court due to being a preliminary request. The motion carried unanimously.

There was discussion on Application AAC#2 Walking Trail. This location is proposed to be around the wastewater treatment plant and the odor control units. The area is also in a flood plain. Assistant Secretary Gary Grass noted that the District would not want crushed granite to wash off into Bear Creek. Engineer Andrea Wyatt will prepare bullet points for this request as well. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Secretary Ron Meyer to reject Application AAC#2 Walking Trail due to being a preliminary request. The motion carried unanimously.

Lastly, there was discussion on Application AAC#3 Splash Pad. This location will be near the park. The TCEQ regulates water features. The HOA should hire an environmental engineer to check to see if the features can be installed. Engineer Andrea Wyatt will prepare bullet points for this request too. After discussion, motion was made by Secretary Ron Meyer

and seconded by Assistant Secretary John Genter to reject Application AAC#3 Splash pad due to being a preliminary request. The motion carried unanimously.

Assistant Secretary Gary Grass discussed the District's current drought stage. The WTCPUA updated its Drought Contingency Plan again. The WTCPUA took out its Stage 5. The District is in Stage 2 of its Plan. Notice has been provided, is shown on the District's website, and posted signs within the District. President Dennis Daniel reported that he attended the WTCPUA meeting, and they aligned the Drought Contingency Plan with the LCRA's requirements. The Plan is now based on raw water, transmission, storage and treatment. After discussion, Assistant Secretary Gary Grass recommends leaving the District in Stage 2. Vice President Terri Purdy agrees. No further action is needed at this time.

There were no variances to consider in connection with the Drought Contingency Plan.

Vice President Terri Purdy discussed communications. She is working with Sommers Marketing on website changes and the possibility of generic emails for all the Board.

Assistant Secretary Gary Grass discussed the Flume Project information with the Board. He will continue to gather additional documentation and bring it back to the October board meeting.

Assistant Secretary John Genter reported that he reviewed the Murfee Engineering Amendment proposal. He believes the increase request is reasonable. Assistant Secretary John Genter will also be reviewing the Inframark contract with Manager Ronja Keyes.

President Dennis Daniel discussed the Wastewater Effluent Reuse between the District and HOA.

15. ENGINEER'S REPORT AND REQUESTED APPROVALS

- a. Wastewater treatment plan
  - i. Wastewater Flows and Trends
  - ii. Odor Control Update and Recommended Improvements
  - iii. Noise Issues and Abatement Options
  - iv. Effluent Irrigation Improvements and Authorizations
    - 1. LCRA Grant extension
- b. Water Supply and Distribution System Update
- c. Stormwater and Water Quality System Update
- d. Emergency Management Plan(s)
- e. Long-term Improvements and Asset Management Plan
- f. Approvals Related to Ongoing Construction Contracts
- g. Approvals to Upcoming Construction Contracts

Engineer Andrea Wyatt discussed the Engineer's Report as included in the agenda package.

The updated figure tracking wastewater flows was included in the Engineer's Report. The flows are down a little this period.

Once again, the odor at the WWTP has been minimal since the new treatment system became operational. MEC has made regular site visits to evaluate odors. The roll-up covers on the dumpsters are functioning. However, the recent rains caused pooling and sagging on the cover. If the cover fails, the District can get a different cover from DumpsterGuard. Engineer Andrea Wyatt discussed an additional quote for the concrete slab, including a curb for the dumpster to sit on. JFB Concrete Inc estimated a quote of \$10,500. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary John Genter to approve the quote from JFB Concrete Inc, not to exceed \$12,000. The motion carried unanimously.

In regard to the noise issues with the odor control unit, Engineer Andrea Wyatt reported that the manufacturer visited the site and agreed that the noise emanating from the unit was unusual. The representative installed temporary insulation around the unit. The sound enclosure on the non-operating blower was taken back to the shop to make modifications to improve the noise reduction. As of today, they are still modifying the sound enclosure. Engineer Andrea Wyatt should get an update at the end of the week. Murfee Engineering has provided an update to the residents on this issue.

The required effluent sampling came in under the permit limits. There was an issue with one of the e. coli samples, but she believes it was a lab issue or contaminated sample.

Engineer Andrea Wyatt reported that she met with the committee on the Wastewater System Emergency Response Plan. She hopes to have a draft by the end of the year. President Dennis Daniel asked if she could have a synopsis by the October/November board meeting to discuss with the Board. Attorney Bill Flickinger advised that the discussion will be held in closed session due to the confidential nature of the plan.

Engineer Andrea Wyatt reported that several items in the long-term improvements and asset management plan were updated and included in the District upcoming budget.

Engineer Andrea Wyatt presented the Engineering Services Agreement Amendment No. 2. The rate change went from a flat rate to an hourly, plus projects/material basis. After discussion, motion was made by Assistant Secretary John Genter and seconded by Assistant Secretary Gary Grass to approve the Engineering Services Agreement Amendment No. 2 as submitted. The motion carried unanimously.

16. OPERATIONS AND MAINTENANCE REPORT AND REQUESTED APPROVALS

- a. Administrative
- b. Wastewater treatment plant and effluent subsurface irrigation
- c. Wastewater collection system
- d. Water distribution system
- e. Stormwater conveyance and pond maintenance
- f. Customer matters, complaints, reports and updates

- g. Customer billing and delinquencies
- h. Authorizations for expenditures related to contracts, repairs, replacements, operation improvements and maintenance

Manager Ronja Keyes discussed the Executive Summary.

In connection with the WWTP & Effluent Subsurface Irrigation, the plant is running at 70% capacity. The District's total flows were 1.72 MG, which averages 55,700 GPD. Inframark provided scheduled preventative maintenance for the CL2 system. Manager Ronja Keyes discussed the inspection of the irrigation fields. It was noted that the fields are becoming worn due to volleyball use. President Dennis Daniel stated that the field may need to be blocked off for a while due to the wear on the fields. Vice President Terri Purdy advised that the residents prefer a location for volleyball with permanent poles.

The water accountability for August came in at 95%. Manager Ronja Keyes reported on the 2" irrigation meter on Reunion Ranch Boulevard. Due to usage not being accounted for, the meter was replaced. If that use had been accounted for, the accountability probably would have been 98%. President Dennis Daniel would like to see the accountability at 98%. If the District cannot achieve that percentage, then the issue needs to be discovered as soon as possible. There was also a small water leak at a construction site on Delayne Drive, which has been repaired.

Manager Ronja Keyes discussed the history and prior leak adjustment for a resident on Delayne Drive. The owner has requested an additional two-month water adjustment and a sewer adjustment. President Dennis Daniel advised that he reviewed the prior adjustment. The adjustment is requested due to an autofill line leak. After discussion, motion was made by President Dennis Daniel and seconded by Assistant Secretary Gary Grass to approve the additional leak adjustment plus sewer adjustment as requested. The motion carried unanimously.

Going forward the Board discussed a proposed change to the rate order for a 3-month leak adjustment period for a rolling year. This will be discussed more at the October board meeting.

17. ATTORNEY REPORT AND REQUESTED ACTIONS

- a. Rate Order
- b. BLX Arbitrage Rebate Review Report; Unlimited Tax Bonds, Series 2017

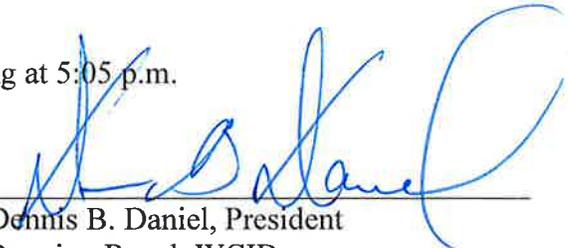
Attorney Bill Flickinger reported on the changes to the Rate Order. This project is not yet complete. President Dennis Daniel would like a new outline for the Rate Order as well as language on a leak adjustment policy. This item will be brought back to the October board meeting for consideration.

Attorney Bill Flickinger reported on the BLX Arbitrage Rebate Review Report for the District's 2017 bond issue. The bond issues are on a five-year cycle for arbitrage review. BLX will review the information and look for any arbitrage issues. The report for the 2017 bond issue came by clean. The District is not allowed to make money on its bond issues. After discussion, motion was made by Assistant Secretary Gary Grass and seconded by Assistant Secretary John

Genter to accept the Arbitrage Rebate Review Report submitted by BLX. The motion carried unanimously.

18. ADJOURN

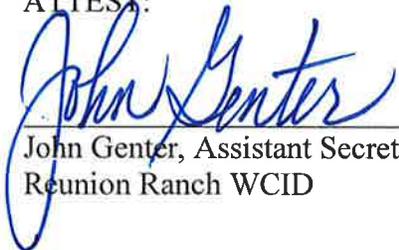
President Dennis Daniel adjourned the meeting at 5:05 p.m.



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Dennis B. Daniel, President  
Reunion Ranch WCID

ATTEST:



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John Genter, Assistant Secretary  
Reunion Ranch WCID

[SEAL]